

WEEKLY

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VOL. 16, NO. 14

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**FCC HAD ALTERNATIVES TO FV:** Documents subpoenaed for L. A. trial disclose proposed inquiry & rulemaking orders had been drafted. Policy statement would have FCC reach 'outer constitutional limits' with 'more active role in program content.' (P. 2)

**TV VIOLENCE LEVELS** are found unchanged over-all in 7th annual violence profile, though FV violence is down. CBS calls profile 'fallacious.' (P. 3)

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**CATV REBUILD, RATES, STANDARDS:** FCC grants 10-year delay in channel & access requirements, exempts under-3,500 systems altogether. Rate inquiry called pure 'fact gathering.' Several technical-standard changes proposed. (P. 5)

**PRESIDENT FORD MEETS** with regulatory agency heads April 8 to survey progress on cutting govt. red tape. (P. 6)

**PAY CABLE ANIMATES NCTA CONVENTION:** Silver Anniversary of NCTA, as it meets in Dallas this week, finds industry in upbeat mode again after several years of over-optimism and frustration. Pay cable is the prime stimulus, of course—accelerated by mushrooming earth terminals—but several successes at Washington regulatory level have contributed strongly to picture. These include FCC actions late last week—easing '77 rebuild, proposing some less stringent technical requirements, starting rate inquiry, fighting N. Y. state efforts to regulate pay cable (see p. 5).

NCTA hq staff was tickled by advance registration and exhibitor participation. Convention income was budgeted at \$413,000, and that was more than covered by "the strongest advance registration in years" plus payments for 40,000 sq. ft. by 130 exhibitors.

Agenda includes contingent of top non-industry names: FCC Comrs. Wiley & Hooks (Washburn also will attend); Cable Bureau Chief David Kinley; Rep. Moss (D-Cal.); OTP's Thomas Keller & Robert Ross; Jonathan Rose, Justice Dept.; Time Inc. Chmn. Andrew Heiskell; ex-SAG Pres. Dennis Weaver; Columbia Pictures Pres. Alan Hirschfield; Corinthian Bcstg. Chmn. Wrede Petersmeyer; ex-Tex. Gov. John Connally; MPAA Pres. Jack Valenti; Madison

### Consumer Electronics

**CB INDUSTRY SAYS 10-4** to PC-76, Las Vegas show overcoming obstacles to establish self as hit, with attendance of nearly 9,000. (P. 8)

**ITC WIDENS PROBE** of possible unfair practices by Japan TV producers, launching formal inquiry into Sylvania charges, studies need for 2nd investigation to cover other companies & actions. (P. 9)

**RECORD COLOR IMPORTS** reported in Feb. as shipments from Japan leaped 5.5 times level of same 1975 month. (P. 9)

**30" COLOR TUBE** announced by Sony for fall marketing in Japan in TV set at \$5,000, monitor at \$3,300. GE explores consumer Lightvalve projection TV. Advent offers kit for 6-x-8-ft. picture. (P. 10)

**NEW CB CHANNELS** coming, govt. spokesmen insist at PC-76, but interference poses serious problem. FCC proposes CB receiver certification plan, changes in TV & FM certification. (P. 11) New CBs. (P. 12)

**NARDA TO OFFER** dealers 3-year extension on picture tube warranties, private-label audio component line. Speakers attack domestic manufacturers. (P. 12)

**IMPORT IMPACT AID** cleared by Labor for Sylvania receiving tube workers. New probes opened for employees at RCA, Sylvania, Magnavox. (P. 13)

Square Garden Pres. Michael Burke, CBS's Mike Wallace, new SAG Pres. Kathleen Nolan. Rep. Macdonald (D-Mass.) canceled because of illness; Sen. Hartke (D-Ind.) also withdrew.

Wiley's speech will check off Commission actions, give "realistic" evaluation of cable's prospects. NCTA Pres. Robert Schmidt will offer NAB "olive branch," seek to resume dialog with broadcasters, at same time saying industry won't be intimidated by "scare tactics." He'll examine pole attachments, EEO, pay cable, copyright, etc.

Convention will feature several pay-cable sessions, EEO, plus customary panels on major nuts-&-bolts issues: Regulation, legislation, copyright, financing, credit, operational problems, pole attachments, privacy, news & politics originations, future services, etc. Engineering sessions will be most sophisticated yet.

NCTA officials were nervous last week when House Copyright Subcommittee announced it would resume marking up copyright bill April 7, last day of convention. They're hoping Subcommittee won't get to cable section until April 8 or next week.

\* \* \* \*

Our traditional top-50 tabulation is again included in Special NCTA Convention Supplement, and it shows that group serving 7,418,716 subscribers. It's worth noting that top 50's percentage of nation's total subscribers has hung in very narrow range—66-68% of total over last 4 years at least.

Miles of plant planned by top 50 in next 12 months is 11,708. Operators are incurable optimists, however. Last year, they said they planned 15,801 new miles, actually achieved 7,846. They did better preceding year, increasing 17,050 miles of planned 20,712. New feature in Supplement is directory of cable earth terminals—listing all licensed, granted or applied for—first such directory ever compiled. Also included in Supplement are directory of FCC Cable Bureau and key statistics of industry—year-by-year growth, channel capacity, originations, breakdown by size.

**FCC HAD ALTERNATIVES TO FV:** First Amendment phase of family viewing (FV) trial starts April 6 in L.A. before Judge Ferguson, and internal documents furnished by FCC reveal several drafts of notices of inquiries & proposed rulemakings had been prepared within agency before incorporation of FV into NAB Code (Vol. 15:15 p2). For instance, undated 6-page policy statement outline concludes:

"Should the self-regulation efforts prove to be unsuccessful, the Commission may have to investigate rules which reach the outer constitutional limits and encompass a more active FCC role in program content." Memos & proposals were drafted in fall 1974 and none went beyond FCC Chmn. Wiley's office.

Then OPP Chief Werner Hartenberger proposed Oct. 4 that Commission hold expedited inquiry (less than month for comment) on violence & obscenity followed by 2 "blue-ribbon" panel discussions. Panelists would have been asked to respond to specific questions submitted by FCC. He also suggested policy statement emphasizing govt. "jaw-boning" and self-regulatory efforts to eliminate "gratuitous violence and indecent programming" when children are watching TV. "A firmer stance would advise licensees that their efforts in this area would be reviewed at renewal time," Hartenberger wrote.

Four days later, Asst. Bcst. Bureau Chief Paul Putney wrote Wiley that "greater thought & care" should be given subject than would be possible under OPP plan. Also, he said, "a stronger initial document [by FCC] will provide a greater likelihood of successful self-regulation." Over next several weeks, Putney submitted several proposals with following points:

(1) Require announcement of "violence rating" for each program; ratings would be determined by non-govt. entity. (2) Prohibit any program containing "an excessive amount of fictionalized violence" before 10 p.m. Such a program was defined as one "containing that amount of violent dramatization which a viewer of average intelligence & sensitivities would find excessive." (3) Require TV stations to air specific programs intended to encourage "pro-social behavior patterns."



Subpoenaed documents also included staff memo on Dec. 10-11 meeting of FCC officials (Wiley wasn't there) with network execs. in N.Y. Wiley aide Lawrence Secrest told networks Wiley wanted them to issue joint policy statement on sex & violence, schedule all shows containing such materials after 9 p.m. and to carry advisory adjacent to any program unsuitable for children. FCC memo said "the CBS staff members reflected an attitude quite difference [sic] from that expressed by [CBS Pres.] Arthur Taylor in his meeting with [Wiley] on Nov. 22." According to memo, one CBS official said "it is appropriate to assume that violence is not a serious problem. We were able to quote him the exactly opposite statement from Mr. Taylor."

Network execs. at meeting also discussed shows that would cause trouble if Secrest proposals were adopted: ABC—"\$6 Million Dollar Man," "Rookies," "Kolchak," "Night Stalker," "Kung Fu," many movies. CBS—"Kojack," "Gunsmoke," "Mash," "Khan," "All in the Family." NBC—"Adam 12," "Emergency."

First several days of trial—expected to last 4-6 weeks—will be taken up by reading into record thousands of pages of depositions. Judge has ordered submission of written briefs 30 days after trial, oral argument 30 days later; this would delay decision until late summer. This means, according to parties to case, that TV again will be operating under FV in fall regardless of how judge rules.

Among witnesses for plaintiffs (Tandem Productions & Writers Guild of America, West) are ex-FCC Gen. Counsel Henry Geller, ex-FCC Comr. Nick Johnson, SAG Pres. Kathleen Nolan, ex-N.Y. Times critic Jack Gould, Barry Cole (under subpoena)—who was FCC consultant at time of FV negotiations and participated in them—Norman Lear and several other producers & writers. Defense witnesses will include Wiley and several FCC staffers; network presidents and other execs.; NAB's Chmn. Wilson Wearn, Pres. Vincent Wasilewski, Gen. Counsel John Summers and several past & present dirs. and Code Board members.

**'VIOLENCE LEVELS UNCHANGED'—GERBNER:** Despite "a definite drop" in network TV violence during family viewing (FV) hour, there has been "no significant reduction" in over-all violence levels, according to 7th annual violence profile prepared for NIMH by U. of Pa.'s Annenberg School of Communications.

Claiming that index represents "clear manifestations of what network programmers actually do as compared to what they say or intend to do," report concludes that "it is safe to say that network policy seems to have responded in narrow terms, when at all, to very specific pressure, and only while the heat was on."

Based on research carried out under direction of Annenberg Dean Dr. George Gerbner, report specifically finds: (1) For FV period, there's been "little change" over last 2 years for ABC & NBC, while CBS showed "substantial reduction" 2 years in row. (2) Late-evening violence "shot up" on all 3 networks in last 2-3 years (with "minor dips" on CBS & ABC in 1975). (3) Weekend daytime (children's) programs "became more violent on ABC & NBC."

Among other findings, researchers report (as in earlier years) that: (1) Women, old, married, lower class, foreign and/or non-white characters are more likely to be victims than victimizers. (2) Heavy TV viewers, both child & adult, "significantly overestimate the extent of violence & danger in the world."

CBS—which fared comparatively well—was only network to issue definitive comment on findings, calling them "fallacious." CBS said its own research found that network prime time violence was down 24% over last year, with CBS down 36%. Vp-Chief Economist David Blank told us difference in results primarily was due to fact that Gerbner researchers sample only single week of programming vs. 13 weeks by CBS (Vol. 16:9 p6). "The Gerbner Index is a measure in which I have no confidence," he told us. "It is an arbitrary measure." Gerbner said he thought major difference in results was because CBS chose definition of violence "most favorable to them... They exclude all humorous violence."

Reaction from Congress was cautious. Most congressmen & senators we contacted asked for time to examine report before commenting. Two exceptions were House Communications Subcommittee's Macdonald (D-Mass.) & Murphy (D-N.Y.). Macdonald said that network efforts

to reduce violence were "dismal," that FV was merely "an excuse to increase violence at other times." Murphy said report "proves...the family hour is a fraud—an excuse to overload the subsequent prime-time shows and Saturday viewing hours with unfettered murder & mayhem."

**CABLE IMPACT DETAILED:** Broadcasters have furnished statistics to FCC, asserted they document cable's harm to stations. NAB research dept. has summarized extent of audience loss by stations in several markets, by comparing cable and non-cable homes.

For 8 small markets, according to ABC data, audience loss in cable homes averaged 46%: WCJB Gainesville, 23%; KCTV San Angelo, 33%; WLFI-TV Lafayette, 40%; KOAI Flagstaff, 65%; KNOP-TV N. Platte, 56%; KGNS-TV Laredo, 56%; KTCM Helena, 43%; KXGN-TV Glendive, 54%.

In 2 medium-size markets, according to CBS data, loss ranged from 17% in Quad Cities to 21% in Tulsa, both markets where cable systems have started up since 1972 FCC Report & Order. Summary adds that imported independents "did as well in the cable households as they did in their home markets."

Audience loss is "particularly severe" in early fringe time, NAB states, when 25% of stations' revenues are generated. For example, in Kern County (Bakersfield), Cal., audience loss was 63%; in Ogle County (Rockford), Ill., 56%; Lubbock County (Lubbock), Tex., 55%; Riverside County (Palm Springs), Cal., 74%, for average 62% loss in cable homes.

"Cable can have a disastrous effect on a UHF's audience," according to NAB, which notes that audience losses are particularly significant for all-UHF markets such as Bakersfield and Palm Springs. ABC data are cited to show that in Palm Springs, loss of audience is "well over 40%" for total day. In intermixed markets, cable's impact is greater on U's than on V's, according to NBC data, which show that for Rockford, VHF audience loss in early fringe is 48%, UHF loss is 70%, while for Lubbock, VHF loss is 51%, UHF loss 72%.

Summary concludes that because of audience losses, some of stations cited are presently losing money while others "can expect to lose money as cable penetration increases and a larger share of their potential audience views imported signals."

Report contrasts with situation in San Diego, where UHF leads 2 VHF's in ratings, despite fact that market has nation's largest cable system (Vol. 16:13 p3). Cable operators claim UHF lead is attributable to cable carriage.

**Public Interest Satellite Assn.** has been formed as non-profit organization by Andrew Horowitz (ex-Network Project) & Bert Cowlan (communications consultant) to represent such groups as NOW & ACT before FCC, to get space on satellites. States introductory brochure: "The ultimate determination of what people's needs really are and how they can & should be met by satellite communications is not a matter to be left in the hands of govt., technicians & commercial interests alone."

**Cable will be "the salvation"** for candidates in local elections, according to Sam Zelman, WMAL-TV Washington news dir. During Washington Press Club panel discussion on "selling" of political candidates, Zelman said that while TV does good job covering presidential and congressional campaigns, "local politicians are almost universally dissatisfied with the kind of coverage TV gives them." He advised candidates' campaign mgrs. to get candidate involved in "legitimate news events" to obtain TV coverage, and to avoid such activities as "going down to the railroad tracks to talk about federal funding for railroads." Democratic National Committee broadcast consultant Al Vecchione said he's streamlining national convention to improve public understanding of political processes while avoiding "gimmickry" (Vol. 16:10 p.4). Republican National Committee Communications Dir. Norman Bishop estimated that "more votes have been lost because of political TV ads than have been won," said RNC is testing various types of TV ads to see which "actually say what they're meant to."

**Satellite Network Services**, TransCommunications subsidiary, announced first 3 affiliates in its satellite "network": UA-Columbia, Ft. Pierce & Vero Beach, Fla.; Oyster Bay, Long Island; Frontier Bcstg., Cheyenne, Wyo. Network will provide national marketing & sales organization for use of excess satellite channels on each firm's earth station, also will build and operate own earth stations in areas where none exists.

**Earth station grants** for cable: Aurora & Belvidere, Ill.; Berlin, Md.; Lincoln, Neb.; Manahawkin, N.J.; Hookstown, Pa.; Superior, Wis. Applications filed: Lamont, Cal.; N. Branford, Conn.; Buffalo, N.Y.; Brookfield, Wis. (For details of foregoing, see CATV Addenda herewith. For details of all previous grants & applications, see Special NCTA Convention Supplement.)

**Teleprompter reports** reaching 100,000 pay-cable subscribers—among 490,000 to whom service is available. Company has 13 earth stations, plans 13 more by mid-year when it will offer pay TV to 920,000 of its 1.1 million subscribers.

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Copies of all Television Digest Inc. publications—including Special NCTA Supplement, Television Factbook, CATV Atlas, etc.—are available at our hospitality suite, 1104, Statler Hilton, phone 747-2011, and at our Exhibit Booth 907. Also available for discussion and analysis are samples of our unique Factbook Research Inc. computerized printouts of cable studies commissioned by major industry & govt. clients. In attendance at convention: Mila Albertson, Paul Levine, Tack Nail, Ed Sellers, Al Warren.



**CATV REBUILD, RATES, STANDARDS:** FCC pumped out several gifts to cablemen late last week, furnishing grist for lively NCTA convention speeches & panel discussions—all much as forecast:

(1) Delayed until 1986 most "1977 rebuild" requirements for systems larger than 3,500, exempting systems under 3,500 from all channel-capacity and access rules and eliminating some requirements for all systems, regardless of size. (2) Started inquiry on rates—with ample assurance that Commission doesn't intend to start regulating rates. (3) Proposed several changes in technical standards.

Changes in rebuild requirements include: (1) Delete requirement that major-market systems provide one non-broadcast channel for each channel carrying a station. (2) Apply channel-capacity & access rules to all over-3,500 systems, whether in or out of major TV market. (3) Apply access rules on headend or conglomerate basis, not on community basis. (4) Delete requirement that pre-1972 systems provide 4 dedicated access channels, and delete requirement that post-1972 systems start with such channels. (5) Require 4 access channels only for systems with "sufficient activated capability... and where demand for full-time use has been made." Those without such capability must provide one "composite" access channel if "technically possible." Installation of converter not required to meet access needs. (6) Two-way capacity required of all over-3,500 systems, but none need rebuild (before 1986) solely to provide that capacity. Hooks, dissenting in part, said 10 years is too long, while he & Washburn said 3,500-subscriber cutoff is too high.

Announcing rate inquiry, FCC protested vehemently that it doesn't intend to regulate rates, will

**Lawson Assoc.** has been formed by Ken Lawson, ex-Telemation, will be national rep for System Concepts (character generator displays), Channelmatic Electronics (video cassette programs, etc. for pay TV) and SSC Corp. (programmable interfaces). Address: 69 W. Truman Ave., Salt Lake City, Utah 84115, phone 801-486-2046.

**Illegal pay cable** converters will be repurchased by supplier Harrisburg (Pa.) Radio Lab Supply at \$90 retail price, under agreement between supplier and Pa. Bureau of Consumer Protection, which charged that converter sale violated regulations against theft of services.

**Time Inc.** "developmental activities"—Home Box Office and cable operations—increased revenues to \$16.2 million in 1975 from \$7.1 million preceding year, while losses dropped to \$8.2 million from \$8.7 million. Manhattan Cable "finally reached break even," according to annual report.

**CATV converters** would be subject to radiation requirements—with system operators responsible—under proposals issued by FCC, affecting variety of devices, particularly CB (see p. 11).

**ITT enters cable earth** station business, will announce \$65,000 package, including complete financing, at NCTA convention.

leave that to state-local bodies, is only gathering data to be helpful to state-local authorities. Commission seeks data on rate changes in last 5 years, delays & costs involved in rate cases, subscriber reaction to increases, systems which haven't sought increases, systems with uncontrolled rates, rate impact on system growth, etc. "Let us be clear," Commission said, "that the Commission contemplates no federal pre-emption of the local regulation... and no regulation of subscriber rates by the federal govt." Comr. Robinson, in separate statement, was skeptical: "Experience teaches that formal Commission inquiries are seldom purely fact-finding expeditions with no expectation or design for regulatory action... I cannot ignore the fact that this inquiry had its genesis in petitions by some cable interests for federal pre-emption..." Comments are due June 7, replies July 7.

Changes in technical standards proposed by Commission include: (1) "Cable systems would be described in terms of electrically and mechanically continuous closed or shielded transmission paths." (2) Pending rulemaking, systems can make measurements under either existing or proposed rules. (3) Relaxing frequency tolerance for signals received from translators. (4) Converter stability of + 250 kHz would be maintained, though FCC is open to suggested changes. (5) Make clear that signal-to-noise ratios apply to signals obtained by direct connection with stations. Comments are due May 13, replies May 24.

Commission has instructed gen. counsel to jump in immediately, intervene against N.Y. state, when cable systems go to court to block state's attempt to regulate pay-cable operations—expected this week.

**Warner Cable reports first profitable year** in 1975—with pre-tax income of nearly \$2 million vs. deficit of \$7.3 million in 1974. Revenues were \$38 million, up 24%. Improvement is attributed to cost reductions and rate increases—latter affecting 95% of company's 532,400 subscribers (as of Dec. 31).

**"Cable TV: Strategy for Penetrating Key Urban Markets,"** by U. of Mich. Mktg. Prof. James Scott, discusses economic, programming & marketing aspects. Book is available for \$5.50 in paperback from U. of Mich. Graduate School of Business Administration Research Div., Ann Arbor.

**Time Inc. is "unhappy"** about softcore porno "Midnight Blue," carried on its Manhattan Cable access channel—but can't do anything about it—Time magazine states in current cover article "Porno Plague." Magazine says govt. won't permit cable operator to control content of access channels.

**Federal Cable Authorizations** has been formed by David Schulz, ex-FCC Cable Bureau analyst, to assist CATV operators in filing applications for certificates of compliance: 1728 S St. NW, Washington, D.C. 20009, phone 202-483-6139.

**Trans-World Communications'** Las Vegas film-to-videotape duplicating facility will be equipped with \$500,000 in IVC equipment.

**Master plan** to assign frequencies for all known & proposed ancillary TV services is being considered by Joint Committee on Intersociety Coordination (JCIC), SMPTE Vp Chmn. Blair Benson told NAB engineering session. Already authorized by FCC or in process of rulemaking or advanced planning, he noted, are vertical interval signals for testing, network identification, captioning & remote control of transmitters. He said committee foresees allocation of space for teletext services, program ID and pulses to reduce or eliminate ghosting. JCIC study of TV sound, he said, has found that intercarrier buzz is worse in new TV sets using synchronous detectors. Field tests will determine whether higher subcarrier deviation should be authorized to improve signal-to-noise ratio, provide possibility of 2nd audio channel. He added that AT&T's tests of duplexed audio so far have been unsuccessful over long hauls because of number of repeaters involved, but duplexing has succeeded in satellite transmission. He said SMPTE will present detailed report on color uniformity study June 17 at Chicago Spring Conference.

**"To totally do its job,"** FTC would need to double budget (\$52.9 million requested for fiscal 1977), according to Acting Chmn. Paul Rand Dixon. He told House Appropriations Subcommittee that staff turnover is so rapid that "we've gotten to the point where we've got to think about contracting out some of our major cases." He said this might cost govt. less, take less time, ease management burden. Rep. Early (D-Mass.) said FTC continually studied problems, never acted. "That's the American philosophy of govt.: 'Look back and find someone to blame,'" Early charged. Replied Dixon: "If you try to solve things through legislation, you'll find out where the power is in this country."

**"We're looking a long way down the road—principally news & public affairs"—**King Bcstg. Pres. Ancil Payne said in disclosing top-rated KREM-TV Spokane is shifting affiliation from ABC to CBS. Move came after CBS canceled affiliation with KXLY-TV, effective Aug. 19, several weeks ago for preempting too many network shows. CBS official said KXLY-TV action wasn't meant as warning to stations in markets where there are independent VHF's—as many CBS affiliates speculated at NAB convention. Payne is chmn. of NBC Affiliates Board, pres. of KING-TV Seattle.

**Flushed with 11th straight week as prime-time leader,** ABC-TV last week became first network to announce fall schedule. It will introduce 9 new shows—4 comedy, 3 dramatic, 2 variety. For week ended March 28, ABC led 5 nights, had all of top 5 shows.

**RCA's 2nd satellite—**Satcom II—was launched March 26 from Kennedy Space Center. When operable in June, it will double RCA's satellite capacity to 48 channels. Satcom I was launched last Dec.

**"Folies Bergere,"** 90-min. taped performance from Tropicana, Las Vegas, will be offered by Home Box Office April 23, 24 & 27.

**President Ford will meet** representatives of 10 regulatory agencies April 8, with goal of decreasing govt. regulation. However, Administration effort to push cable deregulation is dead for 1976, according to Administration sources. Meeting with Ford will be chairman and one commissioner from each agency, including FCC & FTC. Meeting will cover agency plans to cut red tape, rather than Administration's legislative proposals, according to session organizers. Meeting will be closed to public. As for cable (Vol. 15:40 p3 et seq.), possibility of either legislation or "White Paper" being submitted by White House to Congress this year apparently is nil. "There's a great deal of caution involved," said one White House task force member. "It's too sensitive in an election year." Another called Administration's cable activity "inert."

**Following pressure** from Congress, NBC-TV sold Republican Presidential candidate Ronald Reagan 30-min. prime time March 31; all 3 networks at first had turned Reagan down. Newest Democratic hopeful Sen. Frank Church (Ida.) has asked 3 networks to sell him 30 min. for "a live address on matters of critical importance to the people of our nation." In turning Reagan down, CBS Pres. Arthur Taylor said network would sell only min. & 5-min. periods before conventions, will make 30 min. available after party candidates have been picked. In wire to FCC, Reps. Macdonald (D-Mass.) & Moss (D-Cal.) charged networks' refusal to sell 30 min. is violation of "reasonable access" provision of Sec. 315.

**"Monumental question** of national significance"—subscription radio—is raised by application of Bi-Centennial Bcstg. Corp. for special radio station on 160 kHz to keep Washington visitors informed on Bicentennial activities, NAB told FCC in opposing request. Approval "could result in the practical establishment of a pay-radio service" without opportunity for comments, NAB said. It also was critical because listeners would have to buy special sets for \$7.95 which receive only 160 kHz. Washington Area Bcstrs. Assn. and NBC also have opposed application.

**"Good public service** is good business," FCC Comr. Quello told S. Cal. Bcstrs. Assn. March 26, urging broadcasters to get involved in community affairs. "Daily involvement with community affairs can... lead to a greater appreciation of what the broadcaster is trying to do as a good citizen... Those few broadcasters whose tunnel vision views only the bottom line contribute significantly to [public] stereotyping of all broadcasters."

**Stating it would be "inequitable"** to hold licensees responsible for indecent language broadcast in live on-the-spot news, FCC told RTNDA that Feb. 1975 censure of WBAI(FM) N.Y. for indecent programming (Vol. 15:7 p4) wouldn't apply to live news.

**NAB may shift 1977 convention** out of Washington because of shortage of exhibit space, fact huge equipment show must be split among 3 hotels. Exec. Committee will discuss situation April 6; among cities under consideration is Atlanta.



## Personals

NCTA's Larry Boggs Award goes to **Alfred Stern**, Warner Communications, at Dallas convention April 6; **Idell Kaitz** Award to Convention Chmn. **Beverly Land**, TeleCable.

**Stephen Nye** resigns from FTC, effective May 1, to enter private law practice; Republican Nye's resignation again reduces FTC membership to 3, following confirmation of Chmn. **Calvin Collier** (Vol. 16:12 p6); full complement is 5.

**William Barker** advanced to vp-finance & planning, CBS-TV Stations Div.; **James Bennett** advanced to broadcasting dir., WBBM-TV Chicago... **Charles Gerber**, ex-WMAQ-TV Chicago, appointed station mgr., WKYC-TV Cleveland.

**Dick Paul** promoted to pres. & chief operating officer, WITN-TV Washington, N. C... **Bob Hart** named interim chief operating officer, KMGH-TV Denver, replacing **Arthur Glenn**, who resigned in policy dispute... **Christopher Ridley**, ex-CBS-TV, named promotion mgr., WGBH-TV (ETV) Boston... **Harold Green**, ex-gen. mgr., WRC(AM)-WKYS(FM) Washington, appointed operations & engineering mgr., Kaiser Bcstg.

**William Coger** joins WCAU-TV Philadelphia as business affairs mgr... **Roger Adams**, ex-WLS-TV Chicago, appointed syndication sales mgr., Multimedia Program Sales (formerly Avco)... **John Auld**, ex-pres. of Philips Bcst. Div., joins Warner Cable as vp for management & control of operations... **Susan Kelley**, ex-press aide to Rep. Hughes (D-N.J.), named NCTA public affairs coordinator... **Lee Tenebruso**, ex-Teleprompter, joins Optical Systems' Channel 100 as PR services dir.

**Herbert King** advanced to sales mgr. in new Katz TV Jacksonville office.

**Complaint against CBS-TV News** by Roy Traband, Albuquerque, concerning documentary, "F. D. R.: The Man Who Changed America," was upheld by National News Council. Traband claimed that documentary made "monstrous error" depicting Gen. Douglas MacArthur & Maj. Dwight Eisenhower as responsible for killing Bonus Army marchers in 1932. Council found 2 marchers were killed by police, not troops.

**Informal discussion group** of Senate aides has been organized by Sen. Hart (D-Mich.) staffer Gerald Hellerman & Sen. Eagleton (D-Mo.) staffer Andrew Manatos to meet for luncheon on communications issues. Last week, aides of 22 senators attended briefing on cable & film industries by MPAA Pres. Jack Valenti.

**Federal Power Commission** became first major regulatory agency to open meetings to public. Commented FCC official: "Our time is coming, too... but we won't open our meetings until Congress passes a law."

**Advertisers spent record \$1.7 billion** (up 8.5%) on spot TV in 1975, according to TvB/BAR. P&G led list of 2,451 spot advertisers, spending \$99.9 million.

**Networks are exploring satellite** for TV & radio more actively than ever—following recent recommendation of FCC Common Carrier Bureau that AT&T be allowed increases to achieve 9.5% return. Recommendation would increase AT&T TV networking costs 62.4% to \$103 million yearly. Full-time commercial networks would go up only 5.1% to \$41 million, but part-time costs would rise 114.5% to \$36.9 million, and public TV costs would rise 307.5% to \$21.6 million. All radio networking, via AT&T, would rise 48.5% to \$31.8 million. Using satellite 16 weeks Sept.-Dec., one TV network saved \$110,000; another saved \$100,000 during same period; NBC has contracted with RCA for 5-hour TV service, expects to save \$400,000 this year. One radio network has contracted for N.Y.-L.A. service, looks for \$800,000 savings in a year. Network talks with satellite entities involve as many as 150 earth terminals.

**NBC management personnel** are maintaining major part of network schedule "despite extensive sabotage" at start of NABET strike March 31. Network said that over \$50,000 in damage was done to equipment (including destruction of 18 video playback-record heads), that \$60,000 in commercials were lost on evening news, \$46,000 on local WNBC-TV N.Y. news. NABET, which represents 1,700 NBC technicians & news writers, refused federal mediator's last-minute request that present contract be extended until May 1. Next talks are scheduled April 19 under auspices of Federal Mediation Board; both sides described disputed issues as "very complex."

**FCC has confirmed** reports that it issued instructions not to renew license of KORK-TV Las Vegas (Vol. 16:11 p2) and at same time ordered investigation "to attempt to identify the source of the 'leak' and to determine whether any Commission personnel may have been guilty of professional misconduct." Commission rejected KORK-TV's contention that station "had suffered prejudice amounting to legal error" because of leak. "Indeed, it is the Commission itself which is aggrieved by the unauthorized publicity."

**Economic Development Administration (EDA)** policy of refusing loans to cable systems with more than 3,500 subscribers is opposed by FCC Cable Bureau Chief David Kinley; EDA says systems that size are "broadcasting firms," and that loan therefore would involve "First Amendment". Kinley wrote Commerce official Wilmer Mizell urging reversal, noted that EDA gave loan to WNPE-TV(ETV) Watertown, N.Y.

**If FCC requires** TV stations to air one-hour public service shows weekly in prime time—as requested by NCCB & 21 members of Congress (Vol. 16:11 p6)—this would "gut the First Amendment," according to Sen. Proxmire (D-Wis.). He said that because of fairness doctrine, proposal would result merely in "an increase in bland programming that would neither provoke thought nor attract large audiences."

**"Squealer" is anti-theft** device for apartment TV distribution systems, offered by Toner Cable. Unit has 80-db horn activated when distribution cabinet is opened.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 19 (11th week of 1976):

	March 13-19	1975 week	% change	March 6-12	1976 to date	1975 to date	% change
Total TV. . . . .	219,031	199,764	+9.6	208,153	2,348,324	2,023,410	+16.1
color . . . . .	121,087	110,284	+9.8	117,154	1,382,328	1,134,425	+21.8
monochrome . . . .	97,944	89,480	+9.5	90,999	965,996	888,985	+8.7
Total radio . . . . .	578,030	485,237	+19.1	676,035	6,273,391	4,933,058	+27.2
home, portable . .	323,646	319,085	+1.4	444,943	3,624,463	3,310,143	+9.5
AM-only . . . . .	72,858	106,368	-31.5	97,010	734,711	1,080,678	-32.0
FM & FM-AM . .	250,788	212,717	+17.9	347,933	2,889,752	2,229,465	+29.6
auto . . . . .	254,384	166,152	+53.1	231,092	2,648,928	1,622,915	+63.2
Port.-comp. phono. .	39,690	60,140	-34.0	23,525	466,985	531,012	-12.1

Color TV 5-week moving average: 1976—130,521; 1975—113,961 (up 14.5%).

**CB INDUSTRY SAYS 10-4 TO PC-76:** First full-fledged CB show overcame last-minute chaos of Las Vegas strike and FCC delay on channel expansion to emerge as heavily attended hit. First-day attendance climbed to around 7,000, and EIA Communications Div. Staff Vp John Sodolski said total attendance for 3-day affair was just under 9,000.

Fear among manufacturers that strike by culinary workers—settled just 3 days before show opened—would turn PC-76 into disaster evaporated as more than 1,300 showgoers packed govt.-industry seminar which opened show officially. Key to show's success, according to most producers, is ever-widening interest in CB among broad range of retailers, partly as result of unprecedented media coverage of CB phenomena.

Spotted in jammed aisles of Convention Center were automotive parts buyers, new car dealers, gift & camera shop owners, hi-fi dealers, others interested in potential of CB. "Everybody wants to get into this thing," one producer said. "They keep hearing about the high margins, the incredible turnover rate, and they want to see if it's for them." Whether show was actual order-writing affair depended on company involved. SBE National Sales Mgr. Paul Zimmer said show's main function was exposure of CB "to neophyte retailers—there's not a lot of order-writing." But Hy-Gain Mktg. Mgr. Reese Haggott said his firm was "doing super order-writing. This show is great for a first show, and it indicates the industry has come of age."

Industry isn't without problems, and critical nature of mounting interference problem—which caused FCC to back off channel-expansion proposal—was brought into stark relief at govt.-industry seminar. Failure to resolve problem and come up with new allocation in near future could stifle CB boom (see p. 11). Delay by FCC didn't prevent major firms from providing peek at future CB products, and raft of prototype 40-50-channel units were on display, made possible by FCC reversal of ban on exhibit of uncertified receivers (see p. 12).

Although major firms at show said boom shows no sign of slowing, there were predictions from some that coming year could see easing of supply situation, as frantic efforts to expand production facilities in U.S. & offshore begin to show results. Several also said inventories could begin building in some parts of country. "Before the year is out," E.F. Johnson Pres. Richard Horner told us, "there will be pockets of inventory in the total system." "We're not catching up," Midland Vp Donald Saxon said, "but we are starting to see signs of product availability in selected products, and with selected brands. There is an illusion that you can sell anything you can get, and that isn't necessarily true."



CB margins remain high, according to producers at show, but some retailers were grumbling that CB already is being discounted in some areas. In speech at NARDA convention in Las Vegas last week, retailer Thomas Peterson of Portland, Ore. told members his CB profits were sliding "A lot of people are getting in, they don't like it and they're dumping CBs on the market." He said full 23-channel name-brand units were now available in his area at \$79, added that his margins had slipped from 40% in June to 25% now—"and they're going lower."

Despite problems, mood among CB manufacturers & retailers was positive, and general feeling was that industry won't go discounting-&-shakeout route of calculator business. "There will be some shakeouts in the low end of the market in the next 5-6 months," Haggott said, "but remember this is a step-up market, and that's where the brand names will stay. We're not competing with each other—we're competing for that expendable consumer dollar."

**ITC WIDENS JAPAN TV PROBE:** In what will be viewed by many as election-year political move, International Trade Commission last week said it would conduct preliminary investigation into virtually every type of unfair import competition act ever alleged against Japanese TV producers. ITC also announced formal opening of probe into Sylvania complaint against some Japanese color TV makers.

ITC said new inquiry under Tariff Act Sec. 603, which gives it broad investigatory powers, will cover 14 areas of concern and, unlike Sylvania complaint which accuses 5 Japanese companies of improper acts in color business, will encompass entire Japanese TV industry.

ITC says it will look into possible Japanese combinations or conspiracies to restrain or monopolize trade in U.S. by reducing or eliminating U.S. competition or seriously injuring domestic producers. Among areas to be probed: Sales to U.S. at less than fair prices (dumping), price-fixing in U.S. & Japan, cut-price sales or excessive rebates to select U.S. customers (price discrimination), partial or total acquisition of U.S. marketers, attempts to avoid assessment of TV dumping duties through fictitious accounting practices, acceptance of export incentives and tax rebates from Japanese govt.

Shrugging off Sylvania's postponement request, ITC said it would hold full investigation into company's charges Japanese are injuring U.S. color producers by engaging in predatory pricing practices and receiving govt. benefits & incentives which offset their U. S. market losses (Vol. 16:5 p8 et seq.). ITC said it won't look into 3rd allegation, that Japan unfairly keeps U.S. sets out of market there, because it's not an import issue.

Hitachi, Mitsubishi, Sanyo, Sharp & Toshiba have 30 days to respond. Largest marketers of Japanese TV in U.S., Panasonic & Sony, weren't cited. ITC has a year, extendable by 6 months, to conduct investigation, issue report & recommendations to President. Even if ITC finds unfair acts in violation of Tariff Act Sec. 337, President isn't required to levy penalty.

Size of case and vast amount of research to be done led ITC to take formal action, despite Sylvania's request for delay while complaint was expanded. ITC spokesman said Sylvania can supply additional information any time. Sylvania, which had developed & prepared complaint internally, has hired Washington law firm Curtis, Mallett-Prevost, Colt & Mosel in case.

**COLOR IMPORTS SET FEB. RECORD:** Led by continued strong gains in shipments from Japan, color TV imports soared in Feb., setting new record for month—4th such high in as many months, and 5th in last 6 months—while b&w showed 2nd consecutive increase from same month last year, Commerce Dept. figures show.

Total Feb. imports of 370,000 were up 59% from Feb. 1975, as color leaped 176.7% to 131,500, b&w gained 28.9% to 238,500. In 1976's first 2 months, total imports were up 52.4% to 835,400, color up solid 196.1% to 255,300, b&w up 25.6% to 580,000.

Biggest gainer was Japan, with total Feb. shipments up 310.4% to 195,900, color soaring 450.9% to 117,200, b&w climbing 197.6% to 78,800. Also posting increases was Korea, with total imports for month up 11.9% to 23,500, thanks to gain in color to 2,250, while b&w rose just 1.6% to 21,200. Lone loser in Feb. was Taiwan, with total TV down 2.8% to 150,100, as 0.5% gain to 138,200 in b&w wasn't enough to offset 29.7% decline to 11,900 color sets.

Two-month totals: Japan—total TV 377,200 (up 304.8%), color 228,700 (up 462%), b&w 148,500 (up 240%). Korea—total TV 53,900 (up 30.8%), color 3,450 (up 105.8%), b&w 50,500 (up 27.6%). Taiwan—total TV 403,100 (down 0.2%), color 22,800 (down 11.5%), b&w 380,300 (up 0.6%).

**SONY 30" COLOR, GE HOME LIGHTVALVE:** Breaking 25" color barrier in direct-view tubes for first time, Sony last week in Tokyo demonstrated TV set with 30" viewable diagonal Trinitron picture tube, scheduling fall marketing there—no U.S. plans yet.

Designed for use by education, industry and a few home "Trinitron freaks," new tube will be available in 2 sets, both with video inputs for U-Matic & Betamax videocassette recorders—console TV at about \$5,000 and monitor without tuner at \$3,300. Tube's picture dimensions are 21.1-x-27.2 in., about 575 sq. in., faceplate diagonal 32" over-all. It has 114° deflection, depth unavailable, but monitor cabinet is 22.8 in. front-to-back. Tube is of new Trinitron negative-matrix design.

It's largest color tube ever built for production, but old-timers will recall that DuMont had b&w set in 1951 with 30" round tube, 525-550-sq.-in. picture (depending on masking), 90° deflection, sold more than 500 before giant tube was replaced with industry-standard 27" rectangular. Dr. DuMont talked of building 5x7-ft. tube.

Sony tube's viewing area is 82.5% larger than 25" (315 sq.in.), approaches size of small projection TVs. In projection TV, meanwhile, GE confirmed last week that it's "exploring" ultra-bright Lightvalve technology for consumer market. Video Display Operations Mgr. Al Haase told us company has done extensive market research, and that self-contained set with 1,000-sq.-in. screen could be mass-produced to retail below \$2,000. Prototype, presumably rear-projection, requires no more space than direct-view console, is understood to be only 2-ft. deep. GE currently has no production plans for unit, but has built up large amount of expertise in design as result of sales of 350 industrial-commercial-military Lightvalve units selling in \$40,000-\$50,000 area.

Advent last week announced accessory to adapt Videobeam projector to throw picture on 6-x-8-ft. beaded theater screen. Founder Henry Kloss said: "We have substantially more light than a 1,000-watt 16-mm projector, and this attachment is for dark theaters wherever 16-mm is used." He said Videobeam also is adaptable for rear-screen projection. Accessory, including auxiliary lens, can be attached in hour, costs \$150, delivery within 4 weeks.

Zenith, meanwhile, says its new picture tube is proceeding on schedule, with sampling of complete 19" to OEMs still scheduled for 2nd quarter. Although industry reaction to tube has been mixed, OEMs are waiting for one important piece of information before passing judgment—price. Corning's glass bulb for new 19" tube will be \$3.99 less than bulb for conventional 90° type. The "about \$5" quoted in these pages referred to differential between new 100° glass and 110° bulb made conventional way.

Next Zenith size, believed scheduled for 1977, is expected to be 25", to be followed by new 17" tube, probably to be made from conventional glass parts but employing some features of new tube.

**Flat-panel & projection TV** are among highlight subjects at May 4-6 International Symposium of Society for Information Display in Beverly Hills. Featured is invited address by Advent's Henry Kloss followed by panel on future of projection TV. Three Zenith papers touching on flat-panel TV are included, plus keynote speech by RCA Research & Engineering Exec. Vp James Hillier. Other papers: Video LCD (Hughes Aircraft); videodisc review (RCA Labs & MCA Disco-Vision); 3-dimensional display (Perceptronics); digital NTSC color (MIT). IEEE convention May 11-14 in Boston features no sessions on consumer electronics, but 7 on microprocessors, special session on psycho-electronics.

**International trade** in electronic components left U.S. industry with favorable balance of \$827.2 million, though total was down 14.1% from surplus reported in 1974, Commerce reports. Domestic producers exported \$1.99 billion in components last year, down 12.3%, while imports amounted to \$1.16 billion, down 11.1%. Industry showed strong favorable balances in component trade with Canada and most European countries, deficits with Malaysia, Japan, Korea. While surplus also was reported for dealings with Mexico, Singapore, Hong Kong & Taiwan, much of what was shipped presumably was returned to U.S. after further processing or in finished products.



**CB INTERFERENCE:** Govt. spokesmen did their best to convince audience at PC-76 seminar that new CB channels are coming, but they also indicated that complex interference problem won't be easy to resolve. FCC Safety & Special Radio Bureau Chief Charles Higginbotham said decision to postpone expansion of 27-MHz band was based on potentially serious IM interference problem (Vol. 16:10 p11, 16:12 p10, 16:13 p11), wasn't delaying tactic. "We want to make the right decision on an intelligent basis. We are going to expand, and you will have additional channels at 27 MHz." He said formal expansion should come by year's end.

But full dimension of interference problem, as outlined by Chief Engineer Raymond Spence, goes far beyond IM problem and includes adjacent-channel interference within CB spectrum, and mounting CB interference with TV & other electronic products. TV is particular problem, he said, with complaints over CB interference growing daily. One answer to problems is proposal to bring CB receivers under Commission's certification rules, and establishment of harmonic radiation standards on transmitters & receivers at least as stringent as those governing land-mobile units, Spence said. Pending House & Senate bills will allow FCC to prescribe interference-immunity standards for all electronic products, including TV, he added.

"Stop thinking about 27 MHz," Spence said, indicating that newest proposal for expansion (Vol. 16:13 p15) is only stopgap measure, that govt. is actively searching for new CB spectrum. As Spence & others pointed out, ionospheric skip problem will worsen significantly in next few years. As example, he said propagation forecast shows that by Dec. 1979 there is 90% chance of skip occurring 10 hours a day between N. Y. & Miami, each of which will then have over 1 million CB users. "We've got to go where you don't have skip, above 150 MHz." Problem is, govt. spokesmen said, that other bands are already in use, many by govt. itself. FCC is working with Office of Telecommunications Policy to find CB spectrum—including 900 MHz range—but situation "doesn't look promising for a quick solution," Spence said. "If there was a quick way, we'd give it to you to get you off our backs." And OTP Gen. Counsel Thomas Keller said although his office is studying possible frequencies for new VHF FM CB service, "we're a long time from an answer."

Delay could kill CB boom, warned panelist Richard Brown, communications attorney. Brown, who represented number of major manufacturers in petition asking FCC for new Class B CB service, said he felt FCC postponement of Class D expansion was "dis-service to the public." Overcrowding of CB spectrum will lead to user dissatisfaction, Brown said, "and kill the goose that laid the golden egg." He urged industry to use trade associations to push FCC for Class D expansion and for new CB service. E. F. Johnson Pres. Richard Horner told us he feels situation is urgent. "It is critically important that we have remedial action before the 78-79 skip problem." Horner said govt. must expand Class D channels to serve rural areas, create new E service for urban

areas. "We must have both, and I think the FCC is beginning to recognize that."

FCC won't commit itself to specific number of channels until it determines best use is being made of spectrum, Commissioner Robert Lee said at banquet which opened show. "Why should we limit CB to 40 channels in the 27-MHz band if we can reasonably expand the band to 45 or 50 channels." Lee said new Personal Use Radio Advisory Committee set up by FCC (Vol. 16:13 p16) will solicit ideas on technical standards, licensing, interference & rule compliance from all those involved in CB industry, including user groups.

**NEW INTERFERENCE PLAN:** As part of broad-scale attack on CB-caused interference problem, FCC last week proposed that receiver-certification rules be extended to CB. It also proposed changes which would affect radiation approval for TV & FM sets & CATV converters.

Most significant change would require that all CB receivers operating on frequencies below 30 MHz (which includes Class D band) be certified. Type acceptance currently is required for CB transmitters, but receiver portion of transceiver isn't subject to certification.

Problem of interference from CB receivers (as separate from CB transmitter interference problem) cropped up, Commission said, when it was discovered that certain receivers have first oscillator frequencies of 37.6, 37.7 & 37.8 MHz, "precisely the frequencies used by the Power Radio Service for mobile communications." It also proposed to require certification of mobile receivers operating between 890 & 947 MHz, which includes 900-MHz band being considered as eventual home for CB.

Among other FCC certification proposals: (1) Reduce permissible power into manufacturer's rated load connected to antenna terminals of CB receivers to 0.2 nanowatts at any frequency and cut permissible chassis radiation limit to 15 microvolts per meter (uv/m), to avoid radiation to 30-MHz land-mobile operations and nearby TV sets.

(2) Lower limits of permissible harmonic radiations from TV receivers to 20dB below fundamental frequency to prevent interference with police communications in 465-MHz band. (3) Require conducted interference limit of 100 uv on all frequencies between 0.45 & 25 MHz, except for FM receivers, which would have temporary limit of 250 uv until Jan. 1, 1979. (4) Relax rules by permitting manufacturers to make power measurements at antenna terminals instead of open field. Commission proposed to continue TV & FM measurements by open-field technique, but asked for comments on antenna-terminal measurements for these products, too. (5) Classify CATV converters & related equipment owned by cable systems as being on "system side" rather than subscriber side of terminal, giving CATV system full responsibility for meeting any radiation requirements. Rulemaking notice asks whether certification should be required of cable equipment, particularly converters. Comments are due May 3, replies May 13.

**NEW CBs AT PC-76:** Visitors to PC Show last week not only saw type-accepted, market-ready 23-channel units, they got glimpse of future through variety of prototype 40-50 channel models. Taking full advantage of their own interpretations of FCC ruling that uncertified receivers can't be shown at trade shows, E.F. Johnson, Cobra, Pace Pathcom & others displayed models with LED readouts going to 40-channel position and above. All carried disclaimers that units weren't FCC-approved, couldn't be sold. E.F. Johnson 4-model line of expanded-channel units typified confusion FCC delay on channel expansion has generated in industry. New digital synthesis circuit in units "is ready now for 23, 36, 50 or 100 channels" without modification, product brochure says.

Motorola unveiled new CB line, 4 under-dash mobile units to be marketed under Mocat brand name. Line ranges \$175-\$225. CB Mktg. Dir. Travis Marshall said orders will be taken in May, deliveries set for June. In future, firm will enter in-dash market with radio-CB combination, Marshall said. Sharp has begun shipping new \$120 & \$150 CB units, will also enter combination field in near future, spokesman said. Although not in show, GE spokesman said firm will show 4 mobile, 4 handheld & one base station at June CES, has just received about 70 working prototypes reflecting possible channel expansion configuration from Japan.

Trend toward miniature CBs was evident at show. SBE used 7" 4" TV actor to promote its new "Brute," 23-channel unit which measures 1.3x4.5x5.7 in. and other firms introduced similar units. Royce used press conference to unveil new wireless CB chassis. Six units in new line use circuit modules mated to master board without wires or hand-soldered connection.

Other new products: Cobra showed \$300 portable unit with carrying case & self-contained AC/DC power pack. Midland introduced 2 base stations, one mobile unit in white plastic cabinets with telephone handsets (\$199-\$260), and new trunk-mounted unit with remote under-dash control panel (\$230). Firm will introduce in-dash CB in future. Hy-Gain showed its new trunk-mounted unit (Vol. 16:13 p15) with controls & speaker in detachable mike, also hit new price point with \$130 mobile unit, down \$10 from previous low.

Regency announced plans to manufacture CB transceivers in newly enlarged Indianapolis, Wichita & Satellite Beach, Fla. plants. Engineering & Mfg. Vp Joseph Boone said domestically produced units would be "price-competitive with comparable imported transceivers." New unit will have improved digital synthesis circuit which will accommodate expansion of 17-MHz band and will be less susceptible to IM interference.

**MCA Disco-Vision** is now mastering & replicating videodiscs for Philips/MCA player test project, according to Disco-Vision Pres. John Findlater. Soon to be opened, Findlater told us, is "Disco-Vision Theater" on Universal Pictures lot. Visitors taking Universal tour will have opportunity to play videodiscs, get first-hand experience with product of future.

**NARDA TV, AUDIO PLANS:** In continuing effort to keep members competitive with mass merchants, NARDA will offer dealers 3-year extension to picture tube warranties, introduce private-label speaker & other audio lines through new Audio Components Div. Line of X-tal CBs, from \$112 mobile unit to \$280 single-sideband model, will also be made available to dealers through group's Traffic-Builders Div.

Picture tube extension, provided by NARDA board at annual convention in Las Vegas last week, will cost dealers \$10, become available in May. Exec. Vp Jules Steinberg said extension can be offered as sales-closer or sold to customer in \$40 range. Deal includes only replacement of tube, doesn't cover labor costs. If program turns profit, participating dealers would receive rebate. "We're doing it because we're constantly looking for something to equalize the competitive situation," Steinberg said, added that NARDA believes warranties are effective sales tool.

Audio Components Div. will concentrate on sales training, over-all merchandising advice & assistance, and development of private-label product line. First will be 4-model speaker line made by Acoustic Design Labs. Speakers will have \$15-\$40 dealer price, carry undisclosed private-brand name. Turntables, receivers, other components will be added later. Board also approved plan to move NARDA hq to new Chicago location, voted \$38,000 expansion of data-processing system.

American TV producers are being forced out of business because they can't compete with offshore manufacturers, outgoing Pres. Pete Vrontikis told members in opening speech. "They must resist big labor demands for higher & higher pay without increasing productivity." In another jab at manufacturers, keynote speaker Irving Weiss said if manufacturers dislike group's private-label plans, they should begin offering dealers better margins, improved products.

**CB Scene:** Detroit's interest in CB continues to grow, and E.F. Johnson revealed at PC-76 that Ford will distribute Johnson models through Ford & Lincoln-Mercury dealers after May 1. Included will be 3 mobile units, 2 models with telephone handsets, base station, hand-held portable. Chrysler is reportedly investigating possibility of producing CB units at Huntsville, Ala. electronics facility, and Motorola spokesman confirmed at show that it's talking to major car companies about factory-installed, after-market CB possibilities. . . **E.F. Johnson** said at show that distributor prices would be cut across board, with list prices kept at same levels, to "increase distributor margins & profitability" on line. Size of price reductions wasn't revealed. . . **High cost** of filtering to eliminate IM interference probably will keep 27-MHz band to 40 channels, Dynascan Pres. Carl Horn told us. . . **Nation is about** to be hit with barrage of TV ads full of twangy CB lingo. **E.F. Johnson, Cobra, Hy-Gain & Pace** ran heavy schedules of ads on local TV during Las Vegas show, some now running on regional basis, others to be shown for first time in next month or 2. Radio Shack offers \$100,000 in prizes for best original song about CB.



**IMPORT AID:** Import adjustment assistance has been approved by Labor Dept. (LD) for some 450 workers at Sylvania receiving tube plants in Altoona & Emporium, Pa. In certifying workers eligible for help, LD said investigations showed employment at Emporium dropped 27% last year, following 32% cutback in 1974, while production fell 61% in 1975. At Altoona, 1975 employment was off 11%, output down 25%. LD noted Sylvania has been increasing imports significantly from its Juarez, Mexico plant. While receiving tube imports in general have declined, they have sharply increased U.S. market share, LD said.

Aid bids for former RCA & Stackpole Carbon workers were turned down by LD. Request on behalf of former workers at RCA's Mountaintop, Pa. semiconductor plant was rejected on grounds imports and their market share have declined. At Stackpole, LD found displaced workers lost jobs producing volume controls & slide switches at Johnsonburg, Pa. in June 1973, too long ago to qualify for help, and that imports weren't responsible for layoffs at St. Marys, Pa. control & switch parts plant.

New probes opened by agency cover workers & former workers at: Magnavox Ft. Wayne (TV, stereo, radio); RCA Distributor & Special Products Div. operations at Atlanta, Cherry Hill & Deptford, N.J., Des Plaines, Ill. (receiving tubes), Harrison, N.J. (test equipment); Sylvania Seneca Falls, N.Y. (picture tubes).

**Another stockholder suit** has been filed against Sears alleging wasting of assets of partially owned supplier—this one by Mary Ward Gans, daughter of late James Ward III, former owner of Ward Furniture Co., sold to DeSoto Inc. in 1968. Suit filed in Ark. federal court charges that Sears, 32% owner of DeSoto, contracted to purchase furniture from DeSoto below market prices, restrained DeSoto from trading with other customers, sold DeSoto assets at less than fair market value. Suit mentions Sidney Boyer, who was vp of both Sears & Warwick and a dir. of DeSoto and alleges that Warwick bought TV & stereo cabinets below fair value. Suit seeks \$1.3-million damages and triple punitive damages. It's similar to one filed by Warwick stockholder Joe Benaron charging Whirlpool & Sears milked company's assets (Vol. 15:5 p11, 15:18 p11, 15:51 p11).

**Mergers & acquisitions:** Motorola agreed to sell germanium power transistor line to Lansdale Transistor for undisclosed cash sum. . . **Workman Electronics** acquires International Rectifier's CPD line of transistors, rectifiers & capacitors. CPD parts are for replacement & hobby markets. . . **Continental Testing Labs** purchases Siemens' Scottsdale, Ariz. microelectronics operation, forms subsidiary, Custom Devices, to produce & market ICs. . . **White Consolidated Industries'** bid to acquire consumer appliance assets of Westinghouse Canada was again rejected by Foreign Investment Review Agency, apparently clearing way for sale to Canadian appliance producer GSW Ltd. WCI says it acquired Canadian rights to Westinghouse brand name when it bought Westinghouse's U.S. appliance business (Vol. 15:1 p9, et seq.) and will market line there anyway.

**Panasonic is preparing** to re-enter U.S. appliance market, which it virtually abandoned last year after acquiring Motorola's TV business (now Quasar). It has been learned company is studying feasibility of converting now-closed Quasar color TV component plant at Pontiac, Ill. for small motor manufacture, and could assemble appliances there from parts imported from Japan. Also available is Quasar's Quincy, Ill. plant, shut down except for some space being leased to Motorola under contract expiring later this year. Panasonic had extensive small appliance line in early 1970s, importing some items from Japan, buying others from U.S. suppliers. In 1974, it opened negotiations to acquire substantial interest in U.S. producer, but dropped out in wake of unfavorable publicity generated by Quasar acquisition. Subsequently, Panasonic closed down Appliance Div., now is active only in microwave oven segment of market. . . **Montgomery Ward** is cutting back on microwave oven purchases from Tappan, said it will buy majority of units from other suppliers, starting in 3rd quarter. Admiral, a major supplier of Ward's color TV, developed in-house microwave oven manufacturing capability last year and is considered a leading contender.

**BSR's Accutrac** programmable record player, in changer configuration (Vol. 16:10 p11), will be available to OEMs for inclusion in console & compact systems before year's end, possibly in time for Jan. model introductions, "certainly in time for June," BSR Pres. John Hollands told group of manufacturers in N.Y. Production of \$500 remote-control single-play unit, to be sold through retailers under ADC brand, will start in BSR's Blauvelt, N.Y. plant April 1 for introduction in L.A. & N.Y. Accutrac is true multinational product, uses circuit boards assembled in Scotland, Japan-made direct-drive turntable & arm, Hong Kong-made handheld remote, U.S.-produced cartridge & other components. ADC is expected to have cheaper, non-remote Accutracs on market in 3rd quarter. Changer also due from ADC this year will allow user to program disc selections and order in which they're played for up to 6 different records.

**Novus was No. 1** in calculator unit sales (4.1 million) but Hewlett-Packard made most money in field (\$121 million) during 1975, according to Consumer Electronics magazine market survey. Total factory sales during year were 27.6 million units, valued at \$552 million, bringing average unit sale price to \$20. Following is unit & dollar breakdown by company (in millions) plus average unit price in parentheses: Novus, 4.1, \$55 (\$13.40); TI, 3.4, \$90 (\$26.40); Unisonic, 3.3, \$60 (\$18.80); Casio, 2.6, \$42 (\$16.10); APF, 2.4, \$29.9 (\$12); Rockwell, 1.8, \$28 (\$15.50); Litronix, 1.2, \$19 (\$15.80); Omron, 1.1, \$11 (\$10); H-P, 0.9, \$121 (\$134).

**Admiral first-quarter** color TV sales were 25% above 1975 period, while monochrome sales were up 50%, far above expectations of flat sales for period, Mktg. Vp George Simkowski said last week in Las Vegas. Admiral introduced 3 "spring special" TV sets—open-list 13" color leader, 12" b&w at \$100 and 16" b&w at \$130.

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with  
Consumer Electronics...

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## Trade Personals

**Kenneth Spitzer**, ex-Philips Audio-Video pres., named senior vp, mfg. operations & R&D at Philips Trust subsidiary Signetics... **F. Hardie Rickbell**, Worthington, Minn., elected NARDA pres., succeeding **Pete Vrontikis**, Salt Lake City.

**Scott Davis**, KLH chief operating officer, promoted from exec. vp to pres., succeeding **Siegfried Susskind**, chmn. of parent Electro Audio Dynamics... **William Enders** moves at Rockwell from corp. business development post to subsidiary Admiral as international mktg. vp... **G. L. (Pete) Bidwell**, ex-Garrard, named Stanton Magnetics professional products sales mgr... **Gary Tooker**, Motorola Discrete Semiconductor Div. gen. mgr., named corp. vp.

**Don Saxon**, Midland Communications Div. gen. mgr., appointed vp; **Richard Looney**, former corp. Far East operations vp, advanced to corp. vp-electronics, responsible for Communications and Export & Intermediary Trade Divs... **Hal Jansen**, ex-Pathcom, named Fanon/Courier national accounts mgr. for Courier CB line... **Raymond Mallen** appointed Boman east sales mgr.; **James Lown** named regional mktg. dir... **John Muench**, ex-Seltic Sales, appointed Conrac Turner Div. midwest distributor sales mgr.

**Richard Cave**, chmn. of Smiths Industries (U.K.), designated successor to **Sir Jules Thorn**, who retires as Thorn Electrical Industries chmn. Aug. 31... **J. Jan Collmer**, Varo Semiconductor pres., adds post as pres. of parent Varo Inc., succeeding **S. T. Yanagisawa**, chief exec., who moves up to vacant chairmanship... **Edward Neubauer** advanced at Raytheon Semiconductor from eastern sales mgr. to national sales mgr., succeeding **James Kennedy**, now special products sales mgr., new post; **Richard Guilhamet**, ex-Fairchild, joins LSI Group as assembly-packaging engineering mgr.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Bartell Media</b>			
1975-year to Dec. 31	14,981,000	(3,211,000)	--
1974-year to Dec. 31	32,461,000	(3,704,000)	--
1975-qtr. to Dec. 31	3,669,000	(1,857,000)	--
1974-qtr. to Dec. 31	4,657,000	(3,652,000)	--
<b>Chris-Craft Industries</b>			
1976-6 mo. to Feb. 29	30,018,000	(386,000)	--
1975-6 mo. to Feb. 28	27,971,000	(422,000)	--
1976-qtr. to Feb. 29	14,174,000	(244,000)	--
1975-qtr. to Feb. 28	13,416,000	(384,000)	--
<b>Comcast</b>			
1975-year to Dec. 31	8,678,073 <sup>a</sup>	621,853 <sup>a</sup>	.36
1974-year to Dec. 31	7,683,350	480,241	.28
<b>Corning Glass Works</b>			
1976-qtr. to March 21	239,085,000	19,016,000	1.08
1975-qtr. to March 23	222,518,000	3,570,000	.20
<b>Downe Communications</b>			
1975-year to Dec. 31	105,979,000	(2,584,000) <sup>b</sup>	--
1974-year to Dec. 31 <sup>c</sup>	96,060,000	(5,977,000) <sup>b</sup>	--
1975-qtr. to Dec. 31	28,276,000	(2,569,000) <sup>b</sup>	--
1974-qtr. to Dec. 31 <sup>c</sup>	25,852,000	(9,298,000) <sup>b</sup>	--
<b>Kansas State Network</b>			
1976-6 mo. to Feb. 29	6,741,000	554,000	.32
1975-6 mo. to Feb. 28 <sup>c</sup>	5,500,000	528,000	.31
1976-qtr. to Feb. 29	3,262,000	203,000	.12
1975-qtr. to Feb. 28 <sup>c</sup>	2,639,000	194,000	.11
<b>Movielab</b>			
1975-year to Dec. 27	22,940,997	587,321 <sup>b</sup>	.42
1974-year to Dec. 28	20,048,166	756,825 <sup>b</sup>	.54
1975-qtr. to Dec. 27	5,964,494	185,770 <sup>b</sup>	.13
1974-qtr. to Dec. 28	4,551,449	521,421 <sup>b</sup>	.37
<b>Outlet Co.</b>			
1976-year to Jan. 31	121,991,028	4,730,506	3.15
1975-year to Jan. 31	100,360,327	4,077,827	2.70
1976-qtr. to Jan. 31	42,827,097	2,498,577	1.72
1975-qtr. to Jan. 31	33,467,080	1,991,971	1.38
<b>Philips NV<sup>e</sup></b>			
1975-year to Dec. 31	10,080,000,000	142,700,000	--
1974-year to Dec. 31	9,400,000,000	272,800,000	--
1975-qtr. to Dec. 31	3,200,000,000	59,100,000	--
1974-qtr. to Dec. 31	2,800,000,000	44,600,000	--
<b>Seaport</b>			
1975-year to Dec. 31	17,814,000	616,000 <sup>b</sup>	.24
1974-year to Dec. 31	18,565,000	(46,000)	--
1975-qtr. to Dec. 31	4,222,000	496,000 <sup>b</sup>	.22
1974-qtr. to Dec. 31	4,457,000	(68,000)	--
<b>Tektronix</b>			
1976-40 wk. to March 6	270,914,000	21,422,000	2.44
1975-41 wk. to March 8	254,603,000	19,512,000	2.25
1976-16 wk. to March 6	113,846,000	9,502,000	1.08
1975-16 wk. to March 8	104,610,000	9,021,000	1.04
<b>Trans-Lux</b>			
1975-year to Dec. 31	9,865,688	(477,238)	--
1974-year to Dec. 31	9,639,709	285,438 <sup>b</sup>	.15

Notes: <sup>a</sup>Record. <sup>b</sup>Includes special credit. <sup>c</sup>Restated. <sup>d</sup>After special charge. <sup>e</sup>At guilder's current rate.

**Robert Carroll**, ex-King-Seeley, RCA & Admiral, joins Quasar as Tex. & N. M. mgr... **Hank Powell**, ex-Piher sales & mktg. dir., appointed Tansistor mktg. mgr., succeeding **Frank O'Neil**, resigned... **Frank Huber**, former sales rep & ex-Panasonic, joins Sharp as eastern sales mgr.

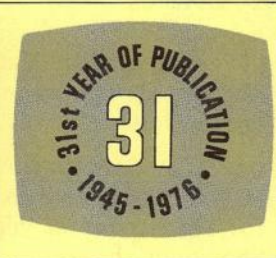
**RCA has completed sale of Cushman & Wakefield, real estate firm, to Rockefeller Center for undisclosed amount (Vol. 15:52 p9).**



WEEKLY

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APRIL 12, 1976

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**MACDONALD OUT, VAN DEERLIN IN**, as Communications Subcommittee chmn. announces he'll retire from Congress at end of year, from Communications post April 26. Cable hearing gets boost. Moss schedules May 3 FCC hearing. (P. 1)

**NCTA THEMES—PAY CABLE, MARKETPLACE:** Wiley urges industry to get out and sell. Harris sees station-cable compatibility. Bradley hits CATA. Industry pleased with eased restrictions, tries to keep trend going. (P. 2)

**EEO IN NCTA FUTURE:** Board forms committee, reaffirms 'commitment' to equal employment. Schmidt promises in-house affirmative action plan for minorities. (P. 4)

**CABLE ISN'T 'ANCILLARY,'** must be given legislative standing, Moss tells NCTA govt. panel. Rose sees competition as main Justice concern. Copyright bill pushed. (P. 5)

**PAY CABLE GROWING PAINS:** Growing interdependence between producers and cable—as former seek more revenue from fewer pictures, latter strain to fill channels and keep subscribers. (P. 6)

**ARCHER TAYLOR ON TECHNOLOGY:** Comments on satellite, taps, security, distribution hardware, fiber optics, caliber of engineers. (P. 7)

**MACDONALD OUT, VAN DEERLIN IN:** Way was cleared for Rep. Van Deerlin (D-Cal.) to assume chairmanship of House Communications Subcommittee last week, as Chmn. Macdonald (D-Mass.) announced he'll retire from Congress at end of current session, resign as Subcommittee chmn. April 26. In letter to Commerce Committee Chmn. Staggers (D-W. Va.), Macdonald requested that caucus of full Committee's Democrats be convened as soon as possible to name new Subcommittee chmn., said he supports Van Deerlin.

Most immediate effect of Macdonald's resignation will be in cable. Investigations Subcommittee Chmn. Moss (D-Cal.) announced early last week that he'd consulted with Macdonald, would expand scheduled May 3 FCC "oversight" hearing "to the fullest extent... if necessary" to cover cable, seeking "definitive report" and draft legislation "for early consideration next year." However, following Macdonald announcement, Moss stressed his hearing would take place only if Communications Subcommittee didn't act first—and latter now is expected to hold own hearing before May 3.

Caucus to choose new Communications chmn. comes after Easter recess April 14-26, and Van Deerlin is odds-on favorite. Subcommittee's Ranking Majority Rep. Murphy (D-N.Y.) told us he thought Van Deerlin's higher seniority would preclude contest. Murphy added he's "undecided" on whether to seek chairmanship of Consumer Protection & Finance Subcommittee—

### Consumer Electronics

**MORE AGGRESSIVE** sales program mapped by RCA, with revival of 'variation' lines for national accounts, strong effort to sell factory-branch distributors. Kramer heads retail merchandising operation. (P. 9)

**JAPAN SEEN PROTESTING** govt. inquiry into TV export trade practices on grounds of harassment. Japanese said to believe Treasury has already cleared up most issues. Sylvania welcomes probe. (P. 10)

**'SAFETY IS GOOD BUSINESS,'** RCA says in showing new high level Safety & Reliability Center. Top-priority, highly visible safety work seen translating into future market share. (P. 10)

**TRADE-SHOW DISPLAY** of video games & other products lacking radiation clearance is okayed by FCC, but under strict rules. Commission fears serious TV interference from radio-operated toys. (P. 11)

**MAGNAVOX SALES** of consumer electronics are up from last year; loss reduced. Wells-Gardner reports 50 sales drop, to introduce new chassis. (P. 12)

**MORE VIDEO GAMES** coming on market, including new units from Lloyd's & Allied Leisure. Magnavox plans Odyssey TV commercial campaign. (P. 12)

**FIRST 1977 LINE**, by Sharp, reflects heavy use of microcircuitry, little change in pricing. (P. 14)

post now held by Van Deerlin. Rep. Eckhardt (D-Tex.) also is expected to seek that spot. Rep. Stuckey (D-Ga.) would have been a candidate, too, but announced at weekend that he won't seek reelection.

Van Deerlin told us he's "just not going to push, that's all," for Communications post. If he succeeds, it's expected he'll retain present Communications Subcommittee staff and schedule for remainder of year. "I have great respect and admiration" for Chief Counsel Harry (Chip) Shooshan, he said.

Macdonald will have completed 11 consecutive terms at end of 94th Congress. He has been confined to Bethesda Naval Hospital for tests & treatment of undisclosed ailment, recently had to cancel scheduled appearances at NAB & NCTA conventions. He said he's retiring because "I find I can no longer come up to the standards which I have set for myself. After consultation with my doctors and after undergoing a thorough physical examination, I realize that I can regain my good health if I am able to remove as many pressures as possible." [However, he said he'll remain Communications Subcommittee member.] Subcommittee activities had been suspended since March 8 FCC hearing, and both industry and congressional staffers had placed increasing pressure on Macdonald to schedule hearings in several areas.

Meanwhile, Moss' May 3 hearing will "examine the entire operation of the FCC," he told us. He said he'll concentrate on: (1) "Very interesting decisions" made by Commission recently on access to TV by political candidates, especially denial of complaint against Miami station by Citizens for Reagan (Vol. 16:10 p5). Reagan's treatment by FCC "has been shabby by any measure—and I'm no fan of Reagan's," Moss said, adding that WCKT Miami's denial of equal time for Reagan following 6-part series on President Ford "is the kind of treatment by broadcasters which will ensure the continuation of Sec. 315 in law." (2) FCC's alleged non-cooperation with Congress. "I don't intend to tolerate that kind of behavior from any regulatory commission."

On Senate side, contrary to earlier indications that Senate Communications Subcommittee Chmn. Pastore (D-R.I.) would remain active in communications despite his imminent retirement (Vol. 15:41 p1), Subcommittee has announced no hearings, apparently has no plans for any in near future.

**NCTA THEMES—PAY CABLE & 'MARKETPLACE':** NCTA convention in Dallas went off just as expected—optimistic, with pay cable dominating (Vol. 16:14 p1). As for political-regulatory atmosphere, one PR practitioner put finger on it: "The buzz-word of the convention is 'market-place.'" Just about everyone called for freedom to compete in the marketplace—except when govt. help against unfair competition is sought, just as NAB did in its recent convention. Registration was index to success of convention: 4,100 vs. 3,500 last year, 4,400 year before.

Potential & problems of pay cable are endless, as analyzed in several major sessions. Operators are faced with choice of distribution via satellites, microwave, MDS, film, tape—with security measures via taps, traps, converters, decoders—with payment via per-channel or per-program, or combination. One veteran operator, noted for willingness to take chances, put it thus: "We got to experiment. Try 'em all. Make mistakes. Work it out."

FCC Chmn. Wiley listed variety of restrictions taken off cable (one operator said removal of leapfrogging would mean \$1 million to him in next 5 years), called on cablemen to get out there and sell. It's time for cable industry to stop fretting about govt. regulation and to adopt "new realism about your future prospects" and sell itself to public, he stressed in Mon. luncheon speech. He said such "new realism" already is being shown in copyright legislation, urged that it spread to state & local regulation, equal employment (see p. 4) and FCC authority to fine CATV systems. "I cannot imagine why any honest, responsible businessman in this audience, by opposing [fines], would seek to protect a few bad apples," he said of latter.

Admitting some of FCC's past regulatory efforts have been influenced by "over-conservatism, over-protection [of TV] and under-vision," Wiley noted recent steps taken to ease regulatory burden (Vol. 16:14 p5), said present re-regulatory efforts are serious attempt to "reverse the emphasis on governmental action & controls." Now, he said, "it is time to lay aside doubt & uncertainty concerning your progress and potential... It is time for you to demonstrate that



cable can make it...under our economic system...It is time to take your product to the marketplace aggressively and with confidence."

As an aside on planned Hill hearing on cable (see p. 1), Wiley said "those hearings I'm looking forward to much like a turkey looks forward to Thanksgiving."

Assn. has unique combination in new Chmn. Burt Harris, who has much greater stake in stations than in cable (though latter is growing rapidly). Some of his views: "All services can live together. Cable is complementary with broadcasting. MDS is just another form of broadcasting. Urban markets will get over-the-air pay TV before pay cable, and it will compete with cable. Cable will move into urban markets. We'll get some revenue from every home we pass—probably 90% of the homes. TV could become tail of the dog—it may not be the main service. I still believe in a wired nation. I do see every home with a terminal."

Pres. Robert Schmidt asserted: "Cable and broadcasting can co-exist... But by no stretch of the imagination does broadcasting's contributions entitle it to select status as the single chosen instrument to inform & entertain..." He called for govt. assistance in pole attachment dispute: "I submit to you that government cannot grant monopoly rights to a utility and then decline to supervise the provision of services under those monopoly rights." He urged resolution of copyright issue: "You can sit in the stands and grumble about 'no copyright,' but I honestly don't think that's going to result in the best possible bill."

Former USC quarterback Schmidt is low-key speaker, and some hard-line operators were surprised, had been hoping for arm-waving & podium-pounding—definitely not Schmidt's style. He also introduced his new exec. vp, 30-year-old Thomas Wheeler, ex-public affairs vp, Grocery Mfrs. of America, where he directed legislative program. At NCTA, he'll also serve as govt. relations dir.

Retiring Chmn. Rex Bradley called for unity, more membership, etc., took crack at CATA, saying: "Separate associations... seem to spend more time creating false issues, smoke screens, antagonism and acrimony than they do in addressing and coping with the real issues." Ex-Tex. Gov. John Connally called for less govt. regulation, more competition in marketplace.

Among happiest exhibitors were baker's dozen software distributors. Appearing for first time, Worldvision's Jerry Smith said: "Traffic has been fantastic... If even 10% of those who showed interest follow through, the results will be terrific." Other program suppliers had similar statements and traffic was very heavy at Reuters news display, via satellite from N. Y.

NAB Govt. Relations Vp William Carlisle, who maintains warm personal relations with cablemen despite hot professional opposition, gave us this impression of convention: "Extremely well run. Facilities were extremely good. Everything was upbeat. I think that station signals will, increasingly, be a fringe benefit, not the sine qua non. There was only one sour note. In our convention, we tried to get an impartial moderator for the pay-cable panel—so I was not impressed with the opinionated and prejudiced moderator [Ralph Baruch] unless the definition of a moderator has changed."

For highlights of pay-cable sessions, see p. 6; EEO, p. 4; legislation & regulation, p. 5; technology, p. 7. Annual membership meeting passed one major resolution—calling on FCC & Congress for help in pole-attachment battles with utilities.

**CBS newsman Daniel Schorr** was scheduled to be honored April 10 by National Headliners Club for "outstanding public service" in radio network category for his coverage of CIA. Award comes as House Ethics Committee completed hiring of staff of 12 investigators, began questioning members of House Select CIA Committee on leak of report to Village Voice via Schorr (Vol. 16:8 p2 et seq.). House earlier approved \$150,000 budget for Ethics Committee investigation—slashed from \$350,000 requested by Chmn. Flynt (D-Ga.). Meanwhile: (1) Ex-CIA Dir. William Colby said Schorr "carried out his obligation to the First Amendment... and to him-

self as a newsman and should not be punished." (2) NPR reporter Nina Totenberg reported that CBS News has decided to fire Schorr following conclusion of Ethics Committee investigation. CBS News executives told us Schorr is still on payroll. However, they refused to deny NPR report, saying they were "not prepared to go beyond" earlier statements. (3) State Secy. Henry Kissinger told Schorr he is getting "bum rap... The blame should fall on whoever leaked the report," Kissinger said, "not on the journalist who received it." He noted that most of report already had been published, called its contents "distorted."

**EEO IN NCTA FUTURE:** In-house affirmative action plan for minority employment will be launched by NCTA, Pres. Robert Schmidt told sparsely-attended EEO panel at last week's NCTA convention. Schmidt's pledge came in answer to floor statement and caught new Chmn. Burt Harris and other dirs. in room by surprise. Next day, NCTA board adopted statement to reaffirm "its commitment to equal employment & ownership opportunities in the cable TV industry" and authorized "a committee to formulate a plan to meet these objectives."

At EEO session, Harris admitted from audience that industry has done poor job in minority employment, said answer is that systems must discriminate in reverse against qualified white males when hiring. He also noted there weren't many "blue badges" (systems operators) in audience of about 60. CTIC Dir. Sheila Mahony suggested great strides could be made if each MSO would hire one woman exec. per system in next year.

"We're here to see if there are signs of improvement," National Black Media Coalition Chmn. Pluria Marshall told Schmidt & Harris. He predicted NCTA could gain "a clear political advantage" over NAB (Vol. 16:13 p8) if it adopts and carries out affirmative action plan, said EEOC & FCC equal-employment rules are "clear & simple, and all that's needed is enforcement... We'll pursue legal remedies only as a last resort."

At luncheon speech day before (see p. 2), FCC Chmn. Wiley hit cable industry's performance on EEO, asked for a "new realism" in minority employment. "Cable is a new, emerging industry which can provide a significant opportunity for the involvement of minorities & women." He said 1974 EEO reports to FCC disclosed that only 538 (3.1%) of 17,300 industry employees were blacks, that only 2.2% were in "high-salaried job categories." Women, he said, constituted only 8% of high-salaried employees. "This is a disappointing performance—one which should be changed through voluntary action and, if necessary, additional governmental attention."

**NAB hopped on Time Inc.** for nudity, "R" movies, etc., on Manhattan Cable (Vol. 16:14 p5). Writing Time Managing Editor Henry Grunwald, NAB staffer Robert Resor also noted that HBO plans "Folies Bergere," concluded: "It is becoming clear what pay-cable TV proponents mean when they boast that they will bring viewers innovative programs that are uncut and uncensored."

**America is not** making full use of telecommunications technology's current potential because "somewhere along the way we have lost our sense of priorities," OTP Acting Dir. Eger told San Francisco "newsmakers luncheon." "The time has come to put some adventuresome spirit into our national policy-making and into the board rooms of our telecommunications industries."

**Birmingham cable system** owned by ATC—1,000 miles—is due to start construction by June 1, with Scientific-Atlanta furnishing electronics, Burnup & Sims doing construction.

**White House won't submit** cable de-regulation legislation to Congress this year because economic data aren't sufficient to judge its effects, according to Regulatory Reform Task Force's Paul MacAvoy. Disputing contention that bill is "inert" for political reasons (Vol. 16:14 p6), MacAvoy said White House group "never discussed it with the President... The bill is in the 2nd round of review." He said further analysis & "field research" are needed. "So what do we do? We work harder... We will continue our work... If I divide my work between the 800 tasks before me, I will complete them some time around the Second Coming." Meanwhile, OTP is continuing work on non-economic issues, intends to offer its views on federal-state-local jurisdiction, franchise terms and technical standards when congressional hearings begin. In related matter, President Ford last week reviewed 10 regulatory agencies' progress in cutting red tape, meeting with chairmen and one additional commissioner from each agency; Chmn. Wiley & Comr. Lee attended for FCC. Wiley told Ford that FCC recently reduced radio renewal form from 61 to 24 questions, increased competition in common-carrier field, streamlined adjudicatory procedures, changed many rules—especially in cable—and held regional meetings with public. Ford asked agencies to submit by Sept. 15 "a hard look at how regulation affects the American public"—especially as consumers & taxpayers—along with list of reforms accomplished. He again urged agencies to rely more on competition, cut paperwork.

**Committee appointments at NCTA:** Executive—Edward Allen, Western Communications; William Bresnan, Teleprompter. (Executive Committee comprises those 2, appointed by chmn., plus chmn., vice chmn., secy. & treas.) Chmn. of other committees: Associates—Richard Jackson, Jackson Communications. Blue Ribbon—Robert Hughes, CPI. By-laws—Robert Weary, Junction City, Kan. Convention—Marc Nathanson, Falcon. Engineering—James Lahey, Muskegon, Mich. Federal-state-local—Don Shuler, Viacom. Financial—Ken Gorman, Viacom. Govt. Relations—Rex Bradley, TeleCable. Elections—Patrick Nugent, LBJ Corp. Independent Operators—Mel Gilbert, Snyder, Tex. Pay Cable—Russell Karp, Teleprompter. PR—Linda Brodsky, Broadband. De-regulation—John Gwin, Cox Cable. Satellites—John Calvetti, Oceanic, Honolulu. Utility Regulations—Amos Hostetter, Continental.

**NCTA board elections:** William Bresnan, Teleprompter; Gustave Hauser, Warner Cable; Richard Munro, Time Inc.; Gail Oldfather, Televents; Monroe Rifkin, ATC; William Strange, Sammons. Assoc. dir. is Irving Faye, AEL, with Rodney Hansen, Cable-Data, alternate.

**NCTA awards:** In addition to Boggs & Kaitz awards, previously reported (Vol. 16:14 p7), Assn. presented Beisswenger award to Ray Schneider, Times Wire; outstanding chairman, to Daniel Aaron, Comcast; state-regional activity, to Robert Towe, Billings, Mont.

**Add pay-cable starts:** Warner's "Star Channel," Akron-Canton Area, via RCA 7.5 ips tape; Optical Systems, Amarillo, via 3/4-in. tape.



**CABLE ISN'T 'ANCILLARY':** "There is a strong consensus in the House that we should treat cable as a part of communications, not an ancillary feature... and to give it a status which would insure a direct and a fair method of dealing with it," Rep. Moss (D-Cal.) told regulation panel at NCTA convention last week. He said there must be "a clear recognition that it is an important part of a national communication & intelligence & entertainment network."

Moss was critical of OTP & FCC for not sending cable legislation—"long, long overdue"—to Congress, adding that Congress itself "has been somewhat less than vigorous in doing its job... Cable should have had a congressional charter many many years ago." He caused stir when he said Oversight Subcommittee he chairs would expand May 3 FCC hearings to include cable, but subsequent developments put hearing back before Communications Subcommittee (see p. 1).

In answer to question, Moss said Commerce Committee should seek referral of copyright bill after House Judiciary reports it out. He said this wouldn't delay legislation because Committee would be placed under firm deadline to act. Panelists agreed that passage of copyright legislation is key to further de-regulation of cable.

Justice Dept. Antitrust Chief Jonathan Rose said JD's prime interest is in allowing CATV to compete without undue govt. strictures. He noted same arguments were used in late 1940's against TV that TV now is using against cable and that "if successful, might well have stopped the development of TV in its tracks."

OTP Gen. Counsel Thomas Keller denied that Administration cable bill is dead until after election, said it was major achievement just to get high-level Domestic Council to thinking and talking about CATV. FCC Cable Bureau Chief David Kinley urged industry to stop lobbying and stress facts because "the facts are on your side."

**ABC & TV stations** have no business commenting on FCC's rate inquiry (Vol. 16:14 p5) and their only purpose is "to still further impede cable's development," Warner Cable told FCC last week. Mere filing of comments is evidence broadcasters seek "the continuation of the current burdensome ratemaking procedures... with the obvious expectation that this will stifle cable's further growth and remove its potential competitive impact" on TV, Warner said. If cable rates are subjected to regulation, "it appears even more appropriate" to also regulate "the entire procedure whereby broadcaster rates are determined and the profitability level" of stations, Warner concluded.

**Contract for 250,000 pay-TV decoders** is reported by Japanese manufacturer Clarion Corp. and Telease. Subject to approval of both companies' boards, contract calls for delivery of 20,000 to American Subscription TV of Cal. (ASTC) "beginning in about 12 months." Principals say units will be used with KWHY-TV L.A. Telease and ASTC are headed by Robert Block, Milwaukee adman.

**Metromedia has agreement** in principle to buy Harlem Globetrotters for undisclosed amount.

**FCC 'drags its feet'** on improving UHF, PBS Pres. Lawrence Grossman told American Council of Better Broadcasts meeting in Madison, Wis. Commission's reasons for not acting to make UHF comparable to VHF—as explained by FCC Chmn. Wiley (Vol. 16:11 p4)—are "irrelevant to the quite simple first steps we have requested" via Council for UHF Bcstg. petitions, he said, adding that "the health of our entire public TV system depends on" favorable FCC action. He also made pitch for more national PTV programming to counter "risk of totally fragmenting and polarizing" public broadcasting system, hit PBS-CPB duplication of activities, asked for increased, more-insulated, federal funding, defended corporate underwriting of PTV programming, defended dropping minority programs when their ratings are low. "Public TV must lead the way into a whole new dimension of major programming that merges the interests of our minorities with the interests of the majority of our viewers," he said.

**McCormick Place PR Dir.** Elizabeth Kearns has denied charges by exhibitors & others at NAB show of ripoffs, shakedowns & deliberate destruction of equipment (Vol. 16:13 p7). She said reports were planted by "somebody sick [and] we will fire anyone giving the press for vicious reasons such information." Most of incidents described were accidents, she claimed, and said she had checked with show mgr. United Exposition & unions, found no basis for complaints. Kearns indicated that Television Digest's editors & reporters covering convention (including one she implied was well-known "psychotic") were being investigated as possible sources of "malicious" reports which, she said, didn't come from exhibitors. (Editor's note: Complaints reported in Television Digest came from exhibitors.)

**NAB Exec. Committee** has picked Las Vegas (April 3-6) as alternate site of NAB 1977 convention—contingent on whether Washington Hilton Hotel can provide adequate time after convention for exhibitors to remove equipment. Convention now is scheduled March 27-30 in Washington, and Hilton has National Rifle Assn. convention following day, which wouldn't give NAB exhibitors time to move out. NAB & Hilton officials expect to meet on situation this week. Exhibitors would prefer almost any site other than Washington—which will require manufacturers to show wares in 3 hotels (Vol. 16:14 p6). NCTA 1977 convention is April 17-22 in Chicago's Conrad Hilton; McCormick Place won't be used since Hilton has enough exhibit space.

**Markup of copyright revision bill** by House Judiciary Subcommittee proceeded slowly last week. No further sessions are scheduled until after Easter recess which ends April 26. Subcommittee never got to cable (Sec. 111). In addition, it tabled for later consideration "Vanderbilt Amendment" (Vol. 14:29 p3 et seq.) because it couldn't agree on modifications (drafted by CBS) submitted by Rep. Pattison (D-N. Y.); these would restrict use of TV news tapes to private study, scholarly research and/or historical purposes. If adopted, modifications would bar use by congressional committees, public interest groups, schools, etc.

**PAY CABLE GROWING PAINS:** Pay-cable activities at NCTA convention emphasized: (1) Growing need of film producers and cablemen for each other; same for sports & CATV. (2) Growing competition among distribution and security systems and in technology.

Among highlights: MPAA Pres. Jack Valenti insisted that conventional TV will always pay more for movies than pay cable will—"an unbridgeable gap." He noted that telecasting paid \$250 million per year for films, pay cable \$5 million—"it will not siphon." He derided FCC's 3-10-year rule, predicted that network telecast of ancient "Gone With the Wind" this fall will produce highest movie rating ever—maybe highest rating ever for any program.

Corinthian Bestg. Chmn. Wrede Petersmeyer stated: (1) Copyright bill cable payments are "paltry." (2) Stations can't compete with imported signals. (3) Cablemen "renege" on copyright consensus.

Chmn. Andrew Heiskell of Time Inc., parent of Home Box Office, called for "free market," said cable doesn't threaten commercial broadcasting's appeal for mass audience, asserted "neither commercial TV nor public TV are 'free'...The only thing about them that is free is their use of the air waves...The big mass circulation magazines—like Life and Look—were not protected from network TV. That kind of protection is invalid."

Alan Hirschfield, pres. of Columbia Pictures, said: "Pay cable offers us the best of both worlds—an economic base which will support innovative, quality programming combined with easy and relatively inexpensive access to the American public." Technically, he said, pay cable needs: (1) Large screen—up to 3x5 ft. (2) Stereo sound. (3) "Pay-per-view capability is an absolute must."

Michael Burke, head of Madison Square Garden, assured audience he needs pay cable, said Garden

**Red faces at FCC:** On April 6, FCC issued public notice saying it had denied petition by KBIM-TV Roswell, N. M. which sought continued non-duplication protection by cable systems in Hobbs & Lovington, N. M.—despite change in protection rules from Grade B to 55-mile. Couple days later, Commission issued revised notice saying petition was granted. What happened was that staff recommended denial but commissioners disagreed, told staff to rewrite decision—but wrong decision was released. First announcement read: "[FCC] said KBIM-TV is in sound financial condition, and the likelihood that its operations will be affected adversely in any [way] was extremely remote." Revised announcement said: "KBIM-TV's financial position always has been marginal, and therefore any audience fractionalization may well impair its ability to provide local service in the future."

**"Sunshine" bill**—to open to public most activities of federal agencies—has been approved by House Judiciary Committee, awaits action by full House. Similar bill has been approved by Senate.

**"All in the Family"** switches to Wed. at 9:00 p. m. in CBS fall schedule, which features 6 new series (3 hour dramas, 3 half-hour situation comedies).

has established new cable div. Performers Dennis Weaver & Kathleen Nolan said actors need jobs and cable can help.

Gerald Levin, HBO, reported pay penetration of 26% of cable homes, 2% disconnects monthly. He emphasized HBO's strong points—interconnection, simultaneity. Robert Weisberg, TPS, on other hand, stressed "stand-alone" pay operations (local film & tape), permitting each system to pick & choose among films more easily. He reported 29.5% saturation among TPS customers. Paucity of films worries him; of 150 pictures released in 1975, he said, only 80 were "playable."

Columbia Pictures' Allen Adler said producers need larger market for fewer pictures, stated that sales to networks had dropped drastically. By 1981, he expects 4 million pay-cable homes paying \$480 million for films, Columbia getting \$24-\$26 million of that. He noted that pay-cable audience for movies is older & younger than theater-goers—and producers yearn for this new market.

Alan Greenstadt, Optical Systems, announced plans for use of Westar satellite, thus competing with HBO, said company will offer multiple channels, have subsidiary ready to lease earth terminals, provide other business (data, etc.) for earth stations. He said Optical will offer 10 hours daily on one channel, 5 on another. He also hopes to do business with CPB earth stations. Robert Button, Transcommunications, is incensed with potential CPB satellite competition, stating it's unfair for private industry to face terminals supported by public and foundation funds.

William Bresnan, Teleprompter, said he believes system as small as 4,000 subscribers can support satellite dish.

Robert LaBlanc, Salomon Bros., assured audience that "cost of capital for your companies is likely to continue at high levels."

**May 4 Ind. primary** will be watched by broadcasting & cable industries; GOP poll there shows 2 potential Republican candidates well ahead of incumbent Democrat Sen. Hartke—slated to become chmn. of Communications Subcommittee if he's re-elected. He's opposed in primary by Rep. Hayes (D-8th Dist.). On GOP side, ex-Indianapolis Mayor Richard Luger & ex-Gov. Edgar Whitcombe are seeking nomination. Ind. Republican State Central Committee poll shows Luger leading Whitcombe 57% to 22%. Same poll has Luger ahead of Hartke in possible general election, 50% to 36%, and Whitcombe leading Hartke 41% to 37%. Ind. Republican warned, however, that Hartke has been well behind early in campaigning in each of 3 previous elections to Senate.

**Tornadoes & lightning** 15-20 miles distant can be tracked on properly-tuned ordinary TV set, according to Tex. Insurance Information Center. To detect storm activity, according to Center, tune contrast to maximum, turn to Ch. 13 and adjust brightness control until screen is almost black. Then turn to Ch. 2. Lightning appears as horizontal streaks or flashes, while tornado will make blank screen glow brightly, or make darkened picture become visible.



**ARCHER TAYLOR ON TECHNOLOGY:** We went to one of cable industry's best-known engineers for summary of technology, following NCTA convention, called on Archer Taylor, of Malarkey, Taylor & Assoc. A winner of Association's highest engineering award, he gave these views:

"Satellites and addressable taps were the features of the show." Scientific-Atlanta still has lion's share of satellite business, but it's getting competition. ITT showed dishes; it has size, know-how, pricing. "It reminds me a little of RCA trying to get into cable—it had a couple false starts. ITT may be a little muscle-bound—but that remains to be seen." Satellites will keep going; they'll add data, bank transactions, etc.

"The addressable taps are all interesting. My impression is that they're probably going to happen—but they have a lot to go before they're here. One problem is that there's no acknowledgment. You don't know if someone really has been added or shut off—during a power or transistor failure. How about lightning, power surges? They could knock out 10%. We need more operating experience."

"Our industry doesn't really know what its security problem is in pay cable. The phone company lives with it. How much can we live with? Traps are a fairly good answer for the short run. You can write them off in 3-4 years—but caveat emptor. A passing but very popular phase. There are some ingenious ideas in scramblers."

"We're not doing a lot of great new things in normal distribution hardware. There are some incremental improvements—but not a lot to be offered in traditional hardware... Test equipment is more sophisticated."

"The caliber of guys around the convention is way above what it was. There's a higher percentage of professionally-trained engineers."

"Fiber optics? In 5 years, there will be a handful." "MDS is a parallel development—not a threat—as much a benefit as a threat."

"Pay TV over the air? We have no real experience. Wire gives us control over the subscriber."

**TV ad expenditures** will rise 14.1% in 1976 to \$6.0 billion (vs. 9.3% rise in 1975), according to Blair TV & Radio estimates contained in 12th edition of "Statistical Trends in Broadcasting." Other TV estimates: Network up 13% (8.9%), non-network up 15% (9.6%), national & regional up 15.1% (10.1%), and local up 14.8% (9%). For radio: Total up 10.6% (10%) to \$2.2 billion; network up 5% (15.9%), national & regional spot up 9.1% (8.6%), local up 11.3% (10.1%). Meanwhile, Carl Spielvogel, Interpublic vice chmn., told N.Y. security analysts that total advertising would rise about 12% during 1976; earlier, he estimated 10%.

**Society of Bcst. Engineers** is seeking papers for presentation at Nov. 7-8 convention, Hempstead, N.Y. Subjects include ENG, satellites, circular polarization, AM stereo, quadraphonic FM. Submit abstracts (100-300 words) to Mark Schubert, Box 607, Radio City Station, N.Y. 10019.

**Warner Cable should produce \$7-\$8 million** in pre-tax earnings on more than \$50 million revenues this year, Pres. Gustave Hauser stated in news conference at NCTA convention. He said div. was "taking no money from the parent; we're totally self-sufficient." Pay cable won't change industry dramatically, he said. "It won't allow big-city building. It makes some money but doesn't revolutionize the business. The future of the business is definitely pay. We need to offer both per-channel and per-program service." Govt. separation of system ownership and programming will "be a disaster," he said. "We've got empty channels now. Bring me a customer." He urged that rate regulation should be same as for phone company: Impose new rates, hold hearings, return funds if rates are held improper. "That would eliminate 80% of the hearings and delays," Hauser stated.

**"In fairness** to prospective applicants and the listening public," FCC has refused permission for KOLI(AM) Coalinga, Cal. to remain dark. KOLI has been off air since Aug.; FCC noted equipment has been seized by creditor and mobile home park is planned on land where tower & studios are located. "It is clear that the station has been effectively abandoned, the equipment removed and the licensee is incapable... of resuming operation," Commission said. In blistering dissent (joined by Lee), Comr. Hooks said it's "quite illegal for the Commission simply to send a licensee a paper advising it that its license has been 'forfeited' and its call letters deleted."

**"We cannot risk further sabotage** [Vol. 16:14 p7] by having NABET return to work without a contract," NBC said last week in refusing to let striking employees work while talks continue before Federal Mediation Service. Newswriters & technicians were turned away by guards when they attempted to return April 7, causing union to charge "lockout." NABET struck NBC March 31. In separate lawsuit, NBC charged NABET members physically prevented news crew from carrying appearance by Democratic Presidential candidate Sen. Jackson (Wash.); network seeks \$500,000 in damages.

**CPB budget** of \$78.5 million for fiscal 1976 and \$17.5 million for transition quarter preceding fiscal 1977 has been approved by House Appropriations Committee. Congress authorized \$88 million for 1976, but Administration requested only \$70 million. Committee earmarked additional \$8.5 million for direct grants to stations.

**FCC has proposed rule** requiring stations to notify opponents of free time granted candidate during 72 hours before election (present rule requires notification only for editorials). Comments are due May 17, replies May 27.

**"Nothing over the weekend,"** CBS exec. said late last week of persistent reports that CBS-TV Pres. Robert Wood is leaving company. CBS had been expected to make announcement April 9, but statement was put off until this week.

**ABC says mail objecting** to program content "has fallen by half" since family viewing went into effect last Sept.

## Personals

**Thomas Sowell**, UCLA economics professor, nominated to FTC by President Ford; black Democrat would take term vacated by ex-FTC Chmn. **Lewis Engman** ending Sept. 25; **Joan Bernstein**, FTC Consumer Protection Bureau acting chief, resigns to join Baker, Hostetler, Frost & Towers law firm, Washington; **Margery Smith**, ex-special asst. to Engman & dir. of FTC's regulatory reform task force, appointed asst. dir.-evaluation, Consumer Protection Bureau regional operations... **Charles Keller**, Capital Cities TV Productions gen. mgr., **Walter Liss Jr.**, KFSN-TV Fresno gen. mgr., and **Robert Niles**, Capital Cities engineering dir., named vps of parent corp... **Helen Thomas**, UPI White House bureau chief, keynotes May 5-9 AWRT convention in Philadelphia; FCC Comr. **Abbott Washburn** appears on political advertising panel.

**Candace Caruthers**, ex-WNET (ETV) N.Y., named WABC-TV N.Y. community relations dir... **Melinda Ayotte**, ex-Warner Cable of Somerville, Mass., appointed public service dir., WCVB-TV Boston... **Edward Weber**, ex-WLS-TV Chicago, appointed promotion mgr., WWJ-TV-AM-FM Detroit.

**Linda Wendell** appointed NBC-TV East Coast daytime program development dir... **Ronald Gleason**, ex-KGO-TV San Francisco, appointed ABC News research & development dir., succeeding **Harvey Gersin**, named exec. vp, Reymer & Co., Detroit TV consultants.

**Ruth Baker**, ex-FCC AT&T Task Force, named assoc., Cohn & Marks, Washington law firm... **Peter Andersen**, managing counsel, FCC AT&T Task Force, joins Washington law firm, McKenna, Wilkinson & Kittner... **Allan Land**, WHIZ-TV Zanesville, O., elected chmn., Ohio Educational TV Network Commission.

**Nat Myers Jr.**, ex-AnCom and one-time Teleprompter vp, joins Goldmark Communications as vp... **Len Kornblum** promoted to ITC senior exec. vp-corp. administration, finance & business affairs, new post... **Donald Pascarella** promoted to vp-sales, Oak Industries CATV Div.; **Joseph Spells Jr.** advanced to engineering mgr.

**W. Thomas Oliver** promoted to HBO affiliate development dir.; **Edward Horowitz** advanced to affiliate development mgr.; **Curtis Melcher**, ex-Communications Properties, named midwestern mgr.

"Candidate's Checklist & Record Book" by Seymour Chase, Washington attorney, compiles rules & laws concerning use of broadcast time, is available for \$3 from Breakthru Inc., Dept. 501, 777 W. Glencoe Pl., Milwaukee 53217.

**KDOG-TV Houston** & **WPHL-TV Philadelphia** appoint H-R TV rep; **KTXL Sacramento**, MMT Sales; **WLWT Cincinnati**, Katz TV, replacing Avco TV Sales.

**New affiliates announced** by Home Box Office include: Rochester, New Castle & Uniontown, Pa.; Zanesville, O.

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with  
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**OTC antacid ads** would have to display warnings required by FDA on product's label, under rule proposed by FTC. Rule would cover warnings such as "contains sodium" and "do not use this product if presently taking any prescription drug." Form of disclosure hasn't been determined. If rule is okayed, it probably will be proposed for other classes of OTC drugs as FDA completes review of each class's current labeling requirements. Earlier proposal barred ad claims prohibited by FDA on labels.

**Advertising should disclose** name of product's parent corp., according to Sen. Abourezk (D-S. D.) & 5 colleagues. They've asked FTC to start rule-making requiring disclosure to help consumers who prefer buying goods made by small businesses. They claim large corporations try to fool consumers, citing manufacture of Dad's Root Beer by Ill. Central Railroad, Mama Celeste Pizza by Quaker Oats, Sarah Lee cheesecake by Consolidated Food Corp.

**TV violence has "polluted"** the minds of children and is a major cause of death among young people, according to health economist Anne Sommers. Writing in N.E. Journal of Medicine, she called for "an attack on this new risk factor—pollution of the mind—which has contributed to an epidemic of youthful violence."

**Rigid standards** for earth stations (as sought by ABC) could arrest development of much cheaper and more effective models in future, according to FCC Comr. Washburn. Speaking in Houston before energy association, he questioned "whether the FCC has any legal, technical or policy reason for regulating them at all."

**ATC buys 3 cable systems** in San Diego area: Mira Mesa, Rancho de los Penasquitos, S. Bay Terraces, University City—price undisclosed. Additions bring ATC subscribers in area to 25,000.



# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

MANUFACTURING & SALES • TV • AUDIO • TAPE PRODUCTS • VIDEOPLAYERS • COMPONENTS • NEW PRODUCTS • FINANCE

## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 26 (12th week of 1976):

	March 20-26	1975 week	% change	March 13-19	1976 to date	1975 to date	% change
Total TV. . . . .	216,541	220,078	-1.6	219,031	2,564,865	2,243,488	+14.3
color . . . . .	118,279	115,472	+2.4	121,087	1,500,607	1,249,897	+20.1
monochrome . . . .	98,262	104,606	-6.1	97,944	1,064,258	993,591	+7.1
Total radio . . . . .	1,278,566	574,773	+122.4	578,030	7,551,957	5,507,831	+37.1
home, portable . .	1,068,428	426,928	+150.3	323,646	4,692,891	3,737,071	+25.6
AM-only . . . . .	200,468	111,648	+79.6	72,858	935,179	1,192,326	-21.6
FM & FM-AM . .	867,960	315,280	+175.3	250,788	3,757,712	2,544,745	+47.7
auto . . . . .	210,138	147,845	+42.1	254,384	2,859,066	1,770,760	+61.5
Port.-comp. phono .	37,460	102,034	-63.3	39,690	504,445	633,046	-20.3

**Color TV 5-week moving average:** 1976—128,765; 1975—116,964 (up 10.1%).

**RCA MAPS MORE AGGRESSIVE SALES PROGRAM:** Details are lacking, but there are strong indications that RCA has developed major shift in TV sales program to present far more aggressive stance. Two aspects of new policy are known: (1) All-out attempt to increase penetration of major national accounts. (2) Drive to eliminate factory-branch distributorships.

To woo more national accounts, Consumer Electronics Mktg. Vp Jack Sauter is re-establishing "variation" or "sheltered" lines of color TV. Last week, he announced RCA would enlarge line to accommodate demands of individual markets for greater differentiation in models at retail. "The creation of distinctive lines within the over-all product line will help answer the marketing requirements of all segments of the retail market and give the public a far greater variety of RCA color receivers to choose from," he said.

RCA may thus revive its "custom line" or go even further to meet demands of major national buyers who want unique products which will be exclusive in their areas and aren't susceptible to consumer price shopping. Zenith and others have followed this practice for many years. Direct selling to national accounts apparently is out of question, but new programs for key dealers almost certainly will be announced at Lake Tahoe convention next month.

To back up new key-account sales activities, Marvin Kramer has been transferred from pres. of RCA Distributing Corp. to retail mdsg. vp. He succeeds William Lowry, who has resigned and is understood to have joined East Coast importing firm. (Lowry couldn't be reached last week.) Supervision of RCA distributing branches will be added to duties of RCA Sales Corp. Mktg. Programs Vp Arnold Valencia.

Shift would appear to indicate downgrading of factory-branch operations. Behind scenes, RCA is making strong effort to dispose of branches to independent businessmen. Although all major 2-step manufacturers are committed to independent distribution, it's now indicated RCA has priority program to free up working capital by shifting as much as possible to all-independent wholesaling.

How this will be accomplished is impossible to foresee. One clue may be found in RCA's disposition of Buffalo branch last year—it divided territory between 2 independents (Vol. 15:20 p11). RCA has 7 factory-branch distributors—Atlanta, Chicago, Detroit, Kansas City, L.A., San Francisco, San Antonio. Principal rival Zenith owns only 4 branches—Chicago, Kansas City, N.Y., San Francisco.

**JAPAN TO PROTEST NEW ITC TV PROBE:** Japanese govt. is expected to lodge formal protest over International Trade Commission (ITC) plan for sweeping preliminary investigation into whether Japan's TV producers engage in unfair trade practices in U.S. (Vol. 16:14 p9).

Japan's objections, from Ministry of International Trade & Industry, center around 4 of 14 areas specified in ITC investigation notice. Two deal with unfairly low or below-cost pricing, others with possible Japanese attempts to evade payment of dumping duties and acceptance of unfair export incentives from govt. MITI's position, it's understood, is that those matters were resolved by Treasury's positive dumping finding in 1971 and negative countervailing-duty determination last Jan., and that ITC's attempt to reopen issues smacks of harassment.

Treasury spokesman told us those issues were, and still are, in Treasury's jurisdiction, and ITC has no authority to take action on them. He said that Tariff Act Sec. 337 gives ITC broad powers to investigate unfair import practices, "but if they come up with anything in the dumping or countervailing areas, they have to turn it over to us." He declined to comment on possibility ITC would uncover something Treasury or Customs missed.

ITC's opening of broad-brush probe drew laurels from Sylvania, whose unfair practices complaint, on narrower grounds and aimed at just 5 Japanese color producers, is subject of separate ITC investigation. "We're just delighted" with ITC move, commented Senior Vp George Konkol, who took exception to press reports indicating ITC went against Sylvania's wishes by opening investigation into its charges.

Sylvania had requested delay so it could expand scope of complaint, but ITC decision to open 2nd probe made that unnecessary, Konkol said. ITC's action, he said, "is a further & necessary step in assuring that no unfair practices by Japanese TV manufacturers will be allowed to exist" and that American jobs "will not be sacrificed."

**'SAFETY MEANS MARKET SHARE'...RCA:** Spurred by new regulations, closer govt. scrutiny and widespread publicity, TV industry has stepped up pace of safety activity, but "safety" is still a word used only internally in TV plants—certainly it's not considered a selling-point.

In contrast to camouflage of safety work in many plants, RCA has decided to make efforts in safety & reliability a highly visible & top-level project. Since last June, its Product Safety & Reliability Center has occupied prominent space in Indianapolis hq building, where almost every conceivable safety test is conducted on components and old & new end products and computerized data on field performance analyzed & collated.

"Safety engineers are no longer 2nd-class citizens," we were told by Consumer Electronics Vp-Gen. Mgr. Roy Pollack on recent visit to center. "Our preoccupation with safety has become contagious." Product safety chief in every factory reports directly to Safety & Reliability Center Mgr. Clyde Hoyt, and all activities are coordinated. "There are no channels—it's all direct."

Center conducts some 175 safety-related tests, from analysis of vendors' sample components to trying to set fire to complete sets to tip-tests for TV stands to studies on effects of picture-tube arcing. Center's approval is required before production can start on any product, with re-testing & reapproval before products can be shipped.

Controlling all safety activities is RCA's Consumer Product Safety Policy Council, headed by Consumer Affairs Vp W.T. Collins, with Pollack, TV Engineering Vp J.J. Brandinger and Hoyt as alternate chairmen, and with alternates for all members, so that council can be convened on 5-min. notice at request of any member in case of emergency. Council is authorized to take action with respect to parts in inventory, work in progress, finished goods inventory and products in hands of distributors, dealers & consumers.

In addition to testing new & ongoing products and analyzing vendors' sample components, Center re-approves all parts & components for current products every year, replacement parts for past products every 2 years. It analyzes computer input from field—particularly from RCA Service Co., which services 30% of RCA sets. It searches for abnormality in demand for any part, seen as tip-off to possible problem. It works up programs to encourage distributors to keep proper records to trace any products sold.



Multi-million-dollar Safety Center recently hosted CPSC Chmn. Simpson, who called it "model for industry." As for recommendation by UL consumer-industry advisory committee against mandatory TV safety standard (Vol. 16:9 p8), Pollack indicated it was immaterial because he feels RCA can meet any reasonable standards now or in future.

"We're delighted to do the job," he told us, "but we'll hold no umbrella over the industry. We've already seen results we wouldn't normally have seen for 2 years after the product was sold. You can't draw a line between quality, safety and reliability. The public will conceive our conscientiousness and it will mean added market share. The results will be more & more evident. In the case of safety & reliability, the inverse of our legal system is true—we assume guilt until proven innocent. This is management policy. Our dedication in these areas will mean increasing business and bottom-line dollars in the years ahead. We're already beginning to see results. It's simply good business."

\* \* \* \*

UL & Consumer Product Safety Commission officials meet in Washington April 15 to see if they can agree on method of analyzing TV accident data CPSC collected from manufacturers & others. In Feb., UL group developing TV safety standard for CPSC said, based on preliminary study, that TV doesn't present unreasonable risk to consumers, so no mandatory federal safety standard is needed. Last month, EIA Consumer Electronics Group, in response to UL request, voted up to \$25,000 to fund study, provided CPSC agreed it was good idea. CPSC spokesman said it could be beneficial but emphasized that it wasn't about to make advance commitment that results would be enough to reverse position that hazard exists.

**FCC OKAYS GAME DISPLAY:** Video games & other products not approved by FCC may now be shown at trade shows, but only if they can eventually be approved under existing regulations, spokesman said. Interpreting recent ruling allowing display, Plans & Coordination Staff Chief Edwin Schafer said any product falling under FCC regulations may legally be shown if it's designed to meet type-acceptance, type-approval or certification requirements of FCC, is not turned on and carries disclaimer using this exact wording: "This device has not been approved by the Federal Communications Commission. This device is not, and may not, be offered for sale or lease, or sold or leased." Non-approved products also may be featured in promotional literature if accompanied by disclaimer, Schafer said.

Prototype 40-50-channel CBs shown at Las Vegas PC Show (Vol. 16:14 p12) were displayed illegally, according to Schafer, since current CB allocation covers only 23 channels. FCC probably will send representative to May 4-6 Newcom Show in New Orleans to police displays, he added. More serious violation at PC Show was display by at least 4 firms of linear amplifiers, which can boost CB output from allowable 4 watts to 50. Although linear amps can be used legally in amateur bands, FCC believes those shown at PC Show were aimed clearly at CB market, and Schafer said firms will be sent violation notices.

Related problem is anticipated flood of remote-control toys next Christmas. Electronic toys must be approved by FCC, but Schafer said many companies either are unaware of rules or ignore them. He said toys can cause serious interference to TV.

**Tektronix** is raising prices on many test & measurement products average of less than 5% April 26.

**Appraisement withholding** on imports of AC adaptors from Japan was ordered by Treasury, which issued preliminary finding that such products are being exported to U.S. at dumping (less than fair-value) prices. Notice said inspection of shipments of one Japanese producer, DC-Pack of Tokyo, showed dumping margins up to 18%, averaging 7%. Treasury indicated DC-Pack was sole Japanese AC-adaptor exporter shipping significant quantities to unrelated companies here. Treasury launched dumping probe last Oct. at request of Power Conversion Products Council International, association of U.S. producers (Vol. 15:42 p11). Any actual assessment of dumping duties will depend on results of more complete Treasury investigation and requires determination by International Trade Commission that practice has injured domestic industry.

**Hy-Gain secondary** million-share offering was sellout at \$19.25. Half of sale was from corporate holders, who still retain 45.5%. Prospectus notes H-G imports most components for U.S. -assembled CB line from Japan's Cybernet Sales. Same firm also supplies H-G's marine radios. In year to Aug. 31, radios provided 43.6% of \$34.6-million sales, 45.6% of \$6.4-million net, while antennas accounted for respective 50.6% & 51.8%. But in 3 months to Nov. 30, after firm's Puerto Rico CB plant went on stream, radios accounted for 57.7% of \$18.6 million sales, 57.8% of \$5.1 million net, and shares for antennas dropped to 39.6% & 41.6%.

**Assorted Music Inc.** was fined \$40,000 for payola by Dist. Judge William Ditter in Philadelphia, ending 3-year investigation. Judge also fined 4 officials—Kenneth Gamble, Harry Coombs, Earl Shelton, Edward Richardson—total of \$5,000; they had pleaded "no contest."

**MAGNAVOX RESULTS:** Magnavox consumer electronics sales totaled \$257.1 million in 1975, up from 1974's \$253.1 million, and loss was cut to \$10.3 million from \$42.1 million, with profit in 4th quarter, parent North American Philips says in annual report. Magnavox, it's claimed, increased color market share last year, especially in consoles, retained position as holder of largest share of stereo console market. Report also says initial steps toward mass production of Philips videodisc players in U.S. were taken last year.

**Wells-Gardner** reported sales down 50% for year, nearly 60% in last quarter, cited loss of W. T. Grant as customer, end to assembly contract with Philco-Ford and economic conditions as prime causes. Annual report says company is looking into merger & diversification, seeking new customers. W-G plans to introduce new 19" & 25" color chassis this year. Last year, W-G trimmed expenses sharply, cut employment from 926 average of 1974 to 446, says as result it has lowered breakeven sales volume by 30%.

**GE** reported first-quarter earnings leaped 82% from "abnormally low" level of same year-earlier period, as sales gained 9.6%, both setting records for period (see financial table). GE said consumer products were significant contributors to improvement, noted component sales to other consumer-goods producers were also up.

**Sprague** annual report says customers apparently have worked off excess parts inventories, are again ordering to support current production. Company says it could return to profitability this year, notes last year's results included special \$1.4 million credit resulting from Customs reduction of penalties for underpayment of duties to \$358,000 from already mitigated penalty of \$1.8 million.

**Corning** cited pickup in TV bulb and other consumer-oriented business in reporting 5-fold jump in first-quarter earnings on 7% sales gain.

**Blind ad** in Wall St. Journal seeks "senior development EE/physicists & managerial-level personnel for all phases of color TV tube development (masks, guns, processing, etc.) and the development of automated equipment for producing the tubes" for "a top company in the color TV tube business." Jobs are in Chicago area. Zenith is only color tube maker in Chicago area and although company had no comment, it's obviously hiring personnel for production of new tube.

**Omega digital tuner** (Vol. 15:25 p9) will be included in some U.S. TV sets to be introduced this spring, it's indicated by General Instrument's F.W. Sickles Div. Device is described in detail in April 1 Electronics magazine. In West Germany, Telefunken is introducing programmable TV designed to remember & tune up to 16 programs.

**Strike has closed** 2 of Pemcor Rola Div.'s 3 speaker plants, resulting in 70% production cutback. With CTS speaker plant still on strike, Rola shutdown could create severe shortage of speakers for compact stereo.

**NEW VIDEO GAMES:** Add 2 more names—Allied Leisure Corp. & Lloyd's—to list of firms entering lively home video game market. Allied, considered leader in coin-op game field along with Atari, will take booth at June CES to introduce 2 games—\$80-\$100 5-game & \$70 3-game units. Five-game model (tennis, squash, hockey, soccer & "wallboard") can be played by 1, 2 or 4 players, features optional rifle for 2 built-in shooting games. Three-game model features hockey, tennis & soccer. National Mktg. Dir. Arnold Fisher said firm will use CES to establish new distribution lines, make contact with dept. store & other chain buyers. Allied will also show games at National Hotel-Restaurant Show in May in effort to introduce game concept into hotel-motel field. Fisher said game would be installed permanently in hotel room and guest would call switchboard to have it turned on for specified period. Charge for playing game would be added to bill.

"Monte Verde" is name Lloyd's will use for new game to be sold through 2-step distribution network. Models sold direct will carry Lloyd's name. Model will play 6 games, retail for \$100, be introduced at CES. Other new games: Microelectronics Systems will show "Mike" multi-game unit at National Premium Show in N. Y. in May and at CES. Pricing hasn't been set.

Magnavox will launch TV ad campaign in 27 major markets late this month promoting "Odyssey 200." Commercial was shown to NARDA dealers on local TV during Las Vegas Convention (Vol. 16:14 p12). Electronic Games Mktg. Mgr. John Helm says firm will introduce new game some time this year. FCC spokesman says it now has 6 applications for game approval, but serious CB interference problems (Vol. 16:14 p11) forced diversion of lab personnel from game testing, causing 2-week delay. Testing has been resumed.

**Another projection-TV system**, Magna-Vision, has been introduced by Video-1 Inc., 1401 Brickell Ave., Miami (Leigh Rothschild & Martin Escoffier). Scheduled to go on sale in South this month, it uses modified Toshiba TV as picture source, with "sophisticated lens" capable of projecting image to 7-ft. diagonal screen. New screen, same size as Advent's, is claimed to be more durable. With 7-ft. screen, price is \$2,900; with 50" Ektalite screen, it's \$2,500; without screen, \$2,300.

**Sony will produce** 1,000-2,000 30" receivers & monitors a year, depending on economic conditions (Vol. 16:14 p10). Introduction in U.S. is tentatively scheduled early next year. Pres. Kazuo Iwama said resolution in giant tube has been improved by "image-modulated sweep" of electron beams and reduction of beam spot to 1/2 size of smallest in conventional over-19" picture tubes. Power consumption of 30" TV set is 220 watts.

**World's TV sets** outnumber telephones & cars, according to RCA, which uses our Television Factbook estimate of 364 million TV sets to compare with 360 million telephones, 300 million cars & trucks. In U.S., there are about 120 million TVs, 144 million telephones, 130 million vehicles.



**JAN. IMPORTS:** Imports of audio products presented mixed picture in Jan., though transceivers continued strong, spurred by CB demand. Exact comparisons with same 1975 months are impossible, because Commerce Dept., dealing with new product breakouts last Jan., failed to issue reports for some items, provided only partial data for some others.

Transceiver imports for month totaled 994,100. In radios, auto units totaled 394,400, while home radios fell just short of 2 million. In areas where comparisons are possible, total phonos were off 3.2% to 31,300, with radio-phonos off 23.8% to 18,700, phono-only up 60.8% to 12,700. Imports of record changers & automatic turntables (reported separately this year) were up 2% to 502,900. Here are details:

## U. S. IMPORTS

Jan. 1976		Jan. 1975		Jan. 1976		Jan. 1975	
	Units	Value(\$)	Units	Value(\$)	Units	Value(\$)	Units
Color, 19" & over. . .	61,154	11,470,944	24,028	5,193,285	Taiwan . . . . .	10,402	637,214
Japan . . . . .	54,843	10,263,415	21,659	4,685,418	S. Korea . . . . .	—	—
Taiwan . . . . .	6,166	1,156,534	2,348	499,153	B&w, 11-12" . . . .	191,687	11,123,115
S. Korea . . . . .	—	—	—	—	Japan . . . . .	27,056	1,499,667
Color, 18" . . . . .	321	79,569	1,991	368,592	Taiwan . . . . .	148,545	8,795,696
Japan . . . . .	303	76,102	40	10,300	S. Korea . . . . .	16,055	820,213
Taiwan . . . . .	18	3,467	1,951	358,292	B&w, 10" & under. . .	81,455	5,287,553
Color, 16-17" . . . .	2,999	545,848	—	—	Japan . . . . .	25,590	1,761,676
Japan . . . . .	2,151	392,274	—	—	Taiwan . . . . .	44,965	2,796,450
Taiwan . . . . .	845	152,616	—	—	S. Korea . . . . .	10,824	711,060
S. Korea . . . . .	—	—	—	—	Auto radio, AM . . .	222,691	4,311,788
Color, 14-15" . . . .	11,376	1,899,364	—	—	Auto radio, FM . . .	171,679	4,751,848
Japan . . . . .	11,344	1,892,030	—	—	Ck. radio, dig., AM .	24,078	268,354
Taiwan . . . . .	—	—	—	—	Ck. radio, dig., FM .	280,570	4,096,242
S. Korea . . . . .	—	—	—	—	Ck. radio, other, AM .	1,988	11,605
Color, 13" . . . . .	17,824	2,811,224	530	59,397	Ck. radio, other, FM .	59,385	714,470
Japan . . . . .	16,274	2,555,905	530	59,397	Tr. radio, AM, AC . .	31,427	116,382
Taiwan . . . . .	1,550	255,319	—	—	Tr. radio, AC, w/o . .	81,701	5,779,333
S. Korea . . . . .	—	—	—	—	spkrs. . . . .	31,400	638,547
Color, 11-12" . . . .	18,551	3,386,924	9,086	1,106,820	Tr. radio, FM, AC . .	607,238	1,744,518
Japan . . . . .	17,201	3,176,102	4,554	702,306	Tr. radio, FM, batt.*	583,660	8,381,943
Taiwan . . . . .	150	24,570	4,500	318,825	Tr. radio, multiband*	279,477	4,644,313
S. Korea . . . . .	1,200	186,252	—	—	Trcvrs., auto, CB* . .	517,568	26,660,844
Color, 10" & under. .	11,574	1,844,317	3,054	359,278	Trcvrs., auto, other*	84,932	3,991,472
Japan . . . . .	9,422	1,521,465	1,452	252,788	Trcvrs., hand-held*	187,461	2,107,526
Taiwan . . . . .	2,134	319,206	—	—	Trcvrs., other* . . .	204,136	12,350,380
S. Korea . . . . .	—	—	1,596	105,336	Rad.-phono, console .	4,793	118,463
B&w, 19" & over . . .	31,283	2,310,721	26,955	2,107,182	Rad.-phono, other. . .	13,686	476,825
Japan . . . . .	4,842	372,595	156	13,045	Phono, mono . . . . .	799	86,667
Taiwan . . . . .	23,992	1,748,050	25,466	1,987,833	Phono, stereo . . . .	11,885	697,377
S. Korea . . . . .	2,404	172,829	1,300	94,254	Record changers. . . .	489,160	6,160,681
B&w, 18" . . . . .	14,268	512,768	4,084	175,412	United Kingdom . . .	476,013	5,523,083
Japan . . . . .	—	—	2	644	West Germany. . . .	11,270	572,903
Taiwan . . . . .	14,268	512,768	4,082	174,768	Automatic turntables*	13,764	657,658
B&w, 13-17" . . . .	22,905	1,519,778	20,756	1,283,360			
Japan . . . . .	12,294	806,125	2,817	200,599			

\*Not reported in January 1975.

**Korea hopes** to lessen dependency on Japan for key electronic items this year, is looking for local producers to take on manufacture of 31 items, including record players, phono cartridges & tone arms, TV tuners & deflection components, picture tubes, recorders & tape, silicon wafers. Manufacturers will be selected by Commerce & Industry Ministry which presumably will provide protection from imports.

**Duty-free treatment** of specified products from eligible underdeveloped countries (Vol. 15:48 p9) will be given only when it can be shown that at least 35% of item's value was added in form of material and/or labor in exporting country, Customs says in interpretive ruling.

**Sanyo has quietly** shelved plans to manufacture TED videodisc player, according to sources close to company. Sanyo has announced contract with Vietnam govt. to supply kits for 2,000 TV sets & 3,000 radios for assembly by joint venture in Saigon.

**Ad notes:** Maxell shifts from Campeau, Lipman to Scali, McCabe & Sloves... Kenwood, J.I.L. & SBE move from Alfred Frank-Guenther Law to D'Arcy-MacManus & Masius.

**Mergers & acquisitions:** Solitron Devices is negotiating acquisition of N.J.-based N. American Crystal, producer of CB & scanner crystals. Solitron said it may move NAC production to Hong Kong, where it also plans to produce electronic watch crystals... FBR Bienne of Switzerland will acquire control of capacitor producer Arco Electronics through purchase of shares held by former Pres. Al Roth.

**Aiwa audio line** will be marketed in U.S. this year by Meriton. Japanese producer Aiwa and U.S. import-marketer Meriton are both Sony subsidiaries; Aiwa has been one of Meriton's suppliers. Until 1972, when it slipped out of U.S. market, Aiwa products were distributed here by now-defunct Milovac International.

**More than 250** organizations producing & distributing videotape software are listed in directory contained in current issue of Educational & Industrial TV magazine (607 Main St., Ridgefield, Conn. 06877).

**Voluntary bankruptcy** petitions have been filed in San Francisco for Ness Time & affiliate Solid State Time. Digital watch producers have combined negative net worth of \$1.8 million, no assets.

**SHARP'S 1977 LINE:** First 1977 TV line was pre-viewed to sales reps last week by Sharp in Rome. Of 14-model color line, 13 are new, including 8 sets with "Sigma 500" chassis, claimed to feature "most extensive use of microcircuitry in any TV set sold in the U.S.," resulting in increased reliability and 12.5% reduction in power requirements. Prices are relatively unchanged from 1976 line (changes noted below.) As in predecessor line, 13" & 19" leaders have 90-day labor warranties, remainder full year.

Color line starts with 13" Sigma-chassis model at \$320, AFT step-ups at \$340 (new price point) & \$350, automatic color & electric eye \$370. Holdover 15" is \$370 (down \$20), Sigma step-up with automatic color & electric eye \$390. Leader 19" Sigma is \$360, AFT step-up \$400 (down \$20), automatic color \$440 (down \$20), modular-chassis sets at \$470 & \$480, pushbutton electronic-tuned model at \$560, remotes with on-screen channel display \$600 & \$610 (both up \$10).

Monochrome line has 6 basic models, now all-solid-state — 9" AC-DC at \$110 (up \$10); 12" at \$95, \$100 & \$110; 19" at \$150 & \$160. Sharp introduced its first AM-FM-SW cassette recorder with auto-matic cue at \$170, all-electronic digital clock radio at \$70, portable 8-band radio with CB reception at \$100.

## Trade Personals

**Pieter van den Berg** retiring from North American Philips chairmanship, successor not yet named... **John Richert**, ex-Victor Comtometer, named Quasar controller... **Charles Urbauer** nominated for Wells-Gardner board, replacing retired **Frank Balasa**, whom he succeeded last year as secy.-treas... **Roscoe Mitchell**, Zenith urban affairs dir., adds responsibility for equal-opportunity programs.

**C. E. Seaman**, ex-Lafayette, joins E. F. Johnson as product sales mgr. for scanner monitors... **Guy Forney**, ex-Bourns, joins Antenna Specialists as development dir. for Puerto Rico CB antenna plant under construction... **Gordon West**, ex-Standard Communications, appointed SBE business & marine radio product mgr... **John Sohn**, Arvin Consumer Products Group vp, named a dir... **Taiyu Kobayashi** advanced at Fujitsu from exec. vp to pres., succeeding **Hiroshi Seimiya**, now chmn... **Gordon McClure**, Bourns, elected pres. of Variable Resistive Components Institute; **L. W. Chapin**, Beckman Helipot Div., named vp; **Ervin Liban**, Allen-Bradley, elected treas... **Thomas Thorsen**, GE Components & Materials Group financial planning mgr., advanced to corporate vp-controller... **Jacob Ornstein**, ex-Texas Instruments, appointed mfg. support mgr. for Sylvania subsidiary W. M. Chace... **Curtis Jansky**, ex-MCI & ITT, joins Teleconsult Inc., Washington multinational engineering firm.

**Edward Churchill**, Sylvania distribution services gen. mgr., named corp. vp... **Carl Yankowski** appointed Memorex Audio Div. product mgr... **Donald Cook** promoted from RCA Service education services dir. to govt. services mktg. vp... **Steven Teachout**,

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Craig</b>			
1976-9 mo. to March 31	83,394,000	5,965,000	1.95
1975-9 mo. to March 31	46,880,000	2,095,000	.68
<b>GE</b>			
1976-qtr. to March 31	3,267,900,000 <sup>a</sup>	135,400,000 <sup>a</sup>	.73
1975-qtr. to March 31	2,979,100,000	74,400,000	.41
<b>MGM</b>			
1976-6 mo. to Feb. 29	134,475,000	11,512,000 <sup>b</sup>	.88
1975-6 mo. to Feb. 28	129,288,000	17,169,000 <sup>b</sup>	1.34 <sup>c</sup>
1976-qtr. to Feb. 29	67,808,000	5,421,000	.42 <sup>c</sup>
1975-qtr. to Feb. 28	62,884,000	5,397,000	.42 <sup>c</sup>
<b>Tele-Communications</b>			
1975-year to Dec. 31 <sup>d</sup>	40,574,000	(156,000)	--
1974-year to Dec. 31 <sup>d</sup>	34,197,000	(15,655,000)	--
<b>Tokyo Shibaura Electric<sup>e</sup></b>			
1975-6 mo. to Sept. 30	2,183,600,000	(17,200,000)	--
1974-6 mo. to Sept. 30	2,096,700,000	21,500,000	--
<b>Wells-Gardner</b>			
1975-year to Dec. 31	15,367,456	(1,517,961)	--
1974-year to Dec. 31	32,750,894	(1,149,644)	--
1975-qtr. to Dec. 31	3,826,000	(607,000)	--
1974-qtr. to Dec. 31	9,330,000	(616,000)	--

Notes: <sup>a</sup>Record. <sup>b</sup>Includes special credit. <sup>c</sup>Adjusted. <sup>d</sup>Restated. <sup>e</sup>At yen's current rate.

ex-Janszen, forms Resource Mktg. Assoc., mid-west hi-fi rep firm... **Robert Scott**, CTS international operations group vp, named to exec. committee... **Paul Upham** named Philips Labs personnel dir... **Richard Wood**, ex-Philips Audio Video Systems, joins Image Magnification (TV projectors) as national sales mgr.

**Import adjustment** assistance eligibility investigation has been opened by Labor Dept. for former consumer electronics production workers at Philco-Ford's Blue Bell, Pa. plants.

## EWR Panel Enlarged

Our Early Warning Report network of TV & stereo retailers has been enlarged to include 844 outlets—more than double number originally included when service was launched in Jan. 1975. Increase has been accomplished gradually to preserve month-to-month comparability. Less active and late-reporting panel members have been dropped.

Early Warning Report (EWR) gives quick summary of monthly retail trends in color & monochrome TV & stereo sales & inventories, has proven reliable barometer of retail activity. It is mailed to EWR subscribers in mid-month, covering retail business in preceding month. Enlargement of dealer network should make it even more valuable. March results will be mailed this week to EWR subscribers. For sample copy and EWR subscription information, call our Washington (202-872-9200) or N. Y. office (212-355-5611).



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**HOUSER TAPPED FOR OTP DIR.:** Former FCC member due to be named, succeeding Eger, who expects to enter law practice. (P. 1)

**NCTA-MPAA COPYRIGHT PACT:** Agreement would produce \$8-\$9 million first year, based on descending fees for successive imported signals. Tribunal could change fees if FCC changes exclusivity-import rules and to maintain 'constant dollars' in face of inflation. (P. 2)

**KINLEY, HARDY TRIGGER FCC SHAKE-UP:** Resignation of cable chief & gen. counsel bring new assignments for Hartenberger, Secrest, Hobson, Jacobs, others. (P. 3)

**WOOD OUT, WUSSLER IN, AT CBS:** Wood resigns as network pres., plans to produce programs on West Coast for CBS; Wussler succeeds him. (P. 4)

**STAGGERS POWER PLAY FAILS:** Commerce chmn. declines to call caucus to name Macdonald replacement, later backs down. Incident jeopardizes his chairmanship next Jan. (P. 5)

**COURT UPHOLDS 315 EXEMPTIONS** for debates & news conferences. DNC will appeal. (P. 5)

**EX-FCC COMR. HOUSER TAPPED FOR OTP DIR.:** New OTP dir. will be Thomas Houser, FCC member Jan.-Oct. 1971, now partner in huge Chicago law firm Sidley & Austin. He's about to be nominated to replace Acting Dir. John Eger, who's expected to enter private law practice within a few weeks after Houser is confirmed. Hearing before Senate Commerce Committee is due in mid-May, and no significant opposition is in sight. However, broadcasters are less than enthusiastic about him, since big chunk of UHF was given to land-mobile service when he headed FCC's land-mobile activities—and he was generally pro-cable.

Republican Houser has very strong political support, having been campaign mgr. for Sen. Percy (R-Ill.), head of Cook County GOP exec. committee, etc. He was deputy dir. of Peace Corps before joining FCC. During his brief stint on Commission, he underwent serious pituitary operation, was away from office for substantial period—recovered completely. In law practice, he has represented radio stations, cable operators, land-mobile users, pay-TV decoder outfit. He's on board of Liberty Communications—operator of KEZI-TV Eugene, Ore., applicant for pay-TV station on Ch. 27, Dallas, owner of cable systems with about 100,000 subscribers. Presumably, he'd withdraw from company when confirmed. He's law partner of former FCC Chmn. Newton Minow.

Eger is disappointed, of course. He came to OTP from FCC Nov. 26, 1973, became acting dir. Sept. 15, 1974. His failure to get appointment as dir. is generally attributed to his success, on Capitol Hill, in blocking former OMB Dir. Roy Ash's attempt to abolish OTP as economy move. Despite his situation in "acting" limbo, Eger vigorously pursued variety of proj-

### Consumer Electronics

**ITC HOPES TO CLEAR** up question of unfair Japanese TV competition in broad preliminary probe, Chmn. Leonard says. Zenith files court challenge in countervailing-duty case. Taiwan's high duties draw fire from RCA distributor there. (P. 7)

**TV RECOVERY PACE** lagged in March, color sales to dealers exceeding 1975 month by only 7.8%. End-of-month inventories 10% below 1975. Compact stereo sales seen slow. (P. 8)

**AVERAGE TV PRICES** hit 8-year high in 1975—color up 8% at factory to \$341.05, monochrome rising 6% to \$83.97. (P. 8)

**VIDEODISC MARKET TIMING** depends largely on state of economy, says RCA Pres. Conrad, who estimates sales could start in 12-18 months. Color TV prices seen stable. (P. 9)

**RCA EARNINGS UP** more than 100% in quarter. Warwick losses continue. Admiral still in red. Philips consumer product sales & earnings gain. (P. 11)

**NEW CB LICENSE** system approved by FCC gives user 60-day temporary operating permit, interim call sign. (P. 11)

ects—notably, recently, to achieve international cooperation in electronics in Pacific, Atlantic, Latin America & Africa.

**CABLE-PRODUCERS COPYRIGHT PACT:** MPAA & NCTA have agreed on copyright bill—in what appears to be real compromise—which would, in first year, cost cable about same total as S. 22 passed by Senate: About \$8-\$9 million. Deal brought prompt objection from NAB, though it found a few good features in it—but it puts tremendous pressure on broadcasters, because Congress is always happy to see disputants agree on proposed legislation. And, since agreement requires little more than token payment from small cable systems, exactly same as S. 22, it reduces heat on Congress from that quarter.

There was little direct reaction from Capitol Hill, because Congress recessed day after compromise was achieved, but NCTA Pres. Robert Schmidt & MPAA Pres. Jack Valenti said they're encouraged by initial response.

Agreement requires all systems to pay something for distant signals. Even systems that don't import signals pay something "for the privilege of being able" to import. Systems would pay percentage of basic subscriber revenues (not for pay cable, advertising or other revenues), on these terms: (1) 0.6% for first imported signal. (2) 0.425% for each of 2nd, 3rd & 4th imported signal. (3) 0.2% of signals over 4.

Each independent or specialty-station signal is counted as one full ("equivalent") signal; national network & ETV signals are counted as 1/4 of full signal. Systems importing no signals pay 0.6% of revenues.

Royalty Tribunal can't change foregoing rates until 1980 unless: (1) FCC changes exclusivity rules. (2) FCC allows imports of more signals. If FCC makes such changes, copyright holders can petition Tribunal for immediate adjustment. Any such adjustment made may be reconsidered by Tribunal in 1980 and every 5 years thereafter.

Also in 1980 and every 5 years afterward, Tribunal can adjust rates "to reflect changes, in terms of constant dollars, in the average basic subscriber rate throughout the cable industry." This means copyright owners will get increases to offset inflation; however, if system can't win rate increase, he's exempted from paying more. Tribunal decisions are subject to court review.

There are a few other provisions, but foregoing are essence. A key provision is that permitting rate changes due to FCC changes in exclusivity & distant-signal additions. Cable people have been hoping that Commission would toss out exclusivity & importation limitations once systems start paying copyright. MPAA-NCTA agreement allows Tribunal to hike rates if cable gets such benefits.

NAB said its own copyright proposal is superior to MPAA-NCTA agreement because it provides "marketplace solution" to fees, takes Congress out of marketplace decisions, makes it possible to set fair fees without a "tribunal which may be subject to constitutional objections." NAB said "serious defects" of agreement include fact that it's "silent on the broadcasters' right to sue," apparently allows larger systems to pay much less than S. 22. NAB stated: "The cable industry fully intends to ask for virtual total de-regulation once it pays copyright. In addition, many cable systems will expand their pay-TV operations. Under these circumstances, there is no reason that full copyright liability should not be incurred for all programming."

Valenti & Schmidt had been dickering spottily for month before NCTA convention, got serious then, got hot for week thereafter, signed deal April 14. At suggestion of Rep. Pattison (D-N.Y.), Rep. Kastenmeier (D-Wis.) had called all parties to an April 14 meeting, seeking areas of agreement before markup starting when they return from recess April 26. Schmidt & Valenti signed agreement 30 min. before meeting, brought it to Kastenmeier, who had all members of Copyright Subcommittee on hand. Also present were Register of Copyrights Barbara Ringer, House Commerce Committee Counsel Shooshan, NAB's Wasilewski, Summers & Zeifang, ABC's Eugene Cowan & counsel Robert Coll, MCA's Herbert Stern. Subcommittee staffers thought Kastenmeier & Pattison were favorably inclined but waiting for broadcasters' reaction.

Schmidt told us: "I think there are factors in the agreement that have to appeal to everyone, including CATA. There were extremely good negotiations in both groups, NCTA & MPAA."



Valenti told us, speaking of Subcommittee reaction: "They made no commitment. My instincts tell me that reaction is favorable—in that 2 major outfits have resolved their differences." He said estimate of \$8-\$9 million revenues was based on statistical sample of 150 systems, "and there might be 5-10% variance."

Ringer told us agreement is "a very promising compromise. I might be missing something, but it seems to me that the broadcasters are no worse off under this than under the Senate bill." She noted that agreement is silent on broadcasters' right to sue, said it's still open for inclusion in final bill.

Major negotiators for NCTA included, at one time or another: Burt Harris, Russell Karp, Ralph Baruch, Rex Bradley, Robert Weary, Barry Simons. For MPAA, participants included: Peter Kuyper, Gerald Phillips, Herbert Stern, Hugh Ferry.

Sen. McClellan (D-Ark.) & his Copyright Subcommittee have been informed of agreement, haven't commented. Also notified were FCC & OTP; their principals hadn't analyzed it yet.

**KINLEY, HARDY RESIGN, TRIGGERING FCC SHAKE-UP:** Top 3 spots in both FCC's Cable Bureau and Gen. Counsel's Office soon will be headed by new men picked by Chmn. Wiley (and ratified by other commissioners) as result of resignations last week of Cable Chief David Kinley & Gen. Counsel Ashton Hardy. There have never been so many changes in major posts at one time, and never has a chairman placed so many of his own people in top spots.

Kinley's April 12 resignation—effective May 1, although he removed himself from all case-work—came as complete surprise. He'll be replaced by James Hobson, currently chief of Renewal Branch, former Wiley assistant in gen. counsel & chairman's offices. Asst. Cable Bureau Chief Jerold Jacobs moves up to deputy chief, replacing J. Clay Smith (highest-ranking black FCC staffer), who moves to assoc. gen. counsel. Albert Baxter, Comr. Hooks legal asst., moves to Cable Bureau as asst. chief for management.

Hardy's resignation had been rumored for weeks, is effective mid-summer. He'll be replaced by Deputy Gen. Counsel Werner Hartenberger. Lawrence Secrest, Wiley's admin. asst., succeeds Hartenberger. Former Assoc. Gen. Counsel Roscoe Long moves to Bcst. Bureau as chief of newly-expanded Policy & Rules Div. (Vol. 16:12 p2). Another change not announced has Deputy FCC EEO Chief Clarence McKee becoming Hooks' legal asst.; Transfer Chief Roy Stewart has been offered top Renewal post.

Kinley, 34, joined Cable Bureau as deputy chief in 1973, was named chief in May 1974. He is much respected by cable industry, was criticized by broadcasters for being "advocate"—is expected to join MSO or law firm and believes cable soon will take off. Hardy was named gen. counsel in May 1974, previously was member of New Orleans law firm; speculation is that he'll either join Washington firm or return to New Orleans.

Wiley, who is getting pressure to hire black for his personal staff, told us last week that he hasn't even thought about successor for Secrest, that when he does he'll hire "the best person available." National Black Media Coalition Chmn. Pluria Marshall wrote Wiley April 15 suggesting that "in light of all the personnel changes within the agency, I hope that some arrangements have been made for you to have a black professional on your staff." Chairman's office now has 2 black secys.

**Bill requiring federal agencies** to give added weight to competitive impact of their decisions was approved by Senate Antitrust Subcommittee, 7-0. Cable representatives had testified that FCC regulation reduced competition, while broadcasters argued for FCC regulation (Vol. 16:6 p3). Bill would require agency to justify actions which might reduce competition. Chief sponsor Sen. Kennedy (D-Mass.) dropped from bill requirement that agency prepare "competitive impact statement" for all rulemakings and legislative proposals. Meanwhile, Senate Commerce Committee Ranking Republican Pearson (R-Kan.)

proposed measure requiring regulatory agencies to review all their rules, submit to Congress by Dec. 1977 two lists: Rules which Congress should codify; rules which should be eliminated, transferred to other agency or modified.

**NCTA attendance totaled 4,308**, up almost 1,000 from last year, according to Senior Vp Wally Briscoe. He said CATV system operator and related personnel attendance rose 50% from last year and exceeded exhibitor personnel for first time in 3 years—1,870 to 1,746.

**FTC GOALS SELF-EXAMINED:** FTC's own Office of Policy Planning & Evaluation (OPPE) has criticized philosophy & direction of many of Commission's ad regulation efforts, recommends action in other as-yet-untouched areas, in internal mid-year evaluation published recently by BNA newsletter Antitrust & Trade Regulation Report. Written principally by OPPE Acting Dir. Mark Grady, study:

(1) Reveals that Chicago regional office is preparing case to determine "as a matter of law" whether sugar-coated cereals cause tooth decay in children. If case ever gets to Commission level, it could affect all sweetened-cereal TV ads, may force FTC to try to set out "exactly what constitutes a proper study design" in medical or dental research which attempts to back up ad claims.

(2) Criticizes proposed nutritional ad disclosure rule, saying it's so complex that it "might well stanch the flow of nutritional information to consumers." Report recommends, instead, that all food ads feature FDA "nutrient profile" now required on product's label, claims this would be more effective "by enriching the healthy skepticism that consumers now have of statements made by those selling a product."

(3) Suggests that "particular emphasis" be placed on electronic media in recently-announced investigation to determine whether industry ad codes hamper comparative ads (Vol. 16:8 p5). Theorizing that comparing products in ads enhances competition, evaluation notes that self-regulatory codes often impose special requirements on comparative ads. NAB TV Code guide on toy ads, for example, bars "superiority claims... even when true," according to report.

(4) Questions usefulness of rule pushed by Consumer Protection Bureau on "safety in advertising." Rule would bar from ads such scenes as gas station attendant smoking cigar while filling tank, or motorcyclist without helmet.

(5) Again recommends FTC intervene with FCC on cable regulation. "At least in TV, the FCC has apparently fought to limit cable to protect the existing firms. Thus regulation is a barrier to entry," evaluation finds. "The entire communications area appears to be one where [FTC] action could benefit consumers."

**New cable satellite** earth station applications: Auburn & Spokane, Wash.; Casper & Green River, Wyo. (last for Green River, Rock Springs, Kemmerer & Evanston). New CPs: Manchester, Conn.; Winter Park, Fla.; Waco, Tex. Combination CPs & licenses: Huntsville, Ala.; Sarasota, Fla.; Lewiston & Pocatello, Ida.; Reno, Nev.; Pasco-Kennewick, Wash. (For detail of foregoing, see CATV Addenda herewith.)

**Storer Bcstg. is buying** 646,229 shares from estate of George B. Storer for \$22.50 (closing price day deal consummated April 14, up one point next day), total \$14.5 million cash. Stock will be held in treasury, reducing outstanding shares by 14.2%.

**Pay-movie channel** at \$3 monthly will be offered by Lansing cable system, using TPS films. Other channels include: 5 news feeds, children's, movie classics, police, fire & aviation band scanners, CB.

**WOOD OUT, WUSSLER IN, AT CBS:** Robert D. Wood ended wide speculation last week by resigning as CBS-TV pres. to open his own production firm on West Coast—with CBS having exclusive rights to all his output for 4 years. He was replaced immediately by CBS-TV Sports Pres. Robert Wussler; affiliates were informed of change via televised closed-circuit hosted by Bcst. Group Pres. John Schneider.

In Wussler's first major move, he promoted Robert Daly, vp-business affairs, to exec. vp of TV network; Daly also will continue in charge of business affairs. Wussler also has 2 major West Coast program vacancies, said he'd use some "turn-around time" before replacing recently-resigned Perry Lafferty & Frank Barton.

Wood, 51, has been with CBS since 1949, starting as clerk at KNX(AM) L. A. He became network pres. in Feb. 1969, after serving in various capacities in Stations Div., including pres. 1967-69. He has long made no secret of fact he'd like to return to native Cal. Wussler, 39, joined CBS as mail-room clerk in 1957. For 15 years, he was with CBS News, winning 3 Emmys. He later was vp-gen. mgr. of WBBM-TV Chicago, become pres. of sports 2 years ago.

Wood said that CBS will provide "financial underpinning"—figures weren't disclosed—to launch Nephi Productions, that his first efforts won't be comedies. Under CBS deal, he can't offer programs elsewhere if network turns them down. He also said there was never anything to rumor that he was negotiating with NBC.

**Ex-FCC aide Barry Cole** testified in L. A. family viewing trial last week that FCC Chmn. Wiley didn't threaten networks during 1974 talks on concept. "In my opinion, the answer is no," Cole replied in answer to question by NBC attorney under cross-examination. Cole was on stand 4 days as "neutral" expert witness. He was followed by ex-Comr. Johnson April 13, who said Wiley's action in calling network execs. to Washington was unusual & unprecedented. "I think they would be quite frightened & concerned," Johnson said when asked what networks' reactions would be to such request by FCC chmn. Trial recessed after Johnson's testimony, resumes this week when thousands of pages of depositions will be read into record, starting with ex-CBS Washington Vp Richard Jencks.

**Apropos "ripoffs"** of exhibitors by workmen at NAB convention in McCormick Place, Chicago, Reportec Pres. Lester Lee writes: "We were a very disappointed exhibitor... The constant hassle imposed by the rules & regulations for set-up & dismantling has caused us to decide against going back there again for NAB exhibits. We are also going to boycott other exhibits (at this location) in which we would normally participate."

**Detroit Media Coalition** has asked D. C. Appeals Court to overturn Feb. 18 renewal of WJBK-TV Detroit without hearing. Commission found station had improperly solicited support from community leaders, said it would have considered short renewal except for fact WJBK-TV has to file again Oct. 1.



**STAGGERS POWER PLAY FAILS:** House Commerce Committee Chmn. Staggers (D-W. Va.) last week attempted to ignore request by Communications Subcommittee Chmn. Macdonald (D-Mass.) to convene caucus of Committee Democrats to choose Macdonald successor (Vol. 16:15 p1), but later backed down under pressure. Incident could jeopardize Staggers' chairmanship next Jan., apparently hasn't hurt Rep. Van Deerlin's (D-Cal.) chances of succeeding Macdonald.

Without consulting Macdonald, Staggers ordered Commerce Committee clerk April 14 to issue notice setting Communications Subcommittee hearing April 27-28 on 2 minor bills (FCC penalties & translator originations). Staggers told us hearing would be chaired by Subcommittee's next-ranking Democrat Murphy (D-N. Y.), explaining that "this is just the procedure we always have." Committee aide said Staggers "thought the Committee ought to get moving on some of this stuff," indicated Staggers had no intention of convening caucus: "As far as I know there's been no request... other than the suggestion made by Mr. Macdonald."

Next day, Committee issued new notice—announcing that hearing was "postponed to some future date" and setting a caucus for April 27. "We have some bills we need to get moving on, but some of the boys wanted to have a caucus," Staggers explained. He defended failure to consult with Macdonald by citing latter's illness: "I haven't been able to get to him." He declined to say which "boys" urged him to schedule caucus, but it's understood key role was played by Rep. Moss (D-Cal.). "It was merely a case of acquainting the chairman with the rules of the Committee," Moss told us, citing rule which states that only subcommittee chmn. can set subcommittee hearings.

Macdonald took Staggers' actions as personal affront, conferred by telephone with Van Deerlin, then branded both original hearing notice & postponement "illegal." Macdonald staff then began circulating petition requiring Staggers to convene caucus within 10 days, quickly got needed 10 signatures.

Committee members, staffers & industry observers expressed puzzlement over Staggers' motives, shared view incident would hurt Staggers' ability to remain chmn. of full Committee when Congress reorganizes next session. Sample of Committee comments: "He's hung himself." "I think this is it—I don't see how he can bounce back." "He couldn't have gained anything... I just don't understand it."

**Satellite communications unit** has been formed by Harris Corp. to market earth stations & related equipment. New unit will be formed from Harris' Melbourne, Fla. Electronics Systems and RF Communications & Controls Divs. Company estimates current year's total market (excluding govt.) at \$350 million, rising to \$500 million annually by 1980.

**To comply with adverse court ruling** on write-in candidates, FCC has proposed to change definition of "qualified candidate" to one who has either qualified for place on ballot or committed himself publicly to seek election as write-in. Comments are due May 27, replies June 7.

**COURT UPHOLDS 315 EXEMPTIONS:** Exemptions of debates & news conferences from equal-time provisions of Sec. 315 were upheld last week by D. C. Appeals Court 2-1. FCC had reversed long-standing rulings in Sept. opinion exempting news conferences & debates (Vol. 15:39 p1).

Judge Tamm (joined by Wilkey) ruled that legislative history of 1959 amendment to Communications Act "provides substantial support, although inconclusive, for the Commission's interpretation." Congress, he said, intended FCC to play "important role" in developing exemptions under "bona fide" news clause and deliberately gave agency "some leeway." This is evident "from Congress' decision not to legislate in detail, but rather to set out broad categories for exemption of news-related coverage and leave the Commission with the task of implementing congressional intent."

In 67-page dissent, Judge Wright charged majority opinion "effectively repeals" Sec. 315. He said Commission "has substituted its own judgment for decisions made by Congress and has acted without regard for the procedures it was required to follow." Wright added there's "no principled way" to exempt debates & news conferences without "also holding that other partisan political efforts... including speeches, also are covered."

Rep. Chisholm (D-N. Y.), NOW & Democratic National Committee appealed FCC ruling; DNC, at least, plans to seek rehearing. DNC spokesman noted that majority referred to case as "perhaps the most important interpretation [of 315] which has arisen in the past decade" and that judges said "we take comfort in the realization that Congress may correct the Commission."

**FCC complied with D. C. Appeals Court order** last week to supply names of those making ex-parte contacts with commissioners & staff during pendency of pay-cable rules—July 1972-Oct. 1975. At same time, Commission asked Court to reconsider order because "any requirement... that all conversations with outsiders [on pending rulemakings] be reduced to writing will drastically reduce, if not destroy altogether, the efficacy of one means now available to Commission personnel for increasing their understanding of policy issues." Commission noted that ex-FCC Gen. Counsel Henry Geller, who asked Court to require disclosure of ex-parte contacts, "availed himself of the opportunity... to express his policy views by oral conversations with commissioners & staff..." Commissioners & staffers also said it's impossible to comply fully because no records were kept. Added Comr. Hooks: "The information... is so fragmentary, so unverified, that the submission of such selective data becomes almost frivolous... Compliance herewith would constitute an untenable precedent." There were no surprises in names supplied to Court, which will hear argument on pay-cable rules April 20.

**Citing lower profits** expected in 1976, AVC Corp. Chmn. Frank Reichel told N. Y. security analysts that company will sell WPHL-TV Philadelphia, probably within "next year or so."



## Personals

Rep. **Martin Russo** (D-Ill.) resigns from Judiciary Committee to join Commerce Committee; he takes seat of Rep. **W. G. (Bill) Hefner** (D-N.C.), who goes to Committee on Public Works & Transportation.

**Ann Gray** elected ABC treas.; **Herbert Jellinek** promoted to vp-production operations & administration, ABC-TV; **Thomas Gorey** advanced to ABC compensation & benefits dir., new post; **Ed Erickson** named insurance dir.

**George Mitchell**, WKEF Dayton vp-gen. mgr., promoted to pres. . . **John Markward**, ex-WOTV Grand Rapids, appointed gen. mgr., KODE-TV-AM Joplin, Mo., succeeding **Robert Lee**, resigned. . . **David Chase** resigns as station mgr. of WIC-TV Pittsburgh; position won't be filled. . . FCC Comr. **Benjamin Hooks** addresses S.D. Bcstrs. Assn. June 11, Spearfish, S.D.

**Peter Rosella** advanced to gen. sales mgr., KWGN-TV Denver; **John Brennan** promoted to mktg. dir. . . **Paul La Camera** promoted to community services dir., WCVB-TV Boston. . . **Ronn Nichols** advanced to community services dir., KMOX-TV St. Louis. . . **John Catlett**, ex-WBBM(FM) Chicago, appointed planning & administration dir., WBBM-TV.

**Van Irvine**, Casper, Wyo., elected chmn., United Cable, succeeding **Joseph Seger**, who resigns from board along with **Eldon Johnston** & **Murray Gullatt**; **Gene Schneider** continues as pres.

**Diana Dougan** confirmed by Senate as member of CPB board. . . **Henry Goldberg**, Washington communications attorney & one-time OTP gen. counsel, named counsel to public broadcasting's Satellite Working Group, succeeding **Mike Curzan** (Vol. 16:8 p5).

**Clint Pace** advanced to sales mgr., Blair TV ABC sales unit, Chicago; **Mark Robbins** promoted to mgr., Blair's Minneapolis office. . . **Art Wagner** advanced to Kaiser Bcstg. Spot Sales western sales mgr.; **Alan Elkin** succeeds him as eastern sales mgr.

**David Hamilton**, ex-Teleprompter, named gen. mgr., Warner Cable of Akron. . . **Valerie Rowley** promoted to gen. mgr., ITC of Canada. . . **George Grasso**, ex-Commercial Electronics, named vp-mktg., Micro Consultants.

**Patricia Willcox** appointed exec. dir., Ark. Bcstrs. Assn., succeeding **Dale Wilson**, resigned to head own packaging firm. . . **Arthur Rodenberg** promoted to western sales mgr., Gusdorf & Sons. . . **Vern Milligan**, Daniels & Assoc. vp, resigns to become pres., Southeast Cablevision, with systems in St. Augustine, Belle Glade, Pahokee & S. Bay, Fla. . . **E. D. (Don) De Cesare**, ex-Encyclopaedia Britannica, joins Teleprompter as mktg. dir. . . **Larry Bitler** promoted to mktg. dir. & sales mgr., Engineering Services Div., Kansas State Network.

**Stephen Roberts** named pres., **Frank Merklein** sales vp, 20th Century Fox Telecommunications, new pay-cable mktg. unit. . . **Joseph Dominick**, U. of Ga. School of Journalism prof., appointed editor, Best. Education Assn.'s Journal of Bcstg., succeeding **Christopher Sterling**, Temple U.

**President Ford's** practice of holding by-invitation-only press conferences at White House for local broadcasters immediately before presidential primaries was branded as "unfair to every other person who seeks the presidency—and it's very unfair to every other opposition voice in government," by Investigations Subcommittee Chmn. **Moss** (D-Cal.). "It's almost as if the President has become a monarch." Replied Asst. Press Secy. **Margita White**: "We do not initiate interviews or press conferences with the out-of-town press. We accept their invitations. The invitations all fall before the primaries because that's when reporters are most interested. President Ford's problem is that he is President and has a responsibility to fulfill so does not get to travel as much as the other candidates."

**Viacom plans to begin** "Showtime" pay-cable service in San Francisco's eastern suburbs about July 1, expanding to Pacific Northwest in fall and gradually extending it to cover "practically all of our 250,000 West Coast subscribers," Pres. **Ralph Baruch** told N.Y. shareholders meeting. He said Suffolk County, N.Y. system, after one year of Home Box Office, now has nearly 25,000 pay-cable subscribers. Plans for new CATV systems in Dayton, O. and Mountlake Terrace, Wash. are being held up by pole-rental negotiations and Viacom is exploring construction in Salem, Ore., where it holds franchise. Both cable & syndication divs. showed "impressive results" in 1975, he said, Viacom Enterprises signing up many new programs for future syndication.

**NBC ratings problems** aren't expected to impact earnings this year, RCA Pres. **Anthony Conrad** told press last week. "These ratings basically represent prime time, and all of NBC's non-prime-time shows are doing well. We're fortunate that it's a year in which demand is strong and prices firm." [RCA reported higher first-quarter sales & earnings for NBC.] (For other aspects of Conrad interview, see p. 9.) Conrad said NBC was "moving vigorously to improve ratings" in new schedule. He also expressed hope **Barbara Walters** would accept "very generous offer" to stay on Today Show "and broaden her performances" on other NBC programs. He said NBC did not offer Walters evening news anchorperson job as did ABC.

"Specialty station" decision of FCC, regarding cable carriage (Vol. 16:9 p5), should be revised, NAB states in petition for reconsideration. It urges that CATV not be permitted to carry such stations' full schedules and that definition be changed to reflect fact that fringe time is more important to independents than prime time. Also, several Spanish-language stations, including Spanish International, have petitioned FCC to prohibit CATV carriage of distant Spanish-language stations in markets with such stations.

**Resolution opposing power** over 50 kw for radio stations was approved unanimously by NAB Small Market Radio Committee last week; comments are due at FCC on proposal May 21. FCC Chmn. **Wiley** and key staffers discussed variety of subjects with NAB Committee.

**Katz Continental** named rep for KVIA-TV El Paso.



# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 2 (13th week of 1976):

	March 27- April 2	1975 week	% change	March 20-26	1st Qtr. 1976	1st Qtr. 1975	% change
Total TV. . . . .	197,909	175,572	+12.7	216,541	2,762,774	2,419,060	+14.2
color . . . . .	110,961	108,369	+2.4	118,279	1,611,568	1,358,266	+18.6
monochrome . . . .	86,948	67,203	+29.4	98,262	1,151,206	1,060,794	+8.5
Total radio . . . . .	516,035	330,373	+56.2	1,278,566	8,067,992	5,838,204	+38.2
home, portable . .	334,362	167,765	+99.3	1,068,428	5,027,253	3,904,836	+28.7
AM-only . . . . .	148,063	54,543	+171.5	200,468	1,083,242	1,246,869	-13.1
FM & FM-AM . .	186,299	113,222	+64.5	867,960	3,944,011	2,657,967	+48.4
auto . . . . .	181,673	162,608	+11.7	210,138	3,040,739	1,933,368	+57.3
Port.-comp. phono .	62,039	39,549	+56.9	37,460	566,484	672,595	-15.8

Color TV 5-week moving average: 1976—118,575; 1975—109,981 (up 7.8%).

**ITC TRYING TO CLEAR TV AIR—LEONARD:** Broad-brush preliminary probe into Japan TV marketers' business practices was staff-instigated and should settle once & for all question of unfair competition raised over past decade by domestic producers, according to International Trade Commission Chmn. Will Leonard.

ITC started looking into 14 areas of possible unfair acts (Vol. 16:14 p9) as result of "things that were specifically brought to the attention of some of the staff here by the Sylvania complaint [which covers some of same ground] but it goes along with allegations and statements that have been made for a considerable period of time," Leonard told us.

ITC "should be more active in instituting [Tariff Act Sec.] 337 investigations on our own motion over the whole sphere of articles & products & practices, so maybe this one is a first, but it will not necessarily be the last," he said. When foreign producer competes fairly here, "more power to him," but if unfair methods are being charged, ITC should "at least inquire... if there is anything there to substantiate a full investigation."

Responding to accusations that ITC is overstepping its authority by investigating charges of unfairly low pricing (dumping) and Japanese acceptance of help from their govt. (countervailing duty)—which supposedly are under Treasury jurisdiction—Leonard said: "I don't think that what we are preliminarily looking at is necessarily bound up in those 2 acts." If dumping act is somehow being evaded, he said, "you have to approach that through some other means, such as Sec. 337," and as for Treasury's finding that Japanese aren't getting countervailable bounties or grants, "that does not necessarily mean that some govt. cooperation or assistance is not approachable by another U.S. law." He said ITC doesn't "want to rehash the exact same ground the Treasury did."

Preliminary investigation should be completed in 2 or 3 months, Leonard said, and anything found to require further probing could be combined with existing investigation into Sylvania unfair practices complaint against 5 Japanese TV producers. Such a move could extend the time ITC has to wrap up that case past 18-month statutory deadline. ITC isn't studying charges "directly for U.S. [TV] producers, though obviously a fallout could well be to their benefit. But we have a specific act to uphold, it has to do with unfair acts & unfair methods of competition."

In related actions last week: (1) Zenith filed formal complaint in N. Y. Customs Court against Treasury's negative determination in the Japanese consumer electronics countervail-

ing-duty case (Vol. 16:2 p8). Zenith argued that commodity tax rebates given Japanese producers of TV, radios, phonos, tape equipment & color tubes were same as bounty or grant, asked that court order Treasury to reverse itself.

(2) ITC asked Japanese defendants in antitrust case by Zenith & National Union Electric in Philadelphia Federal Court to provide it with all documents submitted to court. Japanese are expected to challenge request.

(3) In a first, a U.S.-owned Taiwan trading company has asked President's Trade Negotiations office to take retaliatory action to force Taiwan to lower duty rates which company claims keep U.S. goods off island. Company is Lai Fu, Taiwan sales agent for RCA, McGraw-Edison, Amana, Northern Electric and other U.S. companies. Lai Fu charges Taiwan, under pressure from Taiwan Electric Appliance Mfrs. Assn., boosted duty rates in 1974 to confiscatory levels (Vol. 14:21 p9) and as result has kept U.S. goods from being competitively marketed there.

**TV RECOVERY PACE LAGGED IN MARCH:** March sales to dealers exceeded 1975 month by 7.8% in color, 4.5% in monochrome—not very impressive gains when you consider March 1975 color sales were down more than 34% from 1974. Figures confirm what industry has known all year: Things are better than last year, but recovery is still slow & painful.

March color sales were nearly 29% below banner 1974 month, ran at annual rate of 6.7 million (based on trends of last 5 years) vs. 7.4 million for Feb., 7.3 million for Jan. First-quarter sales of 1,612,000 (see State of the Industry) were at annualized rate of 7.2 million.

But there's still good news in inventory figures. Total factory plus distributor stocks of 1,815,000 at month's end were 10% below year earlier, factory inventories at 939,000 down 22%, distributor at 876,000 up 8.7%. During month of March, total inventories rose modest 3.4%, factory stocks going up 6.9%, distributor down 0.5%.

Good inventory position means fewer dumps & closeouts, and this is reflected at retail. Our Early Warning Report for March, covering 844 stores, was mailed last week to EWR subscribers, reflects continued firming of color & monochrome prices. But early-warning flags appear to be flying in compact stereo, March EWR indicating increase in retail inventories and softening of prices—also reflected in 36.5% decrease in sales to dealers shown in EIA's partial figures below.

Product	March 1976	March 1975	% change	March 1974
Total TV . . . . .	1,049,940	987,436	+6.3	1,446,601
color . . . . .	592,867	549,905	+7.8	833,342
monochrome . . . . .	457,064	437,531	+4.5	613,259
Total radio . . . . .	3,501,516	2,432,572	+43.9	3,453,873
home, portable . . . . .	2,387,630	1,658,254	+44.0	2,541,188
AM-only . . . . .	553,281	541,656	+2.1	1,042,528
FM & FM-AM . . . . .	1,834,349	1,116,598	+64.3	1,498,660
auto. . . . .	1,113,886	774,318	+43.9	912,685
Port.-comp. phono. . . . .	191,269	301,387	-36.5	295,182

**TV PRICES HIT 8-YEAR HIGH IN '75:** Average prices of both color & monochrome TV last year reached highest levels since 1967, new figures released by EIA indicate. Average color set factory price (domestics & imports) rose 8% in 1975 to \$341.05 from \$316.01 in 1974, while monochrome average went up 6% to \$83.97 from \$79.06.

Consumer Electronics Annual Review for 1976, now available from EIA Consumer Electronics Group, gives these factory dollar volume estimates for major products in 1975 (1974 in parentheses): Color TV \$2.121 billion (\$2.658), monochrome \$371 million (\$543), home-portable radios \$369 million (\$559), auto radios \$355 million (\$370), phonos \$247 million (\$398), tape equipment \$687 million (\$886). "Separate audio components" category has been revised, "due to improved participation," to show sales of \$687 million in 1975, \$886 million in 1974, \$998 million in 1973, \$861 million in 1972, \$707 million in 1971. Total sales in these catego-



ries came to \$4.802 billion in 1975, down 21.5% from \$6.118 billion in 1974, according to EIA.

With TV prices firming, average-price changes in other products were mixed. Portable-table phonos (including compacts) declined slightly to \$50.36 in 1975 from \$53.78 in 1974, while average console rose to \$217.97 from \$215.02. Average home-portable radio dipped to \$14.60 from \$16.82, but auto radio increased to \$38.42 from \$34.38.

Color TV price rise can be attributed to industry's general price hike last year, increased percentage of solid-state sets in mix, slight increase in console market share (Vol. 16:11 p8). B&w boost likewise probably results from more solid-state as well as growing percentage of battery sets. Here's table of approximate average factory prices of color & monochrome TV over last 10 years, from EIA Marketing Services Dept. (1966-70 data is domestic-brand only; later figures are total market):

Year	Color	Monochrome	Year	Color	Monochrome
1966. . . . .	\$371.31	\$98.16	1971. . . . .	\$323.76	\$81.21
1967. . . . .	362.21	92.48	1972. . . . .	319.39	78.77
1968. . . . .	335.64	74.19	1973. . . . .	307.52	76.74
1969. . . . .	328.06	77.84	1974. . . . .	316.01	79.06
1970. . . . .	316.54	75.07	1975. . . . .	341.05	83.97

**V-DISC DEPENDS ON ECONOMY—CONRAD:** State of national economy "very definitely" will be a major factor in timing of SelectaVision VideoDisc market introduction, RCA Pres. Anthony Conrad said last week. RCA hasn't even set deadline on when to make decision—"it could be quickly, or we could enjoy the luxury [of waiting] for quite a few months"—but he estimated disc system probably would be on sale in 12-18 months.

Conrad made these comments in answer to questions at luncheon meeting with 4 representatives of daily press and Television Digest. Session coincided with release of first-quarter report showing earnings up 102% on 15% increase in sales, reflecting rebound of TV set & picture tube business into profit column from losses in same 1975 quarter.

"We don't feel any great pressure" to get videodisc system to market, Conrad said. He noted it had been under development for at least 12 years on pay-as-you-go basis. He disputed our recent estimate that RCA's disc system development costs will have exceeded \$100 million by market introduction (Vol. 16:12 p8), but declined to give figure. Among other topics covered by Conrad in interview:

**State of economy:** He indicated general economic recovery hadn't been as rapid as some had forecast, predicted better business in 1977 than 1976, with some softness possibly developing in 1978. He saw business for balance of year as "good but not great."

**Color TV market:** "Better than last year by a significant margin—ColorTrak took off well." He saw relative price stability this year—with last year's inventory-liquidation pressures absent and with let-up in materials cost spiral. "We've done a lot of work that doesn't directly meet the eye on chassis design" to lower manufacturing costs. He said RCA would have no "startling" new product introductions next month.

**Competition & market share:** RCA's "pressure to maintain & improve quality & safety" will result in higher sales over long run, he said. "There's no magic wand—it's a well-orchestrated performance. We're working on every facet. Changes in marketing & merchandising are designed to strengthen our performance. I think it's beginning to work."

**Zenith color tube:** "We're studying it very carefully and find it a little difficult to discover what the advantages are. We have active development programs of our own—perhaps not as sweeping as what Zenith conducted with Corning."

**RCA organization & future plans:** Company has curtailed corporate marketing staff, combining functions into those of business groups, and reduced corporate development staff because it has no plans for major acquisitions or new businesses, reducing hq expenses by more than \$3 million annually, eliminating about 60 executive jobs. RCA has no plans to eliminate any more major business operations—"a few more bits & pieces will be pruned off, but nothing of a dra-



matic or sensational nature." Conrad indicated that "subordinate organization" eventually would be established to assume some of burdens now shouldered in electronics area by Edgar Griffiths, pres. of both RCA Electronics & RCA Diversified Businesses.

**Elcaset** is name for new, large-size audio cassette systems jointly developed in Japan by Matsushita, Sony & TEAC, and due for introduction there this fall. Cassette is nearly double size of standard cassette, uses 1/4-in. instead of 1/8-in., operates at 3.75 ips, vs. 1-7/8 ips for regular cassette, will come in 30- & 60-min. Aiwa & JVC in Japan, as well as Superscope, have agreed to adopt system which provides hi-fi performance. Elcaset appears similar in concept to Unisette, large-cartridge system BASF has been demonstrating for 3 years. Announcement of Elcaset met with unenthusiastic response from U.S. industry observers who feel it may confuse consumers who now have choice among 8-track cartridge, cassette & mini-cassette. As one summed up: "We need another tape format as bad as we need another 4-channel [disc] system." **First true** automotive hi-fi system is how Nakamichi describes cassette deck & speaker-amplifier combination set for introduction this week.

**Especially topical program** is scheduled for IEEE Chicago Spring Conference on Consumer Electronics June 7-8. Videodisc session features papers by Zenith, Telefunken, Thomson-CSF, Philips, MCA. New Zenith "Able" picture tube and its gun system will be described in 2 papers, with other "new development" papers by Magnavox (color temperature adjustment), Texas Instrument (teletext), GE (controllable-bandwidth radios). Half-day session on TV color uniformity has been arranged jointly with SMPTE. Digital tuning papers are by National Semiconductor, RCA, Nitron (McDonnell-Douglas). Luncheon speakers will be Philips Canada Pres. Rudi Bom and Hewlett-Packard Chmn. David Packard.

**Sylvania completes** year-long phaseout of U.S. b&w TV production this month with transfer of 19" & 22" b&w chassis output from Batavia to Taiwan. Company said move won't result in job loss at Batavia plant, which is getting 2nd color TV production line and will be used for final assembly of b&w sets using Taiwan-made chassis, U.S.-built cabinets & tubes. Sylvania acquired Taiwan plant last year from Ford after 1974 purchase of Philco-Ford TV business.

**Bids for study** of "ideal TV receiver" (Vol. 16:3 p7) are requested by FCC, which estimates effort will require 4 "person-years," with completion by July 1977. Pre-proposal conference is April 30, 1:30 p.m., Rm. A-110, 1229 20th St. NW, Washington, with bid opening May 14.

**Distribution notes:** Philco appoints Southern Furniture Sales, Chattanooga... Zenith expands territory of Onondaga Supply, Syracuse, N.Y. to cover Albany area.

**ITA Video Seminar** scheduled for April 30, Ambassador Hotel, L.A., will feature workshops & papers on govt. & industrial uses of video equipment for communications.

**UL & CPSC agreed** on virtually all areas of conflict in Washington last week. Despite statement by UL's TV standards development committee that no mandatory safety standard for TV appears to be necessary (Vol. 16:9 p8), UL will continue standard development effort. The 2 organizations also agreed to cooperate on study of accident data obtained from set manufacturers. CPSC spokesman said agency is prepared to supplement \$25,000 EIA Consumer Electronics Group has offered to fund study, if necessary, and indicated manufacturers may be asked to supply additional material. There's possibility UL will ask CPSC for extension of June 22 deadline for standard proposal to allow more time for analysis of 3rd draft now being prepared for development committee. Alternative would be to give draft to CPSC, offer amendments later.

**June CES** will be record-breaker, with over 500 exhibitors already signed to occupy 17% more exhibit space than at last year's show. Exhibits at summer event (June 13-16) will be grouped more closely by product, with nearly 175 in CB section alone. Opening-day conference co-sponsored by EIA, ERA, NARDA & IHF will explore possibility of organization for audio retailers. On following 3 days, conferences will deal with other aspects of audio, CB & video products, including video games & consumer video systems. New this year will be Design & Engineering Exhibition, featuring consumer products selected by panel of judges as most innovative in design & engineering.

**Panasonic will key** push for increased share of compact stereo market to "Thruster" speakers which will be included with high-end models. Speakers are passive resonator type, have active tweeter & woofer, acoustically driven slave woofer cone. Company says Thrusters are significantly more efficient than reflex or ported models used with other compacts, will get major advertising support. Thrusters are being assembled in Panasonic's Puerto Rico plant from Japan-made tweeters, and woofers & cones produced in firm's new Ft. Worth facility.

**Labor Dept. approved** import adjustment assistance for former workers producing carbon resistors at Allen-Bradley Milwaukee plant. LD said investigation showed plant's sales last year dropped 17%, employment declined 22%. In same period, imports took 31.5% of U.S. market, up from 25.3% in 1974, and A-B's customers admitted shifting to imports to cut costs.

**Microwave oven** sales this year should hit 1.4 million, with retail value of \$550 million, up from 1 million worth \$400 million in 1975, Litton estimates. Company claims 33% market share, says its first-quarter oven sales are up 150%.

**Home Furnishings Daily** becomes a weekly starting in Aug.



**FINANCIAL RESULTS:** RCA reported record sales, 100% increase in earnings in first quarter (see p. 9 & financial table).

**Warwick** sales were up 41% in first quarter, but company noted color plant was closed in Jan. 1975; against 1974, sales were off 43%. Loss for period includes \$666,000 in severance pay for employees terminated in cost-reduction program. Warwick said intense competition from foreign manufacturers continued to keep demand for its color sets low; Sears, Warwick's major customer, is now sourcing all 19"-&-under requirements overseas. Whirlpool is continuing preliminary negotiations to sell majority interest in Warwick's TV business, company said.

**Admiral** showed "modest improvement" in fiscal 2nd quarter, but still operated at loss, parent Rockwell said, noting calculator operation also continued to show loss. It predicted that calculator deficit for full fiscal year would be "substantially below" that of fiscal 1975.

**North American Philips** said largest sales & earnings gains in first quarter were recorded in Consumer Products Group, but didn't specify whether Magnavox was profitable for 2nd consecutive quarter.

**Conrac** said strong gains in CB helped it achieve 32% sales rise, 53% profit increase, in first quarter.

**Watch watch:** Gillette is taking yet another crack at consumer electronics business; this time it's watches. Company placed initial order for LED watch modules with Integrated Display Systems, GE-Solid State Scientific joint venture, expects to enter market with 14 mid-priced modules (believed in \$50 range) in 3rd quarter. In recent years, Gillette entered then quit blank cassette & calculator businesses... **Timex** completed previously reported purchase of RCA's liquid-crystal display operation for about \$2.5 million, giving watch producer first in-house capacity for electronic watch parts production. Timex is also reported to be buying Litronix, manufacturer of ICs, watches, LEDs & calculators... **Fairchild** offers complete LED clock module, suitable for inclusion in radio, at \$12 in lots of 1,000, 0.8-in. high LED clock displays priced at \$5.60 & \$6.25, depending on features.

**"Strength of Emissions** from Citizens Radio Service Transceivers," FCC report (No. FCC/OCE LAB 76-01) by Milton Mobley et al., measures strength of emissions from 15 CB units, recommends how to suppress CB interference. Copies: FCC, Rm. 7202D, 2025 M St. NW, Washington 20554.

**Unfair import competition** complaint filed against JVC America by disgruntled D.C. retailer in 1973 was dismissed by International Trade Commission. ITC found JVC's attempts to maintain retail pricing & refusal to sell discounters was not unfair practice within meaning of Tariff Act Sec. 337.

**CB call signs** will be assigned in near future in block KAAA0001-KZZZ9999 due to rapid CB growth, FCC announced. Until new system is operational, FCC will continue using KAA0001-KZZ9999, as well as some in WAA0001-WZZ9999.

**NEW CB LICENSE:** FCC has shipped 330,000 copies of new temporary CB license to field offices, is inviting retailers, manufacturers & trade groups to duplicate form for distribution to CB purchasers. Temporary permit system (Vol. 16:12 p10) allows user to operate CB for 60 days from date of mailing application for permanent license to FCC.

Dropped from system was earlier plan to have temporary license validated by Post Office. Applicant simply fills out and signs form which authorizes operation of CB station. Temporary call sign—generated as form is filled out—will consist of letter "K" followed by first initial of applicant's first & last names, and applicant's zip code. Call sign will be superseded by new sign sent with permanent license.

Temporary system was put into effect without going through prior notice & public-procedure steps due to "massive influx" of applications, FCC said. At this point, average of 500,000 applications are received monthly. Unopened mail backlog at Gettysburg license processing installation is just under 2-1/2 weeks and "mail-to-mail" processing time in excess of 7 weeks.

**CB Scene:** Interference, licensing & technical standards will be discussed at April 30 meeting of new Personal Use Radio Advisory Committee (PURAC), open to public, in Room 5114 of FCC building in Washington... **GE** has set up national service program to handle "subtle differences" in CB, including problems unique to transmitters and need to comply with various FCC requirements... **Sylvania** is in CB—but only through Electronic Components Group, which has added 138 solid-state devices aimed at CB market to semiconductor line... **Midland** adds compact PLL unit using 3 crystals (\$148) & single-sideband model (\$388) to line... **"First Mama"** is handle Betty Ford is thinking of using on her new CB.

**Color picture tube** factory sales declined 17.2% in 1975 to 6,775,300 units from 8,180,400 in 1974, according to EIA estimates. Initial-equipment sales last year totaled 5,207,100 (down 20.5% from 1974), renewal (excluding local rebuilders) 697,000 (down 11.1%), exports 871,200 (up 3%). In screen-size breakdown, biggest percentage increase was shown in 23-25" size, biggest decrease in 16-17". Size categories as percentage of total unit sales (1974 percentages in parentheses): 12" & smaller, 2.3% (2.3%); 13-15", 5% (5.8%); 16-17", 5.5% (8.5%); 18-19", 36.7% (36.5%); 20-21", 4.4% (4.6%); 22-23", 46.1% (42.4%).

**Japanese component** producers are expanding activities in U.S., including: Hitachi Metals formed holding company Hitachi Metals International (HMI) as parent for 4 U.S. manufacturing subsidiaries—Hitachi Metals America, Hitachi Magnetics, Hi Specialty & Hitachi Magna-Lock. Capitalized at \$2 million, HMI will control subsidiaries with sales of more than \$66 million. Fujitsu plans U.S. sales & distribution organization to market semiconductor memory products. Marcon Electronics, capacitor subsidiary of Toshiba, opens Chicago sales office.

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with  
Consumer Electronics...

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## Trade Personals

**William Lowry**, ex-RCA Sales Corp. vp (Vol. 16:15 p9), to join calculator marketer Casio in unspecified post at end of month... **James Ezell**, Rockwell Power Tool Div. pres., reassigned as pres. of Admiral Group, succeeding **Charles Urban**, who continues as Rockwell Consumer Operations pres...

**Robert Pabst** advanced from Electro-Voice exec. vp-gen. mgr. to pres., succeeding **Philip Garnick**, who will devote full time to duties as group vp of parent Gulton.

**George Meyer**, ex-Fisher Radio, named JVC America national mdsg. mgr.; **Ken Acker** advanced from midwest to national credit mgr... **Robert Brom**, ex-W. T. Grant mdsg. mgr. for Bradford TV & appliances, appointed Norelco Consumer Products Div. new products planning mgr... **Russ Stewart** advanced at Litronix Consumer Products Div. from new products mgr. to mdsg. mgr., succeeding **Clint Taylor**, resigned... **Michael Ebertin**, ex-Rockwell Microelectronics calculator & business equipment mktg. dir., joins National Semiconductor LSI/MOS Group as calculator & game products operations dir., new post.

**William Wind** promoted at Sylvania Parts Div. from precision materials group mktg. services mgr. to connector products operations mgr., succeeding **R. S. McGarvey**, resigned... **Jeff Quist**, former TEAC credit mgr., assumes same duties at Nikko Electric... **James Schlesinger**, former Defense Secy., elected a Corning dir... **Paul Upham** named Philips Labs personnel dir.

**Gerald Heller**, Optel pres., adds chmn. post, succeeding founder **Zoltan Kiss**, resigned... **Andrew Grove**, Intel exec. vp, named chief operating officer.

## 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
Conrac			
1976-qtr. to March 31	27,626,000	1,145,000	.85
1975-qtr. to March 31 <sup>a</sup>	21,009,000	753,000	.56
General Instrument			
1976-year to Feb. 29	375,811,335	7,189,313 <sup>b</sup>	.78
1975-year to Feb. 28 <sup>a</sup>	400,813,479	11,545,158	1.39 <sup>c</sup>
Globe-Union			
1976-6 mo. to March 31	141,893,000	5,461,000	2.54
1975-6 mo. to March 31	128,588,000	1,369,000	.56
1976-qtr. to March 31	64,389,000	2,088,000	.95
1975-qtr. to March 31	50,812,000	(672,000)	--
Gross Telecasting			
1976-qtr. to March 31	1,493,379	275,200	.34
1975-qtr. to March 31	1,343,066	213,403	.26
Multimedia			
1976-qtr. to March 31	15,419,102	1,602,423	.36
1975-qtr. to March 31	12,047,616	1,227,270	.28
North American Philips			
1976-qtr. to March 31	377,334,000	9,437,000	.77
1975-qtr. to March 31	308,063,000	1,805,000	.17
Owens-Illinois			
1976-qtr. to March 31	633,153,000	31,604,000 <sup>b</sup>	2.15
1975-qtr. to March 31	498,565,000	9,413,000	.61
Raytheon			
1976-qtr. to March 28	572,416,000	17,900,000	1.18
1975-qtr. to March 31	529,949,000	15,901,000	1.06
RCA			
1976-qtr. to March 31	1,256,500,000	34,300,000	.44
1975-qtr. to March 31	1,090,300,000	17,000,000	.21
Rockwell International			
1976-6 mo. to March 31 <sup>a</sup>	2,494,300,000	55,800,000	1.63
1975-6 mo. to March 31	2,350,900,000	43,300,000	1.24
1976-qtr. to March 31	1,305,900,000	29,400,000	.86
1975-qtr. to March 31 <sup>a</sup>	1,199,700,000	21,100,000	.60
Scientific-Atlanta			
1976-9 mo. to March 31	32,562,000	1,360,000	.98
1975-9 mo. to March 31	25,718,000	863,000	.67 <sup>c</sup>
1976-qtr. to March 31	12,187,000	551,000	.39
1975-qtr. to March 31	9,661,000	348,000	.27 <sup>c</sup>
Scripps-Howard Bcstg.			
1976-qtr. to March 31	10,130,933	2,074,347	.80
1975-qtr. to March 31	8,205,929	1,449,368	.56
Viacom International			
1976-qtr. to April 3	11,761,000	840,000	.23
1975-qtr. to March 31	9,962,000	660,000	.18
Walt Disney Productions			
1976-6 mo. to March 31	255,238,000	29,198,000	.94
1975-6 mo. to March 31	210,968,000	21,341,000	.69
1976-qtr. to March 31	139,502,000	18,029,000	.58
1975-qtr. to March 31	120,197,000	14,201,000	.46
Warwick			
1976-qtr. to March 31	31,414,000	(2,123,000)	--
1975-qtr. to March 31	23,268,000	(2,880,000)	--

Notes: <sup>a</sup>Restated. <sup>b</sup>Includes special credit. <sup>c</sup>Adjusted.

**Irish IC plant** will be opened in Sept. by Analog Devices, which said it will phase out operations at Santa Clara, Cal. over next 2-3 years.

## Obituary

**Richard Harris**, 62, exec. committee chmn. of pioneer RCA distributor Bruno-N. Y., died April 14 at Nassau Hospital, Mineola, N. Y. after 5-week illness. He joined Bruno in 1940, is survived by wife, 2 daughters.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS Consumer Electronics

### Broadcast

**RAND'S VIEW OF UHF IN 1990:** Cable will have only 'slight negative impact.' Substantial growth to 194-280 stations, still leaving unused allocations which could be reassigned to other services; 57 VHF drop-ins considered viable; reception & tuning will remain problems. (P. 1)

**COURT WEIGHS PAY-CABLE APPEAL,** but judges' lack of preparation makes guessing outcome 'hazardous.' FCC asks for 'large measure of discretion'; Rifkind seeks viewer 'liberation'; FCC ex parte contacts ignored. (P. 2)

**AFTERMATH OF MPAA-NCTA DEAL:** Kastenmeier to resume copyright markup. NAB suggests alternatives—its own plan, defer Sec. 111 or modify agreement. (P. 4)

**CBS—NEW FISCAL HIGH:** Record first quarter shows income up 15%, sales up 17%—as all operating groups improve. Stockholders reject AIM ombudsman concept. (P. 4)

**NBC & CBS EXECUTIVES SHIFTED** as Barbara Walters grabs headlines by signing \$1 million-plus deal with ABC News. (P. 5)

**FCC MOVES ON INTERFERENCE,** proposing broad new rulemaking which eventually could require certification for such products as electronic watches, calculators & tape recorders. (P. 7)

**JAPAN'S COLOR EXPORTS** to U.S. set new high for month in March, push first quarter to record. B&W shipments soar 389%. Average export prices decline, mainly because of drop in value of yen. (P. 7)

**TATUNG BRAND TV** to make U.S. debut in L.A. in July. Taiwan's biggest TV independent to market own retail outlets, says Chmn. Lin. Japan protests ITC TV probe to State Dept. (P. 8)

**COLOR SALES DOWNTURN** in first 2 weeks of April called temporary by manufacturers, who foresee major improvement in prime selling season. (P. 9)

**FCC SEEKS BIDS** to build high-performance TV, with emphasis on beating UHF 'taboos.' Conflict-of-interest clause excludes TV manufacturers. (P. 10)

**GAME EXPLOSION** continues, but warnings are flashed that chip shortage & FCC difficulties could spell trouble. (P. 10)

**RAND'S VIEW OF UHF IN 1990:** Cable will have "only a slight negative impact" on growth of UHF stations through 1990. There'll be substantial UHF growth through 1980, slower after that. Based on several variables, UHF stations should grow from 124 in 1974 to as many as 280 in 1990. Impact of VHF drop-ins—57 would be "viable"—would be 14-21% on UHF growth. Loss of audience to new services (videodiscs, pay TV, etc.) will have "relatively small impact" on UHF; even 30% loss of audience would reduce growth in stations by only 14%.

These are among major conclusions of \$220,000 Rand Corp. study for FCC, on which commissioners received first report last week. Full study is expected to be released this week by FCC's Office of Plans & Policy, whose Dir. Dale Hatfield emphasized (to commissioners) that it's "only one facet of a much broader research program designed to ascertain & evaluate methods of managing the spectrum more efficiently." Contract to Rand was let in June 1973.

Rand finds that even if most optimistic projections for UHF growth are reached, "substantial number" of UHF channels will remain unused and recommends that FCC consider reallocating UHF space to other services. Hatfield told commissioners that Rand study will be "important and potentially controversial" in several proceedings—VHF drop-ins, UHF taboos—and should have impact on cable legislation.

Study's projections are based on analysis of 197 markets, using 1974 data and factoring in many variables. Using "base case"—only changes assumed are population & income growth and 100% UHF set penetration—Rand says UHF stations will grow to 194 by 1990. "Cable TV appears to have little effect...one way or the other. Under our most extreme assumptions about detrimen-

tal effects of cable," UHF stations still would increase to 160 by 1990. If 57 VHF's are "dropped-in," UHF station growth would drop from projected 194 to 168.

When UHF set penetration reaches 100% (assumed by 1980), service still will "be handicapped by reception & tuning deficiencies." However, Rand sees significant reductions in handicap as stations increase power, more people install UHF antennas and detent UHF tuners become more prevalent. "Moreover, trends in the reduction of the handicap will be greatly affected by future rulemaking... with respect to the issues of UHF-VHF parity." If handicaps are reduced substantially, along with improvements in economic conditions, Rand sees up to 290 UHF stations in 1990 (report says 280 later in conclusions)—as compared with 194 projected in "base case."

"Extreme conditions" listed by Rand which could result in no UHF growth: (1) Cable penetration of 50% nationwide and 85% in specific markets; (2) 83 VHF drop-ins on air; (3) siphoning of 30% of audience by new video services.

Rand used 3 methods in attempt to work projections of station profits into conclusions, found none satisfactory. One reason, Rand surmised, is that station financial reports to FCC "are simply unreliable... General & administrative expenses are particularly susceptible to wide variations." Therefore, "we strongly support" FCC study to improve reliability of financial reports. Presentation to FCC was made by Leland Johnson and Edward Park.

**COURT WEIGHS PAY-CABLE APPEALS:** Following argument before D.C. Appeals Court by attorneys representing more than 80 parties protesting FCC's pay-cable rules for movies & sports (Vol. 15:12 p2), participants seemed unanimous in only one thing: It's impossible to guess 3 judges' leanings. In fact, several lawyers were quite critical of judges (MacKinnon, Wright & N. Cal. Dist. Judge Stanley Weigel)—one calling hearing "dull, uninformed and uninspired"—concluded that judges hadn't prepared for argument.

In general, Court seemed hesitant to 2nd-guess FCC, appeared open to idea of some kind of protection for movies & sports, but openly skeptical of FCC's statutory basis for rules. Sports rules were most difficult to understand & explain for judges & attorneys, yet ironically are less vulnerable to attack because of strong feeling on part of public, Congress & FCC that currently-televised sports be kept off pay TV.

Simon Rifkind, representing HBO, NCTA and some 70 "pro bono" organizations, asked court to "liberate" TV viewer from commercial interruptions and "the tyranny of the great mass" by easing or rejecting FCC rules. He argued that Commission tries to "stunt" pay—"and in all likelihood bury it unless this court comes to the rescue." He called rules violation of First Amendment. Arthur Scheiner, for Columbia Pictures, 20th Century, MCA, Warner & Paramount, called FCC rules "arbitrary & capricious... designed to protect the networks & their revenues." Gerald Meyer, for UA & MGM, denied that value of films was diminished by appearing on pay cable, said that "economies" prevent cable—as well as conventional TV—from concentrating on "alternative" programming such as Shakespeare, etc.

Justice Dept. (JD) Antitrust Div.'s Barry Grossman, appellate section chief, said Court must vacate FCC rules to establish principle of "meaningful judicial review" of govt. decisions which may have adverse impact on competition. He said that while some viewers might be offended by inability to see certain types of programs, "it would not be rational to assume that if every type of program on TV were not preserved, that the public interest would be damaged." He said FCC should first define what constitutes "adequate public service," then consider pay rules anew.

FCC Assoc. Gen. Counsel Daniel Armstrong replied that defining adequate service in terms of programming would be First Amendment encroachment. He said FCC objective was "to promote the development of a new medium but to prevent popular types of programming from migrating to this new medium."

FCC needs "a large measure of discretion" in rulemaking, Armstrong said, "but it was never the intention of the Commission to encroach one step further than was absolutely necessary." Judges seemed perturbed that FCC's sole statutory basis for rules was section of Communica-



tions Act calling for "rapid, efficient, nationwide wire & radio communication service." "That's a general policy... What is the precise language?" asked MacKinnon. "To take your argument to its logical conclusion, you would perpetuate your regulation, even if cable were to become a nationwide communications medium." Armstrong replied that if and when cable becomes nationwide, FCC "will have to take another look."

Arguing for networks & NAB that rules weren't tough enough, Robert Coll asserted that broadcasters don't fear competition. He said cable's growth is "not restrained by normal marketplace events" because it relies on broadcast signals; he impressed judges with argument that "true competition" would require cable to produce own programs. Commented Wright: "I must say that what you're saying doesn't come out clearly in the briefs... These rules apply only to systems which use broadcast signals."

Surprisingly, no one brought up FCC ex parte contacts during pendency of pay cable rules. FCC earlier complied with court order to supply contacts, but argued that lists were meaningless (Vol. 16:16 p5).

\* \* \* \*

NAB saw future dire consequences—and major threat of siphoning—in action by Buffalo Sabers refusing to let WKBW-TV Buffalo telecast April 20 NHL play-off game after station had announced match would be carried. Sabers gave as reason FCC's pay-cable rules—specifically 25% rule—said game would put them over 25% of home games and disqualify them from pay-cable for 5 years. Philadelphia Flyers have asked Commission for waiver of 25% rule, said it would let more home games be telecast if waiver is granted.

**Politicasting:** (1) FCC is prepared to deny Church for President Committee's complaint against networks which refused to sell it 30 min. Commission's position is that it hasn't power to dictate how much time must be sold or specify time of day for candidate's broadcast. (2) Democratic National Committee is seeking en banc rehearing of D.C. Appeals Court decision upholding FCC's exemption of debates & news conferences from equal-time rules (Vol. 16:16 p5). (3) Reps. Macdonald (D-Mass.) & Moss (D-Cal.) urged networks to sell "significant blocks of time" to all major candidates, saying it's "impossible to present a meaningful political presentation or argument in one or even 5-minute time periods."

**WCCO-TV-AM-FM Minneapolis** will be owned 100% by MTC Properties and separate from Star & Tribune cross-ownership under agreement replacing previous tentative deal with LIN Bcstg. (Vol. 16:12 p7). Here's way it works out: MTC Properties, which owns 50% of Mid-Continent Radio-TV, will acquire other 50% from Knight-Ridder Newspapers for \$11,640,000. Mid-Continent owns 53% of stations. Minneapolis Star & Tribune Co. (John Cowles Jr., pres.) owns other 47%. MTC will acquire the 47% by giving Star & Tribune \$1 million cash plus the 15% it holds in Star & Tribune. MTC Pres. W. T. Doar Jr. said a principal factor in agreement is to comply with FCC newspaper-station cross-ownership policy.

**Commenting on FCC inquiry** into radio format changes (Vol. 15:52 p1), broadcasters unanimously opposed any govt. involvement. All said it would violate First Amendment; many said virtually every format is "unique." NAB said court decisions prompting inquiry "ignored well-established principles of administrative law by dictating a policy for the FCC to follow."

**U.S. TV stations** consider it "grossly unfair" for Canadian CATV systems to delete commercials from U.S. signals, NAB Pres. Wasilewski will tell Canadian Assn. of Bcstrs. convention in Ottawa April 26. "I wonder about the implications for Canadian broadcasters," he says. "If our commercials can be deleted, is it possible that, sometime in the future, yours may be also. I hope that the spirit that has made decades of friendship & cooperation possible [between U.S. & Canada] can be applied to this particular dispute." In prepared text, Wasilewski doesn't mention dispute between U.S. border stations & Canada over plan to prohibit tax deduction for Canadian advertising on U.S. stations.

**Looking into fiber optics** for year or so (Vol. 15:19 p5), OTP has commissioned major study through Commerce Dept., Office of Telecommunications Policy Research Div., Boulder. Said OTP Acting Dir. John Eger: "Its integration into national, regional and local cable TV or telephone distribution systems may make possible for the first time a single low-cost electronic highway for the audio, video & digital communications services of tomorrow. We are not likely to see widespread use of fiber optics for many years, but the govt. has a responsibility to do its homework now." Cost of project isn't indicated.

**Home Box Office** plans regional meetings of affiliates—"nuts & bolts" management sessions, according to Mktg. Vp Paul Eisele: Tampa April 21, Cherry Hill, N.J. April 29, Albany, N.Y. May 4, Dallas May 18, dates not yet set for West & Midwest.

**Citing "seven years delay** in construction," FCC Review Board canceled CP for WCTF (Ch. 19) Cleveland. Board said delay "was occasioned primarily by independent business judgments."

**AFTERMATH OF MPAA-NCTA DEAL:** Markup of copyright bill by House Copyright Subcommittee is due to resume April 28, may also run April 29—but there's good chance group won't reach cable (Sec. 111) this week.

There's great speculation and nose-counting, meanwhile, as to lineup of Subcommittee on MPAA-NCTA agreement (Vol. 16:16 p2). One cable lobbyist sees Drinan, Pattison, Wiggins & Danielson in favor of agreement, Kastenmeier & Badillo probably in favor, Railsback unreadable. Some of Subcommittee staff believe the 4-in-favor guess is pretty good—but they predict trouble in full Committee unless lineup is much stronger, such as 7-0 or 6-1.

NAB has submitted its views on agreement to Subcommittee. First, it urges adoption of NAB's own proposal—let marketplace determine fees for distant signals (Vol. 16:10 p3). Barring that, it suggests that action on Sec. 111 be deferred. Its final alternative is to modify NCTA-MPAA agreement to: (1) Give broadcasters right to sue. (2) Exempt true "mom 'n' pop" small systems—not small systems owned by big operators. (3) Eliminate provision freezing at 0.2% the fees paid for systems outside 35-mile zone of any TV market. (4) Completely ban any substitution of commercials. (5) Subject to full copyright liability any additional distant signals permitted by later FCC or congressional action. (6) If pay-cable regulations are weakened or eliminated, those systems providing pay-TV service should have full liability for all distant signals—one year after such change in pay-cable rules.

Analyzing MPAA-NCTA agreement, NAB concludes that rates would favor large non-grandfathered systems over smaller grandfathered systems. For example, NAB says: Santa Maria, Cal. system (14,000 subscribers) would pay 2.025% under agreement, 2.5% under S. 22. In Tulsa (12,000), percentages are 1.025% & 2.5%, respectively. In Lovington, N.M. (2,300), however, percentages are 1.875% vs. 0.5%.

ABC urged deferral of Sec. 111 consideration, pressed for H. Res. 789, which directs FCC & other agencies to insure that present TV fare not be impaired by pay TV.

CATA said that it was "distressed" with "secret" agreement, that "rural CATV systems will end up paying more money per CATV channel of service than metropolitan areas."

**FCC is hung up** on whether it should reverse 1975 ruling that licensee-conducted auctions are program-length commercials (Vol. 15:30 p4). Agency also faces conflicting staff recommendations (Best. Bureau wants to retain ruling, Gen. Counsel would reverse it), has passed over item several times. Reconsideration was sought by law firm Haley, Bader & Potts.

**AM station on 160 kHz**, 10 kw, to broadcast Bicentennial information to Washington visitors, was rejected by FCC which noted that area's stations "have committed themselves to disseminate extensive Bicentennial information."

**CBS—NEW FISCAL HIGH:** Another record first quarter was reported by CBS, in annual meeting in Chicago: Net income \$27.8 million, up 15%; sales \$515.7 million, up 17%. Per-share earnings 97¢, up 15%.

Chmn. William Paley reported performance up in all 4 operating groups—Broadcast, Records, Columbia & Publishing. He stressed broadcast activity, particularly news & public affairs, said network would offer 8 free hours to presidential candidates, and again urged repeal of fairness doctrine. CBS's non-broadcast groups, he said, now account for more than half of company's sales, and their pre-tax profits have increased from 26% to 31% of total.

Pres. Arthur Taylor reported following first-quarter sales increases for each group: Broadcast, 16%; Records, 21%; Columbia, 20%; Publishing, 9%. TV network, he said, is virtually sold out through mid-Sept.

In secret ballot at meeting, stockholders rejected AIM proposal that network appoint ombudsman who would "be allotted time...to report to the public...on action taken about valid complaints." Said Paley: "I feel this idea of giving one man...such control and high degree of authority over a worldwide news organization is way off base."

Chmn. Richard Wiley will ask FCC to seek legislation authorizing agency to "issue modest research grants" without going through bidding process, he told Telecommunications Policy Research Conference last week. He said contract method "is often too cumbersome & bureaucratic, and the sheer amount of paperwork involved is sufficient to discourage the support of small but worthwhile studies." He urged researchers to participate in "fairly large number" of requests for proposals FCC will issue soon and to submit "unsolicited" research proposals.

**U.S. Dist. Judge Robert Kelleher** last week in L.A. refused to dismiss Justice Dept. (JD) antitrust suit against TV networks. Atty. Gen. Saxbe re-filed charges in Dec. 1974 (Vol. 14:50 p2) after Kelleher had dismissed 1972 suit. Judge left under consideration network motions to dismiss on grounds JD doesn't have authority to bring suit and that network actions didn't violate Sherman Act. Suit—not connected with family viewing trial now underway in L.A. (Vol. 16:16 p4)—charges networks illegally dominate prime-time programming.

**Warner Cable reports** record first-quarter pre-tax earnings of \$1,032,000 vs. \$74,000 last year, on revenues of \$12,133,000 vs. \$9,043,000. Pres. Gustave Hauser predicted similar improvement for rest of year. Company starts pay-cable operation in Hampton, Va. May 1.

**Legal & business problems** of TV-radio are covered in Practising Law Institute meetings in N.Y. May 20-21, San Francisco May 27-28, with CBS's Harry Olsson chmn. of faculty.

**AWRT national convention** May 5-9, Marriott Hotel, Philadelphia, includes panels on cable, research, advertising, ENG, promotion.



**MORE NETWORK EXEC. SHIFTS:** Major executive changes at both CBS & NBC were announced last week, but major headlines—including front-page of both Washington Post & N.Y. Times—were reserved for announcement by ABC that it has signed NBC's Barbara Walters as co-anchor of ABC evening news program for reported \$1 million a year.

Following recent shift in which Robert Wussler succeeded Robert Wood as CBS-TV pres. (Vol. 16:16 p4), Wussler announced string of changes. Vp-Day-time Programs B. Donald (Bud) Grant was named vp-programs, succeeding Lee Currin, whose plans, CBS said, would "be announced shortly." Barry Frank, Trans World International senior vp, becomes vp-sports, succeeding Wussler. William Self, ex-Frankovich-Self Productions and one-time 20th Century Fox TV exec. vp, was appointed vp-programs, Hollywood, succeeding Perry Lafferty, who resigned last month.

NBC announced series of executive promotions. Arthur Watson, WNBC-TV N.Y. exec. vp-gen. mgr., was named NBC-TV Stations Div. exec. vp, new post, with over-all responsibility for operations of 5 NBC-owned stations. Raymond Timothy, KNBC L.A. vp-gen. mgr., succeeds Watson at WNBC-TV. Thomas Straszewski, KNBC station mgr., becomes vp-station mgr.

Walters signed with ABC when NBC announced that her demands—contract expires in Sept.—included \$1 million annually, full-time press agent, limousine, separate multi-million dollar deal for specials starring herself and produced by company she would form. NBC spokesman said negotiations took on "carnival atmosphere," added that Walters' demands were "unlike a journalist and more like a movie queen." Walters will co-anchor ABC evening news, host 4 network specials, serve "frequently" as host of "Issues & Answers." At same time, ABC News Pres. William Sheehan announced network will again propose to affiliates that evening newscast go to 45 min. Proposal was discussed at last year's affiliates meeting but not adopted.

**Rep. Murphy** (D-N.Y.) wrote fellow members of Commerce Committee that if Rep. Van Deerlin (D-Cal.) wants Communications Subcommittee chairmanship, "I would support his candidacy." Murphy intends to seek Van Deerlin's Consumer Protection & Finance Subcommittee chairmanship, asks for support. Rep. Eckhardt (D-Tex.) also wants Consumer post, ranks below Murphy in seniority.

**Continued same-day** non-duplication was denied to KKTU & KRDO-TV Colorado Springs, Colo., FCC holding that impact of simultaneous non-duplication "would be very slight since both stations are very profitable, operating in a growing TV market." Commission also said stations didn't comply fully with procedural requirements.

**ATC reported strong gains** in earnings & revenues for 3rd quarter & 9 months (see financial table), in presentation to Boston security analysts. Chmn.-Pres. Monroe (Monty) Rifkin said pay cable would be offered to majority of company's 518,000 subscribers within 18 months.

**Week-to-week variation** in TV violence levels is enough to convince CBS that mere 1- or 2-week study isn't accurate, CBS says in releasing final version of 13-week study of 1975-76 TV season (Vol. 16:9 p6). Though Gerbner Index—which measured only one week for latest profile (Vol. 16:14 p3)—isn't mentioned by name, CBS study notes: "If only one week had been selected to represent this season, the outcomes might have been higher or lower than those obtained." CBS data show that for CBS "action programs," for example, number of violent incidents ranged from 15 to 32 per week over 13 weeks measured by CBS.

**FCC lacks authority** to judge objectivity of public broadcasting programs; U.S. Supreme Court so held by refusing to review lower court ruling. Case grew out of 1971 Accuracy in Media complaint to FCC, charging that 2 programs (on sex education and criminal justice) violated fairness doctrine, and that FCC must enforce Public Broadcasting Act's mandate that noncommercial programs be balanced. FCC denied fairness complaint in 1972, found in 1973 that it lacked jurisdiction over CPB, was upheld by U.S. Appeals Court. Supreme Court decision means that only CPB and Congress are responsible for public broadcasting "balance."

**FTC subpoenaed** all ads prepared by 8 major agencies since last May which rely on testimonials or demonstrations, as part of "pilot project" to test Commission's new powers under Moss-Magnuson FTC Improvement Act. Act gave FTC power to apply previous case-by-case decisions to similar violations by other companies, as if they were rules. Last May, FTC mailed packet of earlier ad decisions to agencies, told them to consider such decisions binding on current work, now wants to see if agencies are complying.

**KOB(AM) Albuquerque case**—pending at FCC since 1941—was settled last week when Commission made WABC N.Y. dominant Class 1-A nighttime station on 770 kc, told KOB to return to Class II-A station under which it operated 1957-63. KOB was ordered to directionalize to protect WABC. Case has been in & out of courts many times as WABC attempted to push KOB off 770 kc, to which KOB was "temporarily" assigned by FCC in 1941.

**Council on Children, Media & Merchandising** complaint that ABC & CBS children's ads violated fairness doctrine was denied by FCC Complaints & Compliance Div. Chief William Ray. Complaint—originally filed in July, 1974 (Vol. 14:30 p5)—said networks must run counter-commercials to educate children on "the nature of commercials & their advertising techniques."

**WBZ-TV Boston postponed** April 22 showing of NBC movie "Judge Horton and the Scottsboro Boys" because of racial tension in city. Movie is based on 1931 incident in which 9 blacks were accused of raping 2 white Ala. women.

**Pay-movies** for CATV & apartments in Phoenix area will be offered by Tele-Features Inc., headed by Bruce Merrill (Ameco, American Cable TV).

## Personals

Sen. **Hubert Humphrey** (D-Minn.) & FCC Chmn. **Richard Wiley** address NAB State President's Conference May 4, Mayflower Hotel, Washington.

**Andy Rogin** advanced to midwest sales dir., CBS-TV Stations national sales, Chicago, succeeding **Rod Perth**, now sales dir., KMOX-TV St. Louis; **Edward Gargano** succeeds Rogin as CBS-TV Stations national sales Detroit office mgr.

**Kenneth Logowitz**, Outlet pres. & chief exec. officer, retires; he's succeeded by Vp-Gen. Counsel **Bruce Sundlun**. . . **Kenneth Mosher**, Storer Bcstg. asst. treas., elected a vp.

**Paul Godley Jr. & Carson Kauffman** retire, discontinuing engineering firm of Paul Godley Co.; company's technical & engineering records have been acquired by **Joseph Sherman**, who has AM-FM consulting firm, 235 W. Holly Ave., Pitman, N.J. 08071.

**Linda Redman**, ex-KNBC L. A., named asst. mgr., NAB Code Authority Hollywood office. . . **Peggy Hughes**, ex-WTTW (ETV) Chicago, joins KAET Phoenix as program mgr. . . **Barbara Spence**, ex-WNBC-TV N. Y., appointed WKYC-TV Cleveland public affairs mgr. . . **Ralph Alaska**, ex-WTOP-TV Washington, joins WSPA-TV-AM-FM Spartanburg, S. C. as engineering dir.

**Albert Chismark**, Meredith Bcstg. engineering dir., advanced to technical services mgr., remains engineering dir. of WHEN-TV Syracuse; **Steven Smith**, engineering dir. of KCMO-TV Kansas City, promoted to Meredith TV engineering dir.

**Darius Gaskins**, ex-U. of Cal. (Berkeley) economics professor, named FTC Bureau of Economics chief, succeeding **Frederic Scherer**, who becomes Northwestern U. economics professor. . . **Thomas Newman** advanced to RCA International Far East field sales mgr., responsible for marketing RCA broadcast equipment.

**Philip Mayer**, ex-NBC-TV Stations Div., joins Columbia Pictures TV as vp-station programming, new post, to develop programs for syndication. . . **Larry Delarose** promoted to AP broadcast exec. for Iowa & Neb. . . **Marty Katz** promoted to ABC-TV film production operations & administration dir.

**George Feldman**, ex-TvAR vp-creative services, joins Katz as vp-research planning; **Jack Mulderrig**, ex-Avco TV Sales vp-gen. mgr., named Katz TV Continental N. Y. gold team sales mgr. . . **Stanley Rejniak** promoted to vp-mktg., Warner Cable.

**BPA seminar June 16-18**, Statler Hilton, Washington, features FCC Chmn. Wiley, Post-Newsweek Stations Pres. Joel Chaseman, AWRT Pres. Jane Cohen & Today co-hostess Barbara Walters.

**Continued N. Y. C. operation** of WNYC-TV-AM-FM is sought by LaGuardia Memorial Assn., headed by Morris Novik, one-time head of WNYC, now AFL-CIO consultant.

**TvB West Coast office** moves to 3700 Wilshire Blvd., L. A. 90010, phone 213-380-8821.

## WEEKLY Television Digest

with  
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**Regulation of broadcasters' use of ratings** would be First Amendment encroachment, FCC Comrs. Wiley, Hooks & Robinson wrote Communications Subcommittee's Rep. Wirth (D-Colo.), turning down his request for Commission inquiry. Wirth told Colo. Bcstrs. Assn. that FCC decision not to open inquiry underscored why FCC should hold open meetings. In House hearing, which was open to public, he said, all except Wiley agreed that FCC inquiry was needed. However, in later closed session, commissioners changed their minds, Wirth claimed.

**Springfield TV** (WWLP Springfield & satellite WRLP Greenfield, Mass.) has been ordered by FCC to show cause within 30 days why renewal applications shouldn't be set for hearing because of alleged "failure to execute a program of positive & continuing efforts to recruit & hire qualified females." Commission also said stations' past violations of fairness doctrine on political editorials "cannot be viewed as isolated or aberrational."

**FCC has ordered hearing** on ETV stations in Birmingham, Montgomery & Demopolis, Ala. Ala. Citizens for Responsive Public TV filed for 3 channels after Commission refused to renew licenses of Ala. ETV Commission for 9 stations (Vol. 14:50 p1). AETC was permitted to refile, drew no opposition for other 6.

**"Citizens for Reagan"** has appealed FCC ruling that their candidate isn't entitled to equal time on WCKT Miami because of interviews with President Ford inserted in nightly news (Vol. 16:9 p4).

**"Assault on the Media: The Nixon Years,"** by William Porter, U. of Mich. journalism prof. (U. of Mich. Press, 320pp, \$11.95), covers activities of Agnew, Haldeman, Ehrlichman, Colson, et al.



# Consumer Electronics®

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MANUFACTURING & SALES • TV • AUDIO • TAPE PRODUCTS • VIDEOPLAYERS • COMPONENTS • NEW PRODUCTS • FINANCE

## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 9 (14th week of 1976):

	April 3-9	1975 week	% change	March 27- April 2	1976 to date	1975 to date	% change
Total TV. . . . .	187,269	200,311	-6.5	197,909	2,950,043	2,619,371	+12.6
color . . . . .	104,110	104,211	-0.1	110,961	1,715,678	1,462,477	+17.3
monochrome . . . .	83,159	96,100	-13.5	86,948	1,234,365	1,156,894	+6.7
Total radio . . . . .	497,367	612,660	-18.8	516,035	8,565,359	6,450,864	+32.8
home, portable . .	278,731	427,631	-34.8	334,362	5,305,984	4,332,467	+22.5
AM-only . . . . .	59,955	100,823	-40.5	148,063	1,143,197	1,347,692	-15.2
FM & FM-AM . .	218,776	326,808	-33.1	186,299	4,162,787	2,984,775	+39.5
auto . . . . .	218,636	185,029	+18.2	181,673	3,259,375	2,118,397	+53.9
Port.-comp. phono .	35,008	73,017	-52.1	62,039	601,492	745,612	-19.3

**Color TV 5-week moving average:** 1976—114,318; 1975—109,726 (up 4.2%).

**FCC MOVES ON INTERFERENCE:** In effort to stem growing interference problem, FCC is proposing broad new rulemaking aimed at formation of stiffer RF technical standards and extension of certification requirements to range of products currently exempt. Such products as calculators, electronic watches & tape recorders could eventually be added to list of products requiring certification.

Along with recent proposal to extend receiver-certification rules to CB (Vol. 16:14 p11), move is seen as first step of major FCC effort to deal with troublesome interference problem. Rulemaking proposes certification now for following RF devices: (1) Electronic games using RF energy (primarily aimed at coin-op video and non-TV electronic games, since home versions which couple to standard receiver require type approval as Class I TV devices). (2) RF-switching power supplies. (3) Wireless intercoms. (4) Restricted radiation devices using RF energy for communication.

Technical standards covering products not subject to certification (including calculators, watches, recorders) will be tightened under proposal, and FCC spokesman said if any is found to be generating "harmful interference" in future, it may require certification. Comments on rulemaking are due June 23, replies July 7.

**JAPAN COLOR EXPORTS SET NEW RECORDS:** U.S.-bound shipments of Japan's color exporters continued at strong pace in March, setting new monthly record for 7th consecutive month, according to Finance Ministry totals. Color shipments also hit these milestones: (1) Second highest monthly total ever. (2) New first-quarter record. (3) Ninth consecutive month of shipments in excess of 100,000.

Japan's total March TV exports to U.S. jumped 165.3% to 263,200, as color rose 107.4% to 163,600, b&w soared 389.4% to 99,650. In first quarter, Japanese exported 658,100 sets, up 232.2%, including 406,800 color (up 181.8%) & 251,300 b&w (up 367.2%).

Value of Japan's first-quarter TV shipments climbed 184.5% for year-earlier to \$88.8 million, with color value rising 166.1% to \$73.7 million, b&w soaring 329.3% to \$15.1 million. Average price of Japanese color set exported in period was \$181.10, down from year-earlier \$191.83 average, while b&w average dropped to \$60.10 from \$65.39. But bulk of apparent price drop is attributable to decrease in value of yen against dollar. After adjustments for exchange

rate changes, average price of Japanese color set is virtually same as last year, while b&w average would be down only about \$1.60.

**TAIWAN'S TATUNG LAUNCHING U. S. SALES:** Tatung, Taiwan's biggest locally-owned manufacturer, plans to help celebrate U. S. Bicentennial by starting own-brand marketing of consumer electronics & appliances this summer. Company, with sales of \$155 million last year, has until now been private-label supplier to retailers & importers.

We learned of Tatung's plans from Chmn. Lin Ting-Sheng who is chmn. of Chinese National Federation of Industries and heads 16-man group of Taiwan businessmen, educators & govt. representatives in tour of major U. S. cities on trade & investment mission.

Tatung is following unique course in effort to establish itself here. Rather than go traditional route of reps & retailers, Tatung will control whole process, from importing right through to opening its own stores. First stores will open in L. A. in July; "we will have several," Lin told us. He said they would be small, declined to specify number. He indicated San Francisco was next and that Tatung plans very gradual expansion.

First products will be 19" & 14" color sets, 19" & 12" b&w, limited assortment of stereo systems, plus radios, compact refrigerators, electric fans. Lin said he couldn't talk about prices yet, but they "would be fair. We do not want to disturb the business of other brands, our goal is harmonized competition." U. S. sales activities will be handled by Tatung Co. of America, which has small plant in L. A. area assembling fans.

Color TV picture tube supply is still a major problem for Tatung, as it is for other set makers in Taiwan, because of reliance on imports. But that may be solved soon. Lin told us his b&w tube-making subsidiary, Chungwa Picture Tubes Ltd., is seeking U. S. or Japanese partner to help with expansion into color. Another Tatung affiliate, Taiwan Refractory, last year signed color tube technology agreement with Mitsubishi. Chungwa was multi-firm venture when launched in 1971, but Tatung's last remaining partner, RCA, pulled out last year (Vol. 15:22 p11). Head of Chungwa is Chieh Sun, who also is Tatung America pres.

Development of electronics industry in Taiwan may seem slow by American standards, but to Lin his industry's progress toward self-sufficiency is proceeding as it should. "We move from stage to stage," as Taiwan's capability to absorb technology permits, "we must depend on our own abilities." He believes industry has just left infancy, is ready to start competing in world markets. This means, he said, Taiwan's protective barriers will start coming down, opening market there to imports. Those barriers, in form of high duty rates, were subject of complaint filed with U. S. govt. by Taiwan importer Lai Fu Trading, which represents several American consumer electronics and appliance producers (Vol. 16:16 p7). Of complaint, Lin said, "our governments have very cordial relations. I feel there has been some misunderstanding" that will be straightened out without interfering with trade.

Whatever outcome of Lai Fu complaint, it's not likely to interfere with activities of U. S. manufacturers who have export-assembly operations in Taiwan. Taiwan accounted for 47% of total U. S. b&w market last year, and most of those sets were made in plants owned by RCA, Admiral, Sylvania & Zenith. Shirley Coffield, attorney in Presidential Office of Special Representative for Trade Negotiations, where complaint was filed, said if charge that Taiwan's duty rates are unreasonable & unfair is substantiated, agency will attempt to resolve problem through negotiation, retaliate against imports from there only as last resort. However, agency will attempt to avoid any action that could damage U. S. business interests, she said.

\* \* \* \*

Japanese Embassy protested to State Dept. about International Trade Commission investigations into possible unfair business practices of Japanese TV manufacturers. Opening of probes, Japan said, might encourage new wave of protectionist sentiment that has developed over past year. Note maintained ITC had no good reason to launch formal probe into Sylvania's charges because earlier investigations by Treasury: (1) Set up safeguards against sale of Japan-made TV at unfairly low (dumping) prices. (2) Resulted in determination that Japanese govt. wasn't providing incentives to exporters. Note particularly expressed regret that ITC took initiative



in opening preliminary investigation into host of other allegations, said Japanese govt. "firmly believes no such methods of competition & unfair acts exists." In response, State said ITC was operating within legal framework, that Japan's views would be made known to agency. ITC has also received another official comment on its investigations. This one, from David MacDonald, asst. secy. of Treasury, reminds ITC that trade problems involving dumping or bounties & grants subject to countervailing duties are Treasury—not ITC—responsibility.

**COLOR SALES DOWNTURN CALLED TEMPORARY:** First 2 weeks in April saw year's first decline from 1975 in EIA color sales-to-dealers figures. First-week sales were down only 101 units (see State of the Industry), but 2nd week saw decline of about 5.2% to about 91,800 units from 96,870 in same 1975 week.

TV manufacturers expressed no alarm over situation, pointing out that 2nd quarter 1975 was best of year in terms of seasonally adjusted sales, that pre-Easter period is generally slowest of year and that all economic indicators continue to be good. As one manufacturer put it: "There's been a decided upturn in car sales during the auto industry's selling season, showing that the discretionary buyers are back in the market. I would expect the same buyers to show up in our selling season—late 3rd quarter & 4th quarter."

**Industry's balance** in consumer electronics foreign trade was \$1.67 billion in red last year, vs. \$1.95 billion deficit in 1974, Commerce Dept. reports. Largest shortfall last year, \$636.6 million, came from phonos & audio tape equipment, followed by \$410.6 million deficit in radios & parts, \$302.5 million in TV & parts. Total imports last year were \$2.06 billion, down from \$2.34 billion, while exports rose to \$391.9 million from \$383.6 million. Not surprisingly, bulk of deficit, \$1.23 billion, came in trade with Japan. Next largest losses were with Taiwan (\$275.8 million) & Hong Kong (\$117.7 million). Surpluses were reported for trade with Mexico (\$70.7 million) & Canada (\$46.7 million). For total electronics trade last year, industry had \$2.25 billion favorable balance, vs. \$1.7 billion surplus in 1974, as exports held about even at \$6.8 billion while imports declined to \$4.58 billion from \$5.07 billion. Only calculators & accounting machines joined consumer products in showing deficit (\$75 million). Trade surpluses for other products (in \$ millions): Components \$827, records & recorded tapes \$41, computers & accessories \$2,095, telephone & telegraph equipment \$105, commercial-industrial-military equipment \$556, medical equipment \$23, measuring & test equipment \$343.

**Canadians & Americans** interested in UHF met last week in Washington under auspices of Council for UHF Bcstg., agreed to: Work with American EIA & Canadian Electrical & Electronic Mfrs. Assn. to draft industry-wide standards for UHF antenna & lead-in installation and to provide consumers with information on UHF; share information on regulatory efforts to improve UHF; plead that UHF spectrum be preserved for TV. American organizations included NAB, NAEB, PBS, CPB, AMST, JCET & INTV. Ont. Educational Communications Authority & CRTC were Canadian groups.

**Taiwan expects** exports of electronics products to hit \$1 billion this year, worldwide, vs. \$700 million in 1975. Total includes shipments by U.S. & Japan-owned export assemblers.

**Class-action suits** to nullify North American Philips' purchase of Magnavox and to award compensatory damages to former Magnavox minority stockholders have been filed by 2 ex-stockholders in Del. federal & state courts. Suits by Louis S. & Mollie Singer of Philadelphia accuse Magnavox and its former directors with conspiracy and fraud in falsely representing to minority stockholders that merger was in their and Magnavox's best interests, failure to disclose that Magnavox's directors had originally urged stockholders to reject offer, failure to disclose that Magnavox's book value (\$10.16 per share) was substantially above offer price (\$9), failure to disclose that opposition to merger was dropped only after 16 officers received 2-year contracts, implying that minority stockholders had no alternative to accepting merger, and that merger served no valid corporate purpose, among other charges. In proxy statement for May 5 annual meeting, North American Philips mentioned action, stating that it "believes that the terms of the merger were fair to Magnavox minority stockholders and that the merger was for valid corporate purposes."

**Color sales recovery** hasn't hit U.K. yet, according to BREMA, which reports combined factory & import shipments in first 2 months at 199,000, down 41% from same period last year. Color imports were off 53%, while domestic shipments dropped 39% to 176,000. In b&w, total shipments of 149,000 were off less than 1%, as imports rose 32% to 78,000, offsetting 22% drop to 71,000 for U.K.-made sets. Total markets for other products: Audio systems 114,000 (down 10%), phonos 24,000 (down 23%), radio-phonos 7,000 (down 59%), radios 850,000 (up 25%).

**RCA received \$71-million** long-term contract to provide Poland with technology & equipment for manufacture of 110-degree 21" slot-mask color tubes. Facility will make deflection components, guns, masks, phosphors & final tube assembly, have 300,000-tube annual capacity, expandable to 600,000. Construction is to start in 3rd quarter, with output to start before 3rd quarter 1979. It's understood Corning will supply Poland with glass plant.

**'IDEAL TV' CONTRACT:** FCC's ground rules for bids to build prototype higher-performance TV receiver (Vol. 16:3 p7, 16:16 p10) exclude current TV manufacturers from consideration, as forecast here last year (Vol. 15:45 p13). One provision in solicitation specifies that contractor have "no conflict of interest... which could be construed as affecting his ability to render an objective, unbiased analysis..." Chief Engineer Raymond Spence told us this would bar set makers, who have vested interest in current designs. He indicated he expected principal bidders to be electronics labs and that contract may be shared by 2 or more firms. One of qualifications on which Commission will base award is applicant's "past corporate experience in TV receiver design."

Basic purpose of program, funded at estimated \$200,000, is to reduce interference susceptibility, particularly in UHF, and increase sensitivity—thus only front end of set will be involved, between antenna input & detector stages. "We're not interested in things like picture tubes," said Spence. "The marketplace can take care of that."

Principal requirement is better reception at mass-market price. In its proposal, FCC is concentrating on eliminating completely or partially the "UHF taboos" which govern minimum distances between stations on specific channels. Commission measured 47 receivers last year, concluded that it appeared "little attention has been given in the design of these sets to the reduction of interference and the ability to receive very weak signals... The marketplace had not been as effective as would seem desirable in this area."

Other requirements include use of varactor tuner with shielded 75-ohm input. Commission specifies that maximum additional cost to manufacturer in mass production must not exceed \$7.50 per set. FCC figures "reasonable cost" of TV set (screen size not specified) to be \$300, with improvements not to add more than 10%, or \$30, which is figured to represent manufacturing cost of \$7.50.

Under specified procedure, FCC will acquire 3 commercial TV sets with contiguous serial numbers, keeping one in lab as reference, giving other 2 to contractor. First will serve as contractor's standard and not modified. Second may be used or modified, but circuitry following detector stages is to be incorporated in prototype set intact.

Bids for contract will be opened May 14, job to be finished in 12 months, copies of solicitation package available on written request to FCC.

**Aiwa name reappeared** in U.S. market on 8-model audio line introduced by Meriton which will market Aiwa products in U.S. Meriton also showed own new compact, portable cassette & clock-radio lines. Aiwa line ranges from \$230 cassette deck to \$570 receiver with built-in front-loading cassette deck. Meriton Pres. S. Inagaki said other products in Aiwa line will be marketed in U.S. in future. New in Meriton line are 2 compact systems (\$260 & \$330), 2 portable cassette recorders (\$50 & \$80), digital clock-radio (\$80) and range of compact speaker systems expanded in size from previous speaker line. Aiwa & Meriton are Sony subsidiaries.

**NEW GAMES, NEW PROBLEMS:** Another batch of new video games came into open last week, but prospects of IC chip shortage and failure of some companies to seek FCC approval is causing speculation that many won't make it to market this year, possibly ever. "You're going to see shakeouts before there's an industry," executive of firm already in home game market said. "I don't think 90% of the stuff you hear about will come true this fall. Very few have FCC approval, and very few have tied down a chip source."

That isn't stopping compact, calculator & other companies from moving ahead with plans to show new games at June CES, and here's latest batch:

**Morse**—Four-player, 6-game model carrying Electrophonic name will be shown at CES. Game will sell in \$99 range, feature optional rifle for built-in shooting games, use GI chip. Firm also hopes to offer multi-game color unit in fall.

**Enterprex**—Two-player, 3-game (tennis, hockey, handball) unit will be introduced at CES under Apollo name, price not set.

**Fantasia**—Game selling in \$60 range will be shown at CES, type & price not available.

**Radofin**—Six-game unit produced at firm's Hong Kong calculator plant will be shown at CES, to retail in \$50 range.

**Montgomery Ward**—Four-player game carrying Ward name will be featured in Christmas catalog and Fall-Winter book will carry games "with several different brand names," according to spokesman.

**Atari**—New line of multi-game & multi-player games will be shown at CES, but firm won't discuss specifics. Original "Pong" game will be kept in line.

FCC, meanwhile, says it now has 7 applications awaiting approval under Class I standards in addition to those already approved (Vol. 16:15 p13), and spokesman warns those hoping to introduce games at CES that applications should be filed soon. Although non-approved game can now be displayed at trade show (Vol. 16:15 p11), it can't be turned on and, as one game supplier said, "that's like showing someone a cardboard box." FCC says it will take about 4 weeks to complete testing on units submitted for approval, and period will lengthen as more applications come in.

**CB scene:** Japanese CB exporters will soar to 8 million units in 1976, EIA-J says, up 120% from 1975. Total exports, including knockdown units shipped to Puerto Rico, should hit 9.7 million... **Channel Master** will enter CB field with 16 model line of mobile antennas, and company will mount consumer education program on role of antenna in receiving, transmitting... **Midland** will award quarterly "Good Buddy" plaque to CBer doing good deed... **Browning Labs** will begin shipping new Sabre PLL mobile unit, featuring meter dimmer switch in summer... "The Official CB Slang Language Dictionary" by Lanie Dills has sold over 300,000 copies, made most paperback best-seller lists, is now in 3rd printing... **Cornell-Dubilier**, component supplier, will market CB units carrying C-D-E name.



## Trade Personals

**William Hittinger**, former RCA exec. vp responsible for consumer electronics & components operations, shifts to exec. vp-research & engineering, succeeding **James Hillier**, now exec. vp & senior scientist, new post. Both will report to Pres. Anthony Conrad. RCA Consumer Electronics, Distributor & Special Products, Picture Tube & Solid State Divs. as well as SelectaVision Video Disc Product heads, who formerly reported to Hittinger, will now report to **Edgar Griffiths**, pres. of Electronics & Diversified Businesses... **Robert Eggert**, RCA staff vp & chief economist, retires at end of June; **Bushrod Burns** advanced from business planning & analysis dir. to financial analysis staff vp.

**Edward Garland**, ex-Fisher & Sony, joins Toshiba as vp-gen. sales mgr... **George Crump**, former Southwest Div. vp-mgr., advanced at Morse to senior sales vp... **Robert Cusky**, ex-Superscope, appointed Akai ad mgr., succeeding **Todd Kurosaka**, now material planning mgr.

**Conde Maiden** named chmn. of Electrical & Electronic Mfrs. Assn. of Canada, formed through merger of Canada's Electrical Mfrs. Assn. & EIA; **David Armour** appointed pres. & chief operating officer, **Leon Balcer** exec. vp... **Theodore Brophy**, GTE pres., adds post of chmn. May 31, succeeding **Leslie Warner**, retiring... **Edwin Dodd**, Owens-Illinois chief exec., advanced from pres. to chmn., post vacant since 1973; **Robert Lanigan** moves from exec. vp to pres. for domestic operations, **William Spengler** from exec. vp to International Group pres., both new posts; **Robert Miller**, exec. vp & Consumer & Technical Group gen. mgr., named senior vp... **Victor Amador** named pres. of newly formed BSR International New Products Group; **Art Coundjeris** named asst. to Amador.

**James Reynolds**, ex-Superscope & Audio Mag-netics, joins Pathcom as region sales mgr. for Pace CB line... **Larry Burkhart**, ex-DuMont Electron Tubes, named Tenna operations vp; **Leonard Kahn**, ex-Cole National, joins as Aftermarket Div. national sales mgr... **Donald Heckel**, Javelin Electronics vp, promoted to gen. mgr.; **Robert Milecki** named special projects mgr.; **Thomas Miller** succeeds Milecki as western sales mgr.; **Robert Bleser** advanced to sales coordinator, replacing Miller.

**Thomas Ebeling**, ex-TDK, joins BSR as midwest sales mgr.; **John Gennaro** appointed ADC Products sales specialist responsible for dealer training programs... **Robert Borchardt** advanced at Recoton from exec. vp to pres., succeeding **Herbert Borchardt**, who continues as chmn... **Delbert Gaines** elected Lynch pres., succeeding **John Morris**, who continues as chmn.; Gaines was pres. of CB crystal producer M-Tron, acquired by Lynch April 22.

**Philip Pasho** shifts at Fairchild Semiconductor from Digital Div. to Auto Products Div. mktg. mgr., succeeding **Norman Doyle**, resigned.

**Kenneth Rygler** advanced at Du Pont Industrial Products Div. to electronic sales mgr., succeeding **Rolf Funer**, who shifts to Central Research Dept.

**Sylvania net up:** Increased demand for color TV picture tubes, electronic systems & components, plus selective price increases, helped Sylvania register strong first-quarter performance gains, compared with depressed results of same 1975 period. Sylvania's results are consolidated with those of parent GTE (see financial table), had first quarter sales of \$325.1 million, up 18.4%, while net jumped 64.6% to just over \$12 million. GTE International enjoyed significant improvement in European consumer electronics & components sales, with sales up 7.4% to \$230.1 million, but loss of \$4.8 million, against \$1.25 million profit in same 1975 period. GTE attributed loss to poor results in telecommunications equipment in Canada & Italy, plus foreign currency accounting change that cut 1976 earnings \$1.8 million, added \$3.9 million to 1975 net.

**Former workers at Motorola Semiconductor** plants in Phoenix & Mesa, Ariz. were declared eligible for import adjustment assistance by Labor Dept. (LD). Agency noted that Motorola's own imports represented 8.6% of its 1975 semiconductor sales, up from 7.8% in 1974. During that period, LD said, Motorola cut Mesa production workers 32.7%, salaried staff 24.6%, while respective employment declines at Phoenix were 55.2% & 31%. LD said it found domestic producers with overseas manufacturing facilities were prime semiconductor importers, accounting for 75% of IC and 67% of transistor imports last year. LD also approved aid for workers producing molded plastic TV & auto parts at Production Molded Plastics' Alliance plant. Company closed plant last year, transferred bulk of production to Canada.

**GE lost bid** to have FDA's Bureau of Radiological Health reverse finding that 36,000 microwave ovens made since Nov. 1973 don't comply with radiation-emission standards. BRH said 2% failed leakage tests; GE contends that test equipment was unreliable and failure rate was under 1%. BRH said GE's quality-control & test programs are inadequate and company's radiation-leakage prevention methods were below state of art. Decision prevents GE from marketing ovens of type covered by finding until it wins BRH approval of new test & quality programs. GE now has choice of developing corrective program, including recall & modification of ovens in use, or requesting exemption on grounds that leakage doesn't present significant risk to consumers.

**Watch watch:** Citizen expects to introduce LCD watch with alarm in U.S. in June at under \$300. Alarm watch due from Uranus by year's end can be programmed months in advance to alert wearer to upcoming birthdays, anniversaries, etc... **Microma** has introduced Syncroquartz line of LCD watches priced in \$40-\$50 range... **Asahi Glass** & Mitsubishi will launch \$500,000 Japanese LCD manufacturing operation, with Asahi 60% partner. Scheduled to start production in July, plant will have capacity for 200-300,000 cells monthly... **First Zenith**-brand watches, due for U.S. introduction in July by Zenith-Movado-Time, are electronic with conventional dial-&-hand time display, LED readout for date & seconds, priced from \$195.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>American TV &amp; Communications</b>			
1976-9 mo. to March 31	30,409,623	2,802,495	.74
1975-9 mo. to March 31	24,603,907	1,738,926	.42
1976-qtr. to March 31	10,670,327	1,067,976	.29
1975-qtr. to March 31	8,673,863	644,513	.16
<b>Andrea Radio</b>			
1976-qtr. to March 31	348,356	8,193	.02
1975-qtr. to March 31	610,227	70,847	.14
<b>Arvin Industries</b>			
1976-qtr. to March 31	92,136,000	4,142,000	.68
1975-qtr. to March 31	62,506,000	(2,555,000)	--
<b>Buckbee-Mears</b>			
1976-qtr. to March 31	13,273,000	326,000	.11
1975-qtr. to March 31 <sup>a</sup>	10,032,000	(264,000)	--
<b>Cable Information Systems</b>			
1975-year to Dec. 31	2,833,824	190,515 <sup>b</sup>	.20
1974-year to Dec. 31	2,752,860	176,192 <sup>b</sup>	.18
<b>Capital Cities Communications</b>			
1976-qtr. to March 31	46,207,000	6,848,000	.88
1975-qtr. to March 31	39,580,000	5,038,000	.65
<b>CBS</b>			
1976-qtr. to March 31 <sup>c</sup>	515,700,000	27,800,000	.97
1975-qtr. to March 31	442,600,000	24,200,000	.84
<b>Cohu</b>			
1976-qtr. to March 31	3,517,825	42,746	.03 <sup>d</sup>
1975-qtr. to March 31	3,679,126	59,795	.04 <sup>d</sup>
<b>Comsat</b>			
1976-qtr. to March 31	37,276,000	11,041,000	1.10
1975-qtr. to March 31	36,475,000	12,692,000	1.27
<b>Cox Bcstg.</b>			
1976-qtr. to March 31	27,642,000	3,224,000	.55
1975-qtr. to March 31	22,825,000	2,192,000	.38
<b>Cox Cable Communications</b>			
1976-qtr. to March 31	8,693,166	823,680	.23
1975-qtr. to March 31	6,651,076	612,327	.17
<b>CTS</b>			
1976-qtr. to March 31	37,790,962	3,309,727	.71
1975-qtr. to March 31	29,241,358	1,507,517	.32
<b>Dynascan</b>			
1976-qtr. to March 31	22,120,000	2,734,000	1.21 <sup>d</sup>
1975-qtr. to March 31	7,459,000	630,100	.28 <sup>d</sup>
<b>Electronic Memories &amp; Magnetics</b>			
1976-qtr. to March 27	20,842,000	4,160,000 <sup>b</sup>	.72
1975-qtr. to March 29	23,662,000	(394,000)	--
<b>Fuqua Industries</b>			
1976-qtr. to March 31	134,145,000	2,834,000	.31
1975-qtr. to March 31	119,041,000	(1,585,000)	--
<b>GTE</b>			
1976-qtr. to March 31	1,564,126,000	87,037,000	.64
1975-qtr. to March 31 <sup>a</sup>	1,375,645,000	79,033,000	.59
<b>Heritage Communications</b>			
1975-year to Dec. 31	2,677,103	(581,474)	--
1974-year to Dec. 31	1,307,907	(326,960)	--
<b>E.F. Johnson</b>			
1976-qtr. to March 31	29,779,000	3,024,000	1.19 <sup>d</sup>
1975-qtr. to March 31 <sup>a</sup>	13,794,000	735,000	.44 <sup>d</sup>
<b>Lee Enterprises</b>			
1976-6 mo. to March 31	33,474,000	3,779,000	.75 <sup>d</sup>
1975-6 mo. to March 31	28,100,000	3,254,000	.65 <sup>d</sup>
1976-qtr. to March 31	15,893,000	1,487,000	.30 <sup>d</sup>
1975-qtr. to March 31	13,258,000	1,261,000	.25 <sup>d</sup>
<b>LIN Bcstg.</b>			
1976-qtr. to March 31	7,500,000 <sup>e</sup>	801,000	.32
1975-qtr. to March 31 <sup>a</sup>	6,778,000 <sup>e</sup>	295,000	.13

Company & Period	Revenues	Net Earnings	Per Share
<b>Curtis Mathes</b>			
1976-9 mo. to Feb. 29	29,582,488	1,642,437 <sup>b</sup>	.53
1975-9 mo. to Feb. 28	24,074,779	57,951 <sup>b</sup>	.02
1976-qtr. to Feb. 29	10,215,250	547,349 <sup>b</sup>	.18
1975-qtr. to Feb. 28	7,119,566	(196,127)	--
<b>Meredith</b>			
1976-9 mo. to March 31	142,710,000	11,297,000 <sup>f</sup>	3.69
1975-9 mo. to March 31	123,070,000	4,889,000 <sup>f</sup>	1.63
1976-qtr. to March 31	55,629,000	3,325,000 <sup>f</sup>	1.08
1975-qtr. to March 31 <sup>a</sup>	43,473,000	1,627,000 <sup>f</sup>	.54
<b>Metromedia</b>			
1976-qtr. to April 4	59,389,984	5,127,832 <sup>b</sup>	.78
1975-qtr. to March 30	50,424,031	1,031,138	.16
<b>3M</b>			
1976-qtr. to March 31	827,900,000	68,900,000	.60
1975-qtr. to March 31 <sup>a</sup>	743,200,000	53,700,000	.47
<b>Motorola</b>			
1976-qtr. to March 31	346,996,000	16,898,000	.60
1975-qtr. to March 31	303,881,000	7,630,000	.27
<b>Optical Systems</b>			
1976-qtr. to Feb. 28	1,392,000	30,000 <sup>b</sup>	.01
1975-qtr. to March 1	1,096,000	(569,000)	--
<b>Regency Electronics</b>			
1976-9 mo. to March 31	42,449,595	7,108,166	2.68 <sup>d</sup>
1975-9 mo. to March 31	24,468,609	3,802,422	1.45 <sup>d</sup>
1976-qtr. to March 31	16,847,507	2,726,572	1.03 <sup>d</sup>
1975-qtr. to March 31	10,284,551	1,666,792	.64 <sup>d</sup>
<b>Rollins</b>			
1976-9 mo. to March 31	161,603,421	14,530,645	1.08
1975-9 mo. to March 31 <sup>a</sup>	139,358,017	12,431,326	.93
1976-qtr. to March 31 <sup>a</sup>	55,831,142	6,181,230	.46
1975-qtr. to March 31	46,855,532	5,286,013	.39
<b>Rust Craft Greeting Cards</b>			
1976-year to Feb. 29	82,913,000	2,773,000	1.21
1975-year to Feb. 28	81,590,000	2,329,000 <sup>g</sup>	1.00
<b>Storer Bcstg.</b>			
1976-qtr. to March 31	25,421,000	2,261,000	.50
1975-qtr. to March 31 <sup>a</sup>	21,122,000	2,114,000	.46
<b>Superscope</b>			
1976-qtr. to March 31	39,600,000	1,900,000	.84
1975-qtr. to March 31	30,300,000	1,400,000	.62
<b>Tandy</b>			
1976-9 mo. to March 31	557,013,468	49,309,409	2.72 <sup>d</sup>
1975-9 mo. to March 31	391,208,554	27,153,675	1.49 <sup>d</sup>
1976-qtr. to March 31	183,423,022	14,816,259	.82 <sup>d</sup>
1975-qtr. to March 31	121,523,960	7,969,714	.44 <sup>d</sup>
<b>Texas Instruments</b>			
1976-qtr. to March 31	369,367,000	21,287,000	.93
1975-qtr. to March 31	332,757,000	13,992,000	.61
<b>TRW</b>			
1976-qtr. to March 31	722,500,000	26,500,000	.77
1975-qtr. to March 31 <sup>a</sup>	608,800,000	14,500,000	.37
<b>Warner Communications</b>			
1976-qtr. to March 31	181,975,000	15,537,000	.98
1975-qtr. to March 31	171,289,000	14,254,000	.80
<b>Wometco Enterprises</b>			
1976-qtr. to March 27	42,854,000	2,643,000	.46
1975-qtr. to March 22	36,368,000	1,743,000	.30

Notes: <sup>a</sup>Restated. <sup>b</sup>Includes special credit. <sup>c</sup>Estimated. <sup>d</sup>Adjusted. <sup>e</sup>From continuing operations. <sup>f</sup>Includes special items. <sup>g</sup>After special charge.

**Exhibit of U.S. -made components, test & production equipment will be sponsored by Commerce Dept. at Electronica '76 in Munich, Nov. 25-Dec. 6. Contact: Bureau of International Commerce, Commerce Dept., Washington 20230.**

**AVX will open first foreign ceramic capacitor plant this summer near London's Heathrow Airport. Output will be for European market.**