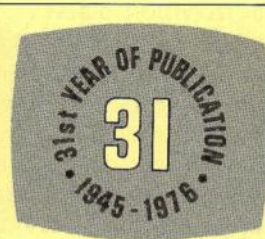


WEEKLY

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with
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MAY 3, 1976

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 16, NO. 18

Broadcast

VAN DEERLIN MOVES FAST ON CABLE: Hearing starts May 17, could run 15 days. Adversaries to appear simultaneously. Renewal hearing unlikely. House leaders hit Pastore on 'private' Rozelle deal on sports blackout. (P. 1)

COMMISSION'S 3-MONTH LINEUP: May-July agenda covers broad range—ratings; congressional hearings; cable fees, rates, ownership & definitions; UHF; VHF drop-ins; children & drugs; station ownership reporting & concentration; radio formats; spectrum analysis, etc. (P. 2)

TV NETWORK SALES UP, PROFITS DOWN: FCC reports 1975 profit drops 7.4% though net revenues increase 8.3%. Radio networks improve, cutting loss to \$2.5 million. ABC first-quarter earnings up 38% as revenues rise 25%. (P. 3)

NBC GETS CBS's SEGELSTEIN as major exec. shifts continue. Weinblatt assigned to advertising & promotion. 'CBS Reports' picks up Moyers. (P. 4)

Consumer Electronics

BUSY PERIOD FOR CB as NEWCOM opens and GM take a first step into factory-installed program (P. 7)

VAN DEERLIN MOVES FAST ON CABLE: Unanimously elected chairman of House Communications Subcommittee at April 27 Democratic caucus, as expected (Vol. 16:16 p5), Rep. Van Deerlin (D-Cal.) wasted no time in scheduling hearings—topped by 15 days set aside for CATV. "We'll begin comprehensive hearings on the subject of cable May 17," Van Deerlin told us.

He said "long, prepared statements" will be discouraged and that "people of divergent viewpoints will appear simultaneously" so that Subcommittee members can hear both sides of question at same time. Four days have been set aside for cable testimony first week; witnesses and full schedule haven't been firmed.

Before long cable session, Van Deerlin has scheduled May 12 hearing on 2 bills sought by FCC—tariff suspension and program origination by translators. Subcommittee plans hearing May 13—at request of Rep. Brown (R-O.)—on emergency broadcasting system. FCC recently finalized rule requiring all licensees to have EBS equipment by April 15. One subject dear to broadcasters' hearts expected to remain on back burner is longer license renewal legislation; no hearing is anticipated.

Van Deerlin move to Communications chairmanship—succeeding ill Rep. Macdonald (D-Mass.), who remains Subcommittee member—has received near-unanimous endorsement from

CB advisory group moves on interference, other problems. (P. 12)

JUSTICE TO PROBE proposed Sanyo takeover of Warwick color TV business. Agreement provides for \$19.4-million sale, Sears holding 25%. (P. 8)

SANYO HOME VTR competes with Betamax, has 2-hour capability in single cassette, to be priced about same as Sony unit. Toshiba expected to introduce VTR compatible with Sanyo. (P. 9)

FIRST-QUARTER TV IMPORTS top million as color sets new record for quarter, 5th consecutive monthly record in March, exceeding 500,000 units. (P. 10)

SONY & PANASONIC announce substantially revamped product lines, including new color chassis. Sony debuts Trinitron Plus, first 23" set, \$10-\$20 color price hikes. Panasonic holds price line, aims to strengthen position in all products. (Pp. 10 & 12)

JAPAN FEB. EXPORTS to U.S. show good gains in transceivers, most other audio products. (P. 13)

SYLVANIA RESTRUCTURING on global basis by product line, adding CTE International functions. Konkol slated to supervise Entertainment Products & Components Groups worldwide; new chief to be picked for U.S. consumer electronics. (P. 14)

broadcast & cable industries, plus govt. sectors involved with communications. NAB, however, admitted it's getting "a number of calls, particularly from the western part of the country," expressing concern about Van Deerlin's alleged "pro-cable leanings." (He often has noted that San Diego, his home town, has largest CATV system in U.S. and that "I'm not about to say anything bad about cable.") NAB considers him "fair, predictable, accessible, and he has the respect of his colleagues. You can't ask for anything better out of a legislator."

FCC Chmn. Wiley said Van Deerlin is "an outstanding choice...fair minded...He will run things rather than the staff." All commissioners expect better relationship with Subcommittee than under Macdonald because, as one put it, "Torby hasn't been on top of the job." NCTA Pres. Robert Schmidt: "I think he's going to be a super guy because I think he's fair."

Van Deerlin said Harry (Chip) Shooshan will remain as general counsel—although Shooshan doesn't consider himself a permanent congressional staffer, is expected to enter private practice within couple years—and he told expanded Subcommittee staff that he has "no changes in mind." No staff member announced plans to leave.

Van Deerlin was born July 25, 1914, entered Congress Jan. 1963. Before then, he was newspaper reporter and TV-radio reporter & commentator; broadcasters like that, of course. He was on Communications Subcommittee until Jan. 1975, when he left to become chmn. of Consumer Protection & Finance Subcommittee. Rep. Murphy (D-N.Y.) was elected Consumer chmn. 12-10 at last week's caucus—over Rep. Eckhart (D-Tex.)—and resigned from Communications, making room for Van Deerlin.

* * * *

Dispute flared last week between House Communications Subcommittee and Sen. Pastore (D-R.I.), chmn. of Senate Subcommittee, when latter announced House & Senate conferees had reached "impasse" on sports blackout legislation. Pastore also said that NFL Comr. Pete Rozelle had agreed to continue to telecast sold-out home games voluntarily for 2 years even though legislation expired Dec. 31, charged that House bill "would allow in at least 12 instances the removal of the blackout even though the home game is not a sellout."

Van Deerlin, Macdonald & Frey (R-Fla.) accused Pastore of making "a private deal" with Rozelle, were critical that they learned about Rozelle's agreement in press. They denied conferees had reached "impasse," said "the House leadership believes that these differences can be resolved." Major differences: (1) Senate bill extends anti-blackout provision 3 years; House makes it permanent. (2) House has so-called "Frey amendment" limiting blackout (for non-sold-out games) to 75 miles (House has agreed to increase it to 90 miles)—said to benefit only Miami Dolphins (Vol. 15:51 p5). (3) House bill reduces sold-out time before game (necessary to institute blackout) from 72 to 24 hours.

Senate spokesman denied Pastore & Rozelle had made "private deal," said House received Rozelle offer same day. Also, he said, House staffers made it clear that "there'd be no bill" without Frey amendment; Pastore reportedly is willing to accept permanent legislation without Frey amendment. "He's not going to be bludgeoned or blackmailed into accepting the Frey amendment, because it's confiscatory," we were told.

House leaders told Pastore that bill covers all pro sports—not just football—and that "your statement totally misrepresents the effect of the Frey amendment...It seems to us to be inappropriate, and insulting to the House, for you to pursue private meetings with the NFL during which you apparently suggested that the spirit of the law be continued."

COMMISSION'S 3-MONTH LINEUP: FCC Chmn. Wiley has just completed his 3-month calendar—May-July—one of most helpful innovations for both Commission & industry. Agenda was compiled before Rep. Van Deerlin (D-Cal.) came up with his Communications Subcommittee schedule (see p. 1), which is bound to throw some of FCC agenda out of whack. Here are highlights of Commission's broadcast-related activities, excluding customary regular-agenda days:

May: 4—En banc open meeting on rating services; 10 & 14—House oversight (Moss) hearing; 12—cable franchise fees; 13—UHF impact; 18—alien cable ownership; 20-21—children

& drug ad panels; 26—network reruns, program logs.

June: 1—En banc open meeting, subject not indicated; 2—obscenity legislation; 8—cable subscriber rate regulation, leapfrogging reconsideration; 9—broadcast EEO; 10—revision of Part 74 (auxiliaries, etc.); 16—broadcast ownership reporting; 17—petitions to deny; 22—spectrum management; 23—regional concentration in broadcasting; 30—cable EEO.

July: 1—cable specialty stations; 6—en banc open meeting, subject not indicated; 8—cable system definitions; 9—equipment approval program, cable non-duplication viewability standards; 14—New Jersey TV; 15-16—budget review; 19-23—London conference on transatlantic communications (tentative); 28—radio formats; 30—VHF drop-ins, probably including issuance of proposed specific cities & channels.

TV NETWORKS—REVENUES UP, PROFITS DOWN: Though TV network revenues were up 8.3% to \$1.7 billion, profits dropped 7.4% to \$208.5 million in 1975, according to FCC report. Networks' 15 owned stations increased revenues, too—up 5.4% to \$396 million, but earnings were unchanged at \$106 million. Combined network & owned station revenues were \$2.1 billion, up 7.7%, and earnings dropped 5% to \$314 million.

Radio networks improved a bit—losing \$2.5 million on revenues of \$49.5 million—vs. \$6.2 million loss on \$40.4 million revenues in 1974. Networks' 17 owned stations showed profit of \$11.5 million on \$68.9 million revenues—vs. \$8.4 million earnings on \$64 million revenues in 1974. Combined radio network & owned station earnings were \$8.9 million on \$118.4 million revenues—compared with 1974's profits of \$2.3 million on \$104.4 million revenues.

Meanwhile, ABC reported first-quarter improvement—per-share earnings rising 37% (41¢ to 56¢) as revenues increased 25% to \$313,691,000 and net improved 38% to \$9,731,000. Chmn. Leonard Goldenson reported improvement in both TV & radio, also in publishing & recording. Theater revenues & earnings were off, while scenic attractions showed "essentially flat revenues and a decline in profits." He said that gains in revenues & earnings for wholesale music & electronic distribution division were attributable partially to demand for CB units.

Freeze on AM-FM applications for new or major changes in facilities, with a few exceptions, will be imposed by FCC June 30-Dec. 31. Commission said that relaxation of rules has increased AM applications 600%—and that staff just can't handle it all. It's believed this is first time in history Commission has ever imposed freeze because of staff limitations; others, such as TV's 1948-52 freeze, were caused by consideration of rules changes. Commission will accept 4 kinds of applications during freeze: (1) Those needed to continue existing service that can't be handled with minor change or STA. (2) Mutually exclusive applications filed in response to cut-off notices. (3) Applications to replace deleted facilities. (4) Applications mutually exclusive with renewal applications.

Seeking single 1-in. broadcast VTR standard, Sony & Ampex officials were in discussions last week over possible changes to bring their new units into compatibility, as forecast here (Vol. 16:13 p3). It also is possible that discussions may include Bosch/Fernseh later, developer of segmented helical format adopted by IVC, RCA & Philips.

Gov. Bennett of Kansas vetoed legislation providing \$400,000 to start planned \$2.4 million ETV network. He said it would require tax increase.

First use of fiber optics in British cable system is reported by Rediffusion.

"Big guns"—FCC Chmn. Richard Wiley and CBS Pres. Arthur Taylor—will testify for defense this week in family viewing (FV) trial now underway in L. A. (Vol. 16:16 p4). Networks, NAB & FCC (all defendants) expect Wiley & Taylor to be key witnesses. Last week, plaintiff-producer Normal Lear testified that CBS moved "All in the Family" from 8 p.m. Sat. to 9 p.m. Mon. because he refused to meet network requirements under FV. He said CBS-TV Pres. Robert Wood told him that of 24 episodes shown during 1974-75 season, 2 would have been rejected and 20 others would require alteration to meet FV requirements. Trial will recess next week; NAB, CBS & ABC witnesses testify when it resumes May 17.

FCC has dismissed 3 rulemaking petitions seeking restrictions on televised violence and 4th petition seeking ban of sex & violence in commercials or appeals to vanity. Agency cited "effective self-regulation" and FCC's 1975 policy statement (Vol. 15:8 p3): "That report in effect already had dealt with the merits of these petitions."

"We only want back what was originally ours," NAB told FCC in asking that 942-947 MHz be returned for exclusive broadcast STL & intercity relays. In 1968, Commission reallocated space for land-mobile; NAB maintains that service isn't using it.

KNOE-TV Monroe, La. chooses Katz TV Continental as rep.

NBC GETS CBS's SEGELSTEIN: Major executive shifts continued at TV networks for 3rd straight week (Vols. 16:17 p5; 16:16 p4), and biggest last week was NBC reaching into CBS ranks for new program talent. Irwin Segelstein, CBS Records pres. for 3 years and before that program vp at CBS under both Mike Dann & Fred Silverman, moves to NBC as exec. vp-programs. Current NBC Exec. Vp Mike Weinblatt takes over network's advertising & promotion functions in what NBC called "a restructuring" following its worst prime-time season ever.

Paul Klein, who recently rejoined NBC, was named vp-programs, reporting to Segelstein, as will John McMahon, West Coast vp. In another major change, NBC shifted WMAQ-TV Chicago Vp-Gen. Mgr. Lee Schulman to vp-program development for Station Div.; successor to Schulman at WMAQ-TV hasn't been named. Michael Rollins, dir. of daytime program development, promoted to head of variety programs, succeeding Rick Rosner, who becomes independent producer.

CBS was busy, too, hiring ex-White House Press Secy. Bill Moyers away from PBS to become anchor-man-chief reporter for "CBS Reports"; he'll also cover conventions & presidential campaign this fall. In programming, CBS promoted Michael Ogiens to daytime vp, succeeding Donald Grant, now vp-programs. Also last week, it was announced that Perry Lafferty, ex-CBS West Coast programs vp, will join Filmways to develop & produce TV series & specials. His first assignment will be comedy-variety special and movie of the week for ABC.

More political spots will be allowed by FCC before it will complain of over-commercialization, because demand is so great. Commission said it "will raise no question" if station's "excess over its normal" limits is purely political advertising, is no more than 4 min. per hour, and occurs in no more than 10% of station's hours of operation "during those pre-election periods when lowest-unit-charges are mandated" for political ads.

Right to broadcast 10-sec. message on whole AM band inside New River Tunnel, Ft. Lauderdale, has been obtained from FCC & Fla. Transportation Dept. by J. Rodger Skinner, ex-WGMA(AM) Hollywood, Fla. He hopes eventually to begin tunnel broadcasting in all 63 U.S. tunnels longer than 1,000 ft.

Terrain roughness factor in computing TV & FM contours was suspended another year, to May 1 1977, FCC stating that more time is needed to "develop methods of dealing with atypical terrain configurations." AFCEE strongly criticized factor when first issued (Vol. 15:43 p3).

Computer-controlled video correction system developed by Image Transform Inc. is claimed to produce full broadcast quality video from tapes previously considered unacceptable.

Article on TV pioneer John Logie Baird, by Belgian reporter Anton van Casteren, is featured in March-April Television International magazine.

"Gone With the Wind," due for NBC telecast in Nov., has been released by MGM to pay cable—for June only. TPS reports that film will play 7 times in L.A. on Theta Cable and that it's negotiating for cablecasting in other markets. Optical Systems has bought film for all its markets, will run it 6 times in June. TPS Pres. Robert Weisberg said: "Ordinarily, we'd play it until Sept. but this is another example of network up-front warehousing." Home Box Office hasn't reported plans to carry film. Weisberg also reported agreement to take Home Box Office's "Folies Bergere," recorded in Las Vegas, says it's "nearer G than R in content."

Congress should upgrade its oversight of communications by creating Joint Committee on Information Policy, in opinion of OTP Acting Dir. John Eger. Speaking at recent Airlie House conference on international communications, he suggested that new committee be modeled on joint atomic energy and IRS committees. He also suggested that "some at least of the policy second-guessing that now goes on in the Federal Courts of Appeals may be dispensable. We have felt this to be so, for example, in the case of format changes by major-market radio stations..."

AAF convention June 5-9, Statler-Hilton, Washington, includes FCC Chmn. Wiley among govt. speakers; keynoter is Donald Kendall, Pepsi-Co. chmn. A convention feature is J. Walter Thompson's presentation "The Desensitization of America," discussed by Herb Klein, Metromedia; George Gerbner, Pa. Annenberg School; Donald Johnston, J. Walter Thompson Co.; Arthur Kretchmer, Playboy magazine. Another feature: Best advertising of last 200 years, compiled by Advertising Age.

"Archives" section of copyright bill was marked up by House Copyright Subcommittee last week, produced 2 changes: (1) Railsback amendment, providing that organizations may lend, not sell, copies of broadcast news recordings. (2) Pattison amendment, limiting recordings to hard news, no documentaries.

KOIN-TV-AM-FM Portland, Ore. sale of 50% to Newhouse Bcstg., now holder of 50%, is opposed by Justice Dept. Asst. Atty. Gen. Thomas Kauper advised Newhouse that purchase would "exacerbate an already anticompetitive situation in the Portland area."

NAB 1977 convention is OK for Washington March 27-30—hotels having assured Assn. of adequate exhibit setup & breakdown time (Vol. 16:15 p5). Shoreham, Sheraton-Park & Washington Hilton will be used, with exhibit space limited to 75,000 sq. ft. vs. 95,000 this year.

Paramount has dropped out of proposed joint payable operation—with 20th Century & United Artists (Vol. 16:13 p5)—will go it alone, hasn't disclosed plans. It's understood that other 2 companies still plan joint operation.

"Soaring Spirits" is new AWRT project bringing special programs to hospitalized children via video-cassettes, now involves 65 hospitals.

Cable copyright development: (1) House Copyright Subcommittee failed to reach issue last week, expects to start markup May 7. (2) Cal. CATV Assn. board resolved in favor of NCTA-MPAA agreement, saying it's "in the best interest of the entire cable industry," while Pa. Cable TV Assn. resolved opposite, saying agreement would "impose an unjustified & discriminatory burden" on systems & public. (3) William Turner, operator of system in Welch, W. Va., announced he favors paying copyright because that would give systems right to substitute their commercials for stations. (4) Ad Hoc Committee on Copyright urged Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee, to ask that copyright bill be referred to his panel or that cable section be deleted. Ad Hoc group said bill "could very well have a far-reaching and unknown effect on communications without any exploration... by the committees with jurisdiction." (5) NAB and other Washington broadcast representatives—including networks—had "amicable" meeting April 30 with MPAA Pres. Jack Valenti, at latter's request.

WAPI-TV Birmingham has been renewed by FCC, which rejected charges by Magic City Communications Coalition regarding station's ascertainment and program practices, hiring & promotion procedures, concentration of media, misrepresentations in renewal application. Decision is subject to outcome of case before EEOC, dealing with alleged employment discrimination. Comr. Hooks dissented.

"Appointments to the Regulatory Agencies," 439-page study by James Graham & Victory Kramer of Georgetown U. Law School, treats in detail each appointment to FCC & FTC 1949-1974. Study repeats authors' recommendations on improving appointments—made last year to Senate symposium on regulatory reform (Vol. 15:45 p3). Published by Senate Commerce Committee, book is available for \$3.50 from Govt. Printing Office.

"A full study & inquiry is being made," International Olympic Committee has assured NBC on TV rights for 1980 winter Olympics from Lake Placid, N.Y. NBC & CBS protested early in March after Lake Placid Olympic Committee had favored ABC for rights (Vol. 16:11 p3), and March 25 NBC wired IOC—which makes final decision—that it was prepared to bid more than ABC.

Quality audio broadcasting channels (50-7,500 Hz) are offered on WU's Westar satellite on 19 routes between 7 major U.S. cities. WU says prices are "significantly lower" than AT&T's. First customer is Robert Wold Co., L.A., using channels for AM broadcasts of baseball.

FCC Review Board affirmed initial decision (Vol. 15:50 p4), ordered CATA Pres. Kyle Moore to stop operating Gridley, Kan. CATV system by May 26. Moore has refused to get certificate, claims FCC doesn't have jurisdiction.

Of 101 comments at FCC, 92 supported Sandy Frank's petition to ban stripping under prime-time access rule (Vol. 16:8 p6).

Sale of WNCN(FM) N.Y. by Starr to GAF Bestg., which pledged to continue classics format, was approved by FCC—but not without some hassle over payment of legal expenses to groups which fought to keep station from going to rock. WNCN Listeners' Guild and Classical Radio for Conn. had petitioned to deny renewal, and Concert Radio had filed competing application. Some \$90,000 in expenses presumably are to be paid to objectors for dropping out—by seller and/or buyer. Comr. Hooks' concurring statement found FCC's approval of payment rather fuzzy but concluded that agreement "is de facto and de jure approved. Anyone doubting that result is wearing blinders." Some lawyers disagree with Hooks, think FCC wording is so vague that IRS won't approve payment as a business expense. Hooks strongly approves of such payments, since so many minority groups opposing licensees would benefit.

CPI has secured \$10 million long-term financing commitment from Teachers Insurance & Annuities Assn., N.Y., increased bank credit lines from \$16 million to \$17 million from 5 Pa. banks, to restructure parts of firm's long-term debt, retire loans, provide working capital for developing new cable systems, and for revolving credit. CPI recently signed agreements to sell its specialized common carrier, microwave & radio broadcasting subsidiaries for considerations totaling \$17 million, plans to concentrate on cable in future.

NAD challenges resulted in dropping of claims in 3 national TV ads, while claims in 2 other TV ads were substantiated to NAD's satisfaction. Dropped were claims made in ads for Arm & Hammer oven cleaner, Gerber baby food & Long Island Bestg. Corp. Instant Magic Tricks (latter handled by children's ad review unit). Substantiated were claims made for L'eggs Sheer Energy pantyhose & St. Joseph cough syrup for children.

Panelists for OTC drug advertising conference sponsored jointly by FCC & FTC May 20-21 have been announced by FCC. Chairing panel on misuse will be Eli Rubenstein, State U.-N.Y.; panel on illicit use, Eric Josephson, Center for Sociocultural Research on Drug Use, N.Y.; panel on alternatives, Stephen Greyser, Harvard.

Harris Corp. plans \$3,250,000 expansion of Broadcast Products Div., Quincy, Ill., including addition of 85,000 sq. ft., a 30% increase, combining administration & marketing offices with manufacturing & engineering operations.

"It is strongly suggested" that TV & movie producers making films involving Indians give Indian tribes opportunity to review program script in advance "in order to check historical accuracy," according to rule proposed by Bureau of Indian Affairs.

Fontainebleau Hotel, Miami Beach, has received about 100 requests for hospitality suites for Feb. NATPE convention—although NATPE won't accept requests until July; there were 144 suites at recent San Francisco convention (Vol. 16:9 p1).

Personals

Rep. **Lionel Van Deerlin** (D-Cal.) makes first speech as chmn. of House Communications Subcommittee (see p. 1) May 3 at dinner closing 3-week Bowling Green (O.) U. seminar on "Broadcasting—The Washington Connection" conducted by Television Digest Exec. Editor **Dawson (Tack) Nail**; Comrs. **James Quello** & **Glen Robinson** appeared at seminar earlier... **Joe Allbritton**, Washington Star Publisher, speaks at annual CAMM breakfast May 9, Sheraton-Carlton Hotel, Washington.

John Rohrbeck advanced to station mgr., KNBC L.A. ... **Franklin Sisson**, WWJ-TV Detroit station mgr., promoted to administrative mgr. of WWJ Stations (WWJ-TV-AM-FM, KTVY Okla. City, KOLD-TV Tucson, WALA-TV Mobile); **Jack Allen**, ex-WXYZ-TV Detroit gen. sales mgr., succeeds Sisson; **E. Lee Leicinger**, ex-WBBM(AM) Chicago, appointed WWJ-AM-FM mgr.

Edythe Meserand, first AWRT pres., now head of Meserand Adv., celebrates 50th year in broadcasting, will be honored at May 6 luncheon during group's convention in Philadelphia.

Peter Crowell advanced to dir. of management systems & operations research, CBS TV Stations Div.; **James Joyella** to gen. mgr., retail sales; **Aaron German** to asst. controller... **Roy Polevoy** promoted to dir. of planning & administration, ABC-TV Spot Sales... **Nan Omansky** appointed Katz Agency research dir. of audience development.

Stuart Sucherman, Ford Foundation program officer, named WNET N.Y. vp-planning dir., new post... **Gregory Christopher** returns to position of special asst. to FCC gen. counsel from post as deputy minority counsel, Senate Interior Committee... **Johnathan Rodgers** appointed news administration mgr., WBBM-TV Chicago... **Jill Krasner** appointed promotion mgr., WTTG Washington... **James Kenney**, ex-WTAF-TV Philadelphia, appointed film dir., WFLD-TV Chicago.

Gene Nichols, ex-3M & ABC-TV, forms PR firm, 135 W. 50th St., N.Y., phone 212-245-0460; he plans to specialize as consultant to corporate underwriters & sponsors.

J. Richard Munro, Time Inc., named chmn., EEO committee, NCTA... **Frederick Finn**, ex-FCC Cable Bureau, named NCTA asst. gen. counsel... **Thomas Pledger** resigns as chmn. of Burnup & Sims to pursue "personal interests," successor not named.

Stanley Solson joins Teleprompter as dir.-mgmt. information; **James Miller** promoted to assoc. dir.-programming, succeeding **Steven Hewitt**, now with HBO... **Robert Etes**, ex-GTE Service Corp., named controller, GTE Satellite Corp... **Norman Fenichel** named Conrac PR mgr.

CBS Labs will be closed by Epsco, which bought business for \$250,000 last year, Pres. Robert Francisco stating that Labs had been expected to produce \$4 million revenues yearly but is bringing in \$1-\$1.5 million.

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with
Consumer Electronics...

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Telecast of House proceedings would be OK—if done by public TV—according to Rep. Madden (D-Ind.), chmn. of Rules Committee which virtually killed bill allowing coverage (Vol. 16:13 p10). He said he opposed "leaving this task...to the 3 powerful commercial networks. I do favor allowing the government-supported public broadcasting stations to carry these meetings... They have done a good job in presenting public affairs programs and dealing with current public issues."

"System Coverage by the FM Broadcast Systems," by Dr. George Hufford, Commerce Dept. Office of Telecommunications, is available for inspection at FCC public reference room, will eventually be published by OT. Report is associated with FM coverage maps received earlier by Commission, describes how maps were prepared.

International Conference on Communications, at Philadelphia Marriott June 14-16, sponsored by Communications Society Conference Board & Philadelphia IEEE section, has as keynote speaker June 14 FCC Comr. Benjamin Hooks. Some 50 sessions include more than 250 papers. Chmn. is W.W. Middleton, Bell of Pa.

Complaint charging anticompetitive practices against KTLA L.A. in purchase of rights to sporting events was dismissed by FCC, which said charges should be litigated before courts and/or FTC. "It would make no sense for us to duplicate the functions" of other govt. agencies, Commission said.

FTC and Benton & Bowles have agreed on consent order—following complaint about Post Grape Nuts ads—which prohibits agency from employing ads which may encourage children to eat wild plants. Ad had shown Euell Gibbons eating such plants.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 16 (15th week of 1976):

	April 10-16	1975 week	% change	April 3-9	1976 to date	1975 to date	% change
Total TV.	163,920	173,873	-5.7	187,269	3,113,963	2,793,244	+11.5
color	91,847	96,870	-5.2	104,110	1,807,525	1,559,347	+15.9
monochrome	72,073	77,003	-6.4	83,159	1,306,483	1,233,897	+5.9
Total radio	389,320	532,332	-26.9	497,367	8,954,679	6,983,196	+28.2
home, portable	184,518	343,299	-46.3	278,731	5,490,502	4,675,766	+17.4
AM-only	42,702	129,669	-67.1	59,955	1,185,899	1,477,361	-19.7
FM & FM-AM	141,816	213,630	-33.6	218,776	4,304,603	3,198,405	+34.6
auto	204,802	189,033	+8.3	218,636	3,464,177	2,307,430	+50.1
Port.-comp. phono.	26,736	64,399	-58.5	35,008	628,228	810,011	-22.4

Color TV 5-week moving average: 1976—109,257; 1975—107,041 (up 2.1%).

CB—ACTION ON 3 MAJOR FRONTS: Although attention of CB industry at week's end focused on 3-day NEWCOM Show opening at Superdome in New Orleans May 4, activity at govt. level & in Detroit was anything but subdued.

First meeting of FCC's Personal Use Radio Advisory Committee (PURAC) saw launching of ambitious program aimed at giving Commission means to deal with interference, licensing, other problems (see story, p. 12), while General Motors took significant first steps into extensive in-dash CB program.

Buick, Pontiac & Oldsmobile are involved in GM plan, will use E. F. Johnson and Cybernet units supplied through firm's Delco Div., we've learned. Oldsmobile spokesman said firm has begun shipping cars with factory-installed under-dash E. F. Johnson CBs carrying GM brand. In 1977 model year, it's understood, Delco will supply Oldsmobile with in-dash combination units using Johnson CB & Delco AM/FM radio for delivery in fall.

Buick will soon offer under-dash CB made by Cybernet-Japan on remaining '76 cars, go to in-dash program with combination Cybernet-Delco unit in 1977 models. Under-dash unit will be installed by dealers, "but it's essentially a factory-installed deal," spokesman told us. "We're only doing it that way because we don't currently have the facilities to install them ourselves." Cybernet deal was arranged through U. S. marketing arm of Murata Corp., Japanese component producer.

Pontiac will offer E. F. Johnson units as factory-installed option on 1977 models. They will be under-dash in beginning; in-dash program is still up in air. Chevrolet & Cadillac said CB is being studied—no decision yet.

Other 3 car companies—AMC, Ford & Chrysler—haven't made formal decision on factory-installed CB, although all now offer CB through dealer networks as dealer-installed option. It's known, however, that number of CB firms, including Motorola, have been discussing situation with Ford; decision could come any time. Ford spokesman will say only that firm "has no present plans" to offer CB on factory-installed basis.

Detroit executives are certain to be included in heavy attendance expected at NEWCOM, but future of affair as CB showcase—as it has been in past—is clearly in question. Coming off successful PC-76 Show, first event concentrating primarily on CB, many leading producers are going into NEWCOM with cautious attitude.

"It's an important show for the parts industry, and it will continue to be," exec. vp of CB firm said, "But I'd be kidding you if I said we'll always place major emphasis on our CB there. I'll just have to wait and see."

Another producer, however, pointed out that many traditional one-step electronics distributors will continue to attend NEWCOM and feeling is that despite explosive move to mass CB distribution, they remain important part of business.

Advent of PC Show, however, siphoned new product introductions away from NEWCOM and impact of that—plus fact that show is now sandwiched between PC & June CES—should become clear this week.

JD TO PROBE SANYO-WARWICK DEAL: Justice Dept. (JD) will investigate possible anti-competitive effect of Whirlpool's sale of controlling interest in Warwick's color TV business to Japan's Sanyo. Though deal has been in negotiation since late last year (Vol. 15:50 p7), JD spokesman said none of parties gave advance notification or sought review. JD said it considers this a significant transaction within shrinking domestic color industry.

Preliminary agreement, as announced early last week, calls for Warwick to set up new subsidiary owning its color TV business & Forrest City, Ark. plant. Stock in new firm would be spun off to present Warwick holders, with Whirlpool selling its 57% interest to Sanyo for \$4.43 per share, about \$11 million. Sanyo would make tender offer (also \$4.43) for the 18% in public hands (\$3.5 million), while Sears would retain 25% (\$4.8 million) putting over-all price at \$19.4 million. Warwick would continue in organ business.

Sanyo would get modern color TV, cabinet & circuit-board complex plus all-important pledge that Sears will, for time being at least, continue as customer. Lack of such a pledge, it's understood, caused Sylvania to lose interest in similar deal last year—though it's likely Sylvania would have closed Forrest City, made Sears sets at own plants.

Sanyo appears to be paying substantial premium, though value won't be known until details are released. But top market value of Warwick's shares in 4th quarter last year—stock was delisted in Jan.—was just \$12 million. Warwick's 1975 annual report indicates fixed assets are worth \$19.1 million, including 2 TV subassembly plants in Mexico, offices & warehouse in Niles, Ill., Thomas Organ operations in Cal., U.K., Holland & Italy, none of which is in Sanyo purchase package. There's no breakout by business line for Warwick's \$46 million in current assets, which include \$26 million inventory. Also unresolved is who gets what share of Warwick's \$50-million debt—Whirlpool is owed \$20.2 million, Sears \$15 million.

Warwick's color sales last year totaled \$71.3 million, down 55.5% from \$160.3 million in 1974, reflecting in large part loss of 100,000-set 19" color order which Sears gave Sanyo. Also last year, Warwick lost K-Mart as 19" color customer, putting it out of portable business. Only 4 of 7 production lines at Forrest City are operating, and cabinet plant is being kept busy making furniture for Sears.

Sanyo hasn't commented on plans for Forrest City, but probabilities, in addition to continuing console color output for Sears, include assembly of 19" color for own & private labels, assembly of compact & console stereo; Sanyo purchased 50% interest in Fisher Radio from Emerson Electric for \$2.5 million last year. Sanyo also assembles TV sets & stereo—including 25" consoles in Canadian plant owned jointly with distributor Magnasonic. Exclusion of Mexican plants from deal indicates Sanyo will supply key parts from Japan, possibly plans expansion in Forrest City. One fly in Sanyo's ointment is Aug. expiration of Forrest City contract with IUE. Workers there will seek at least substantial cost-of-living boost.

Politically, deal comes at bad time and is being cheered by no one, not even Sanyo's fellow Japanese, who fear it may add to strength of current anti-import movement. Further concern for Toshiba is its future as supplier of estimated 120,000 color sets annually to Sears. In addition to study by Justice Dept., move certainly will be scrutinized by International Trade Commission as part of probe into allegations of unfair business practices by Japanese—one of which is that they are trying to monopolize TV business by acquiring U.S. producers. There's also likelihood Zenith will draw Sears, Warwick & Whirlpool in as defendants in \$900-million anti-

trust suit it's pressing against Japanese with NUE in Philadelphia Federal Court.

If deal goes through, it will be industry's 5th major takeover in 3 years, and 3rd by foreign interests. Others were Dutch Philips' buy of Magnavox, Matsushita's acquisition of Motorola's TV business (Quasar), Sylvania's buy of Philco, Rockwell-Admiral merger.

SANYO HOME VTR COMPETES WITH BETAMAX: While Sony was announcing expanded distribution of Betamax home videocassette recorder at San Diego distributor-dealer convention, Sanyo was preparing to show first competing unit to own sales meeting just about 100 miles away in L. A. area. It's indicated that Toshiba will adopt same standard as Sanyo, which is incompatible with Sony's.

New home VTR is V-Cord II, modified version of unit which has been in test marketing in Japan for some time (Vol. 14:38 p11). Major change is ability to record or play for 2 hours on 2-reel cassette of 1/2-in. tape measuring just slightly larger than 8-track audio cartridge. Attractive, feature-laden recorder is pushbutton-operated, has functions not in Sony's current Betamax deck—stop-frame, camera & mike inputs, sound-dubbing capability, audio output for hi-fi amplifier.

Two-hour capability has been achieved by reducing speed of tape and adding 2-speed feature. For one-hour playing time, tape runs at 2.91 ips, but speed may be halved to 1.455 ips by setting switch to "LP" position, recording & playing back in skip-field mode. Writing speed is 304.2 ips in both modes, with claimed color resolution of 250 lines, 45 db signal-to-noise ratio. Like Betamax, V-Cord has own tuner, can record one program while another is being viewed.

Sanyo will put unit on U. S. market in Oct., starting with selected dealers in L. A., N. Y., Chicago, perhaps few others, going nationwide 6 months later. Target price of recorder-player is \$1,250, with digital timer priced about \$40, bringing package to \$1,290, just \$10 less than Betamax. Tape cassettes will be \$19.95 each, bringing cost per hour to about \$9.97 vs. Sony's \$15.95 for hour cassette. Sanyo Mktg. Vp William Byron said production schedules haven't been firmly established, but our Tokyo bureau reports Sanyo & Toshiba each plans to turn out about 2,000 units monthly; V-Cord II goes on Japanese market in mid-June.

As viewed at Sanyo America hq in Compton, Cal. on 25" Sanyo Canada color set, pre-recorded pictures were of excellent quality at both one- & 2-hour speed, better than off-air reception. Programs taped off air were of good quality, although picture appeared to show very slight jitter at slow speed—but both speeds seemed satisfactory for home viewing. There were few dropouts which would be hardly noticeable to average viewer. Color was excellent throughout.

At LP speed, V-Cord II goes to top of list in terms of tape economy, consuming only 18.2 sq. ft. of tape per hour. Betamax is 2nd at 20.6; for comparison, U-Matic uses 70.3, EIA-J Type I 93.8. As for lack of compatibility with U-Matic, Byron called this "no problem—there's never been a real standard in the video recording industry, and it has survived very well."

While Sanyo was hitting at Betamax's vulnerable spot—its one-hour playing time per cassette—Sony was showing automatic cassette changer in Japan. Machine fits on front edge & surface of Betamax deck. Prototype accommodates 10 cassettes, for 10 hours continuous play (changing time is 10 sec.). It's still unpriced, with no marketing date, but it was suggested that price in Japan may be about \$300. In San Diego, Sony officials said other approaches to longer playing time might be thinner tape or dual tape speed.

Betamax was strongly emphasized at Sony's meeting, Chmn. Akio Morita devoting virtually all of keynote speech to it and confirming that company would produce 100,000 recorders this year, about 200,000 in 1977 (Vol. 16:13 p15). Betamax is available in all 10 markets where Sony sells direct to dealers and 10-12 of its 2-step markets. "We're entering distributor markets practically every day," said Sony America Senior Mktg. Vp Ray Steiner, with nationwide marketing scheduled by year's end. Dealers & distributors who handled Betamax seemed almost uniformly enthusiastic over its sales performance so far.

Although Sony has no plans to enter Betamax program field, it's encouraging others to do so with introduction of own anti-piracy device to prevent illegal copying of cassettes. It will be sold to production houses at about \$3,300—S/T (Sony-Teletronics N. Y. joint venture)—which is

entering Betamax software distribution (Vol. 16:8 p8), getting first U.S. unit late this summer.

"While Matsushita believes in home VTR," it will not join Sony, Sanyo & Toshiba in field at this time, Matsushita Electric Pres. Massharu Matsushita said at Panasonic's Miami convention last week.

FIRST QUARTER TV IMPORTS TOP MILLION: Combination of record-breaking color shipments & resurgence for b&w shot TV imports past million mark in opening quarter, Commerce Dept. reports.

March saw total of 508,900 sets imported, up 74.2% from same 1975 month, as color, setting 5th consecutive monthly record, leaped 140.3% to 170,800, while b&w rose 53% to 338,100. Through first 3 months, 1.34 million sets were imported, up 60% from last year, with color up 170.9% to 426,100, for new first-quarter record, and b&w up 34.4% to 918,200.

Japan was source for 252,700 sets in month, up 228.7%, pushing 3-month total to just under 630,000, up 275.4%, making Japan largest foreign set supplier to U.S. on cumulative basis for first time since Taiwan snatched laurels away in Jan. 1972. Japan supplied 154,100 color sets in month (up 172.8%) & 98,650 b&w (up 444%), for respective first quarter totals of 382,800 (up 238.8%) & 247,200 (up 300%).

Month's import of 219,800 TV from Taiwan was up 12.1%, with color down 26.3% to 10,400, b&w up 15.1% to 209,400. For quarter, Taiwan provided 622,900 sets (up 3.8%), including 33,170 color (down 16.7%) & 589,770 b&w (up 5.3%). S. Korea's March TV total was up 75.2% to 35,700, as color increased to 6,100, b&w rose 48% to 29,600, bringing 3-month total to 89,600 (up 45.5%), with color at 9,550 (up 365.6%), b&w at 80,100 (up 34.4%).

While all sizes of color imports except 18" showed increase in first quarter, only 19" significantly improved share of import market. Imports of 19"-&-over sets rose 354.9% to 240,300, accounted for 56.4% of all color imports, up from 33.6% in first quarter last year. Results for other color sizes, with 1974 import market share in parentheses: 18", 327, down 96.4%, less than 1% share (5.9%); 16"-17", 10,600, up 48.2%, 2.5% share (4.5%); 14"-15", 35,500, up 187.1%, 8.3% share (7.9%); 13", 54,800, up 118.5%, 12.9% share (16%); 11"-12", 59,500, up 42.9%, 14% share (26.4%); 10"-&-under, 25,100, up 178.4%, 5.9% share (5.7%).

In b&w, only tinyvision showed improvement in both units & penetration. Results by screen size: 19"-&-over, 71,500, up 4.7%, 7.8% share (10.1%); 18", 24,000, up 1.6%, 2.6% share (3.5%); 13"-17", 57,200, down 9.3%, 6.2% share (9.2%); 11"-12", 530,100, up 29.9%, 57.7% share (59.7%); 10"-&-under, 235,500, up 96.8%, 25.6% share (17.5%).

Transceiver import boom dwarfs even TV's recovery. Imports in first quarter soared 288.2% to 3.7 million, lead by 10-fold leap of auto CB units to 2.1 million. Other (non-CB) auto transceivers rose 153.2% to 443,000, hand-held models of all types were up 69.5% to 622,600, while all other, a category that includes CB base stations, rose 142.5% to 578,700.

SONY & PANASONIC—SWEEPING LINE CHANGES: Sony & Panasonic both announced new color chassis and larger-than-usual changeover in audio products last week. Sony introduced new Trinitron tube across-board in simplified electronic wrapper, while Panasonic moved to standardized "worldwide" chassis for all Matsushita 19" color sets, including Quasar. Sony prices were up, Panasonic unchanged to down.

Sony's color TV line is all new except for one holdover direct-view model (9") & projection set, features new negative-matrix high-brightness high-contrast Trinitron Plus tube (Vol. 15:36 p7) in all sets 12" & larger. Sony adopted 12-channel pushbutton silent varactor tuning on 15" & 17" remote-control models, expanded its screen-size range by introducing 21" manual model, plans to run full gamut of sizes with U.S. introduction of 25" next year. New "D" chassis is in all new sets—more modular, fewer parts, more easily serviced, more common parts among different sizes.

While most other manufacturers plan to hold line on prices, Sony effected its usual increase—5"-15" up \$20 from predecessors, larger-screen models generally up \$10 (remotes \$20), with 19" remote & 21" manual topping line at \$700 (details on p. 12). Dealers at Sony's San Diego

convention were unperturbed by price boosts—one put it this way: "I'd buy Sony whether I came to the convention or not and whether they raised the prices or not. My customers want it."

Spirit of exuberance permeated convention which marked Japanese parent firm's 30th anniversary, underlined by news that Sony had displaced Magnavox as No. 4 in first-quarter Trendex retail survey with 8% of market, up from 5.6% in 1975, while Magnavox dropped from 7.7% to 7% (Sears showed drop from 9.5% to 8.4%). Pres. Harvey Schein saw Sony's market share at about 7.5% for full year, up from 7.2% in 1975. "As the economy recovers, our share won't rise as much because our customers were hit less by recession, never stopped buying."

Sony hopes to step up color TV production in San Diego plant to 500,000 a year, according to Senior Vp Ray Steiner. Plant turns out 17"-21" sets, now is producing 27,000 a month, will go to 2nd shift & 30,000 May 10, with further increase to 40,000 planned. Stereo production there probably will be curtailed or halted to make room for TV expansion. Same facility also assembles Trinitron tubes, importing faceplate & mask assemblies from Japan, sealing to Owens-Illinois funnels. It's expected to add own screening plant in 1978.

Some 70 new products were introduced at meeting—largest changeover in Sony history. New EX line of compact stereos features radically different design, in slim black finish with automatic single-play turntables & passive-radiator speakers technically similar to Panasonic's "Thruster" (Vol. 16:16 p10), priced at \$200-\$350. In radio & tape, emphasis was heavily on high end, topped by 32-band digitally tuned radio at \$1,600, book-fold portable at \$160, 6.5-watt table radio with bass-reflex speaker at \$120, "world's slimmest" portable cassette recorder at \$190, all-electronic digital clock radio at \$80. Products will be backed by record ad budget.

For Panasonic, this is year to make money—let others do the innovating. That was clear message at Miami convention, as company opened strong move to recapture position in compact stereo and strengthen standing in portable products with more models and lower prices.

In TV, closest thing to innovation is electronic digital channel readout on two 19" models, high end (at \$500) giving time of day when not in use for selecting channels. New, non-modular 19" chassis is designed for highly automated production, power consumption as low as 180 watts. TV price points are virtually unchanged except for \$20 increase to \$420 for starting 19" color (see p. 12). Smallest (4-1/2") & largest (25") color sizes were discontinued.

Panasonic introduced 59 new products, including completely restructured compact stereo line of 16 models (\$150-\$550) down \$20 from last year across-board. Recorder line, including radio units, is down \$10 in all major models. Technics audiophile receiver line (\$170-\$800) also is new, topped by record-breaking 165-watt-per-channel unit. Radio innovation is \$30 cigarette-pack-sized black box which clips to monopole antenna of any portable FM radio to pick up VHF TV sound. New mobile CB unit was introduced at \$150, down \$30 from current model. Company expects to sell 200,000 CBs this year through Consumer Electronics Div.; Automotive Products Div. has own CB line.

Matsushita had about 10% of U.S. color market—including Panasonic, Quasar & private-label—Matsushita Corp. of America (MECA) Pres. Akira Harada said at meeting. That is "too low," he said. Quasar should have first completely-Matsushita line this year, he said, and should increase share slightly (but big gains are expected next year) and Panasonic should pick up point or 2.

Panasonic's consumer electronics business was up 41% from last year in Dec.-March period, better than 40% in April, Vp Ray Gates said, with TV up 46%, audio up 38%. He forecast new first-half & full-year records. Panasonic's ad budget, like Sony's, will set record.

Poland received \$68.5 million in credits from U.S. Export-Import bank to help finance purchase of \$120 million worth of color picture tube manufacturing equipment & technology. Of loan, \$38 million is earmarked for \$71-million contract RCA has to provide know-how & equipment for tube component & assembly operation (Vol. 16:17 p9); \$30.5 million is for Corning's construction of \$50-million glass

plant. Facilities will be owned by UNITRA, Poland's state company, which said they will eventually have capacity for 900,000 tubes annually, with output used in Poland & other East Bloc countries.

Morse bought FM stereo receiver patent license from GE, terms undisclosed. GE spokesman said Morse was last major unsigned manufacturer.

'PURAC' TACKLES CB: FCC-sponsored Personal Use Radio Advisory Committee (PURAC) waded into massive range of CB problems facing govt., industry and user groups at first meeting last week, emerging with decision to attack local interference and rule compliance issues immediately, and with determination to help resolve other headaches in future.

Interference & compliance task groups will be formed, submit recommendations to membership before next meeting. Once approved by members, recommendations will be sent to Commission. Task groups on other CB problems (licensing, user training, technical standards, etc.) will be formed.

Attendance was considered good—majority flew in just for meeting—with major producers & user groups represented. FCC said headway is being made in most areas—incidence of unlicensed operation is dropping against total CBs in use, more call signs are being used, license processing time has been whittled from 10-12 to 6-8 weeks. But CB interference with other products—particularly TV—continues to mount, and congressional inquiries have climbed. Complaint rate hasn't kept pace with CB growth, FCC spokesman said, but it's probably due to fact many can't get complaints through to hassled field offices. First PURAC interference report will deal with ways Commission can handle local complaints, but Chief Engineer Raymond Spence urged committee in future to work on technical standards which could reduce interference. Tentative schedule: July 30, Laurel, Md.; end of Oct., Norfolk; early 1977, Gettysburg, Pa.

Other FCC developments: Postal Service granted FCC special zip code for CB license applications only (it's FCC, Gettysburg, Pa. 17326). CB & amateur rules have been split into 3 volumes, Part 95 (CB) & Part 97 (Amateur) \$1.50 each, Part 99 (Disaster Communications) 75¢.

Videodisc timetable of Philips, MCA & Magnavox appears to be similar to RCA's—in-home tests this year, regional marketing starting some time in 1977, according to N. American Philips statement. Hoosier state is becoming videodisc state, with Ft. Wayne (home of Magnavox) apparently chosen for in-home consumer tests of Philips/MCA system, starting late this year, while RCA system is already undergoing such tests in Indianapolis. In Germany, meanwhile, it's reported that Telefunken has "temporarily suspended" manufacture of TED players because of poor sales. One report says only 3,000 were sold at retail in first year.

Matsushita Electric's consolidated sales of consumer electronics & components rose 30% to \$579,626,000 in 3 months ended Feb. 20 from \$445,215,000 in same 1975 period. Net income jumped 101% on 21% sales gain (see financial table), while exports increased 54% to \$261.1 million, 21.5% of total sales. Matsushita's products and their contribution to total sales: Consumer electronics & components, 47.6%; home appliances, 24.4%; communication, measuring & special equipment, 5.1%; industrial, 4.3%; lighting equipment, tubes & semiconductors, 4.2%; batteries 4.4%; other, 10%. Figures include U.S. operations.

SONY, PANASONIC LINES: Sony's 1977 color line (see p. 10) starts with new version of 5" AC-DC unit at \$460 (up \$20 from predecessor); line's only hold-over is 9", unchanged at \$430. Trinitron Plus sets start with 12" at \$400 & \$420 (up \$20), 15" at \$460 (up \$20), varactor-tuned remote version at \$530 (up \$20 from previous mechanical remote), 17" at \$520 & \$540 (up \$20), new version also \$540, remote \$620 (up \$20); 19" at \$580 & \$600 (up \$10), remote \$700 (up \$20), new 21" at \$700. Except for new 13" AC model at \$160, monochrome line is unchanged in price & product—5" at \$140, 7" at \$140 & \$150, 8" at \$150, 11" at \$160—all AC-DC.

Panasonic color sets (prices unchanged except as noted): 12" at \$300; new 13" at \$340; 19" line now starting at \$420 (up \$20), with electronic-readout model at \$460, clock version \$500, remote \$520 (down \$30). Limited-distribution LTD line starts with 13" at \$350, features 19" sets with one-year labor warranty and automatic room-light adjustment at \$430 & \$460, carryover 110° at \$550. Monochrome line is unchanged in pricing, but AC-DC series is expanded—two 5" at \$140, pop-up model at \$200; 9" at \$115 & \$170; 12" at \$130. AC b&w sets: 9" & 12" at \$100, step-up 12" at \$115, \$120, \$125, & \$130; 13" at \$130; 16" at \$145; 19" at \$150, \$160 & \$170.

Sanyo plans virtually no change in color models or prices, will emphasize upgrading of auto sound, tape & radio this year, we were told by Mktg. Vp William Byron. He said Sanyo America's sales were up 106% over year earlier Dec.-Feb. quarter, with consumer electronics up 89%, color up 22%. He estimated Sanyo's color market share at about 3%. Company will add prime-time TV commercials this year.

Watch watch: Texas Instruments forecasts worldwide sales of 18 million digital watches this year, up from 3.5 million in 1975... **Dual-display** is fast growing feature. Latest is Pulsar model, priced from \$325, with separate LED readouts for time & day of week... **American Microsystems**, reporting \$3.9 million first-quarter loss, says it's disposing of own-brand & private label watch businesses, scrubbing all other consumer product activities. AM dropped out of calculators in 1972, selling Unicom operation to Rockwell (Vol. 12:29 p11). Firm said it will continue making watch components... **Gillette**, planning to market 14-model line later this year, has established Digital Watch Group at Advanced Technology Lab in Cambridge, Mass., is running ads seeking electronic, mechanical & manufacturing engineers experienced in design & production of low cost, high volume consumer products... Upcoming **Longines-Wittnauer** magazine ads will feature both analog & digital watches under head "Who's got the best of both worlds?"

Import adjustment assistance eligibility investigations at 2 picture tube plants have been opened by Labor Dept. (LD). Agency will determine whether increased imports caused or threaten job losses at GE's Liverpool, N.Y. (color tubes), or at Sylvania's Ottawa, O. facility (color & b&w tubes). LD also announced aid eligibility probes at TRW/IRC resistor plants in Boone & Newland, N.C., and Sylvania's yoke & receiving tube operation in Emporium, Pa.

JAPAN FEB. EXPORTS: Recovery in Japan's TV exports to U.S. in Feb. (Vol. 16:13 p14) rubbed off on most audio products, and transistor shipments continued to soar, Finance Ministry reports.

In transceivers, Japanese exported 724,300 in month, up 166.7% from same month last year, as shipments of higher-powered CB models leaped 349.6%, negating effect of 75.9% drop posted by unlicensed walkie-talkies. For 2nd consecutive month auto radio exports enjoyed sixfold increase, while home radios were up 31.2% and radio-phonos gained 69%. Total audio tape shipments were up 27.4% to 875,000, despite 13.4% decline to 163,500 for automobile units, as home recorders & players registered 42.8% increase to 711,500. Here are totals:

JAPANESE EXPORTS TO U.S.

	Feb. 1976		Feb. 1975	
	Units	Value(\$)	Units	Value(\$)
Total TV	249,865	31,849,838	51,966	7,871,753
color	136,968	25,047,584	37,842	6,949,713
b&w	104,086	6,243,957	14,124	922,040
chassis & kits	8,811	558,297	—	—
Radio-phonos, mono. . .	21,134	1,370,986	9,972	157,292
Radio-phonos, stereo. .	1,480	189,326	3,387	380,966
Radio-recorders & other comb.	237,900	9,982,554	246,610	10,857,952
Auto radios	519,979	17,986,066	74,590	2,085,340
Clock radios	31,256	717,646	21,552	561,872
Radios, AM	23,496	337,663	2,424	18,865
Radios, FM	37,261	1,365,382	108,613	8,882,558
FM hi fi rcvrs. & tuners*	81,960	10,795,534	—	—
CB trcvrs., under 100mw	28,120	169,828	116,708	332,067
CB trcvrs., other	696,140	38,388,386	154,826	8,330,898
Phonos	57,411	2,996,353	—	—
Tape players, auto, cart.	100,346	1,692,432	188,808	3,353,767
Tape players, auto, other*	63,128	1,277,778	—	—
Tape recorders, reel. . .	5,448	248,363	3,088	267,956
Tape recorders, cass. . .	282,936	7,171,049	148,489	4,556,693
Tape recorders, cart. . .	64,667	1,143,927	34,259	765,858
Tape decks, audio	120,540	7,688,537	71,531	5,566,727
VTR*	6,857	4,567,386	—	—

*Not reported separately in 1975.

QUARTER AT-A-GLANCE: Here are EIA monthly figures for consumer electronics sales to dealers monthly for first quarter:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1976	1975	1976	1975	1976	1975
January	834,034	685,979	496,314	401,029	337,720	284,950
February	878,800	745,645	522,378	407,332	356,422	338,313
March (5 weeks)	1,049,940	987,436	592,876	459,905	457,064	437,531
TOTAL	2,762,774	2,419,060	1,611,568	1,358,266	1,151,206	1,060,794

PORTABLE-COMPACT PHONO SALES TO DEALERS

Month	1976	1975	Month	1976	1975
January	196,047	155,126	March (5 weeks)	191,269	301,387
February	179,168	216,082	TOTAL	566,484	672,595

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1976	1975	1976	1975	1976	1975
January	1,346,222	1,010,727	1,049,892	681,423	947,762	573,025
February	1,293,401	1,235,855	1,059,770	859,946	979,091	586,025
March (5 weeks)	2,387,630	1,658,254	1,834,349	1,116,598	1,113,886	774,318
TOTAL	5,027,253	3,904,836	3,944,011	2,657,967	3,040,739	1,933,368

* Includes table, clock & portable.

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

Trade Personals

Charles Thierfelder named div. vp-technical programs, responsible for coordination of technical matters with licensees, in realignment of RCA Picture Tube Div.; **Stanley Stefanski**, ex-mfg. dir., succeeds Thierfelder as Div. vp of mfg.; **Robert Means** changes from Div. vp of domestic sales to Div. vp of domestic mktg. in consolidation of functions of domestic market planning, PR, market research & advertising; **Donald Gillies**, ex-Solid State Div. labor relations mgr., becomes Div. vp, industrial relations, replacing **Lawrence Kameen**, who becomes industrial relations dir. for technical programs activity.

Scott Davis promoted from KLH exec. vp to pres... **N. Kouchi**, ex-Sansui Europe, appointed exec. vp & dir. of Sansui Electronics (U.S.), succeeding **Hiroshi Tada**, resigned but continuing as consultant ... **William Lowry's** post at Casio (Vol. 16:16 p12) is mktg. & sales vp for U.S. & Canada.

J. Terrance O'Flynn advanced at Sylvania from San Francisco district sales mgr. to New England area sales mgr., succeeding **Ike Royster**, resigned... **Robert Jones**, of Westinghouse, named Magnavox PR mgr., post vacant since resignation of **Richard Boke** last year... **Patrick O'Sullivan** advanced at Midland to vp & Far East mgr. for Midland International & Midland Overseas Ltd... **Kevin Furlong**, ex-Litton, appointed Toshiba America microwave oven national mktg. mgr.; **Toru Uchiike** named oven mdsg. mgr.

Arthur Kelley, former Amperex Entertainment Products Div. mgr., named gen. sales mgr. for Amperex/Ferroxcube, new OEM sales organization formed for N. American Philips units; **Ray Gebhardt** appointed mktg. & sales vp for Mepco/Electra; sales for all 4 components firms formerly were handled by NAP Electronic Component Corp., now dissolved ... **Raymond Beier** named Switchcraft distributor sales mgr., new post; **Ken Kline** appointed east region sales mgr.; **Ronald Larson** advanced to Chicago district sales mgr... **James Erickson** advanced at TRW/Cinch Connectors from San Francisco district mgr. to international mktg. mgr., new post.

Warren Lewis promoted at International Rectifier Semiconductor Div. to sales vp, succeeding **Fred Schultz**, now with Miller Electric; **Thomas Heelan** appointed central area mgr., replacing **Lewis**... **John Gray**, ex-Motorola, joins Solid State Scientific as midwest region mgr... **Kenneth Miller** resigns as Kyocera International operations exec. vp to become consultant, duties assumed on interim basis by Pres. **Arthur Jonishi**... **Al Fesus** named Bowman zone mgr. covering 18 northwestern states.

Shad Helmstetter, ex-Ampex blank tape mdsg. mgr., joins General Cassette Corp. as mktg. vp... **Robert Patterson** & **Murray Kremer** resign respective posts as BASF blank tape national sales mgr. and marketing service mgr... **Howard Smith** appointed DuPont Equipment & Magnetic Tape Products Div. dir., succeeding **Jack Hustler**, now with Organic Chemicals Dept.

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
American Bcstg. Cos.			
1976-qtr. to March 31	313,691,000	9,731,000 ^a	.56
1975-qtr. to March 31	250,893,000	7,049,000 ^a	.41
Avnet			
1976-9 mo. to April 2	457,418,000	25,404,000	1.84
1975-9 mo. to March 28	413,148,000	17,847,000	1.28
1976-qtr. to April 2	164,484,000	9,446,000	.68
1975-qtr. to March 28	128,316,000	5,117,000	.36
Bell & Howell			
1976-qtr. to March 31	100,604,000	2,307,000	.40
1975-qtr. to March 31 ^b	91,421,000	3,115,000	.54
John Blair			
1976-qtr. to March 31	24,163,000	689,000	.29
1975-qtr. to March 31	19,456,000	100,000	.04
Bowmar Instrument			
1976-6 mo. to March 31	14,043,000	2,590,000 ^a	1.29
1975-6 mo. to March 31	12,167,000	(14,591,000)	--
1976-qtr. to March 31	6,303,000	2,085,000 ^a	1.04
1975-qtr. to March 31	5,807,000	(13,750,000)	--
Canadian Cablesystems			
1976-6 mo. to Feb. 29	11,061,000	4,765,000	1.20
1975-6 mo. to Feb. 28	8,891,000	2,527,000	.64
Clarostat			
1976-qtr. to March 31 ^b	2,529,000 ^c	99,300 ^a	.18
1975-qtr. to March 31	2,566,300 ^c	27,900	.05
Combined Communications			
1976-qtr. to March 31	46,498,000	1,519,000	.26
1975-qtr. to March 31	29,576,000	493,000	.11
Cowles Communications			
1976-qtr. to March 31 ^b	2,282,000 ^c	1,220,000 ^a	.31
1975-qtr. to March 31 ^b	1,728,000 ^c	439,000	.11
Fairchild Camera			
1976-qtr. to April 4	96,616,000	197,000	.04
1975-qtr. to March 30	71,728,000	5,904,000 ^a	1.13
Filmways			
1976-year to Feb. 29	100,943,000	2,224,000	1.01
1975-year to Feb. 28	89,119,000	1,724,000	.78
1976-qtr. to Feb. 29	25,588,000	549,000	.25
1975-qtr. to Feb. 28	25,940,000	475,000	.22
International Rectifier			
1976-9 mo. to March 28	43,496,000	11,058,000 ^a	4.00
1975-9 mo. to March 30	52,427,000	1,308,000	.47
1976-qtr. to March 28 ^b	15,183,000	(1,860,000)	--
1975-qtr. to March 30 ^b	16,914,000	232,000	.08
P.R. Mallory			
1976-qtr. to March 31	72,066,000 ^c	1,952,000	.50
1975-qtr. to March 31	50,962,000 ^c	939,000	.24
Masco			
1976-qtr. to March 31 ^b	108,333,000	12,295,000	.47
1975-qtr. to March 31 ^b	68,454,000	7,476,000	.29 ^d
Matsushita Electric ^e			
1976-qtr. to Feb. 20	1,227,500,000	41,600,000	.42 ^f
1975-qtr. to Feb. 20	1,012,300,000	20,800,000	.21 ^f
National Telefilm Assoc.			
1975-year to Sept. 30 ^g	8,772,000	(4,090,000)	--
1974-year to Sept. 30	9,922,000	(4,299,000)	--
Needham, Harper & Steers			
1976-qtr. to March 31	8,140,000	258,000	.32
1975-qtr. to March 31	6,585,000	(294,000)	--
Pathcom			
1976-qtr. to March 31	29,496,196	3,029,298	1.08
1975-qtr. to March 31	5,933,807	440,938	.18
Technical Operations			
1976-6 mo. to March 27	41,921,000	(174,000)	--
1975-6 mo. to March 29	52,803,000	360,000	.27
1976-qtr. to March 27	19,126,000	(221,000)	--
1975-qtr. to March 29	23,587,000	40,000	.03

Company & Period	Revenues	Net Earnings	Per Share
Times Mirror			
1976-qtr. to March 21	202,203,000	11,538,000	.34
1975-qtr. to March 23	161,515,000	7,453,000	.22
Trans-Lux			
1976-qtr. to March 31	2,630,180	81,541 ^a	.04
1975-qtr. to March 31	2,383,838	(99,856)	--
20th Century-Fox			
1976-qtr. to March 27	83,515,000	(1,585,000)	--
1975-qtr. to March 27	81,509,000	4,535,000 ^a	.60
UA-Columbia Cablevision			
1976-6 mo. to March 31	9,648,000	969,000	.57
1975-6 mo. to March 31	7,752,000	658,000	.38
1976-qtr. to March 31	4,969,000	511,000	.30
1975-qtr. to March 31	3,954,000	348,000	.20
United Cable TV			
1976-9 mo. to Feb. 29	11,206,000	(3,454,000)	--
1975-9 mo. to Feb. 28	8,824,000	(1,095,000)	--
1976-qtr. to Feb. 29	3,911,000	(532,000)	--
1975-qtr. to Feb. 28	3,321,000	(670,000)	--
Washington Post			
1976-qtr. to March 28	79,960,000	3,812,000 ^a	.84
1975-qtr. to March 30	70,668,000	1,306,000	.27
Zenith Radio			
1976-qtr. to March 31 ^b	223,100,000	7,700,000 ^a	.41
1975-qtr. to March 31 ^b	194,900,000	5,200,000 ^a	.28

Notes: ^aIncludes special credit. ^bRestated. ^cFrom continuing operations. ^dAdjusted. ^eAt yen's current rate. ^fPer ADR. ^gPreliminary.

SYLVANIA RESTRUCTURING: Sylvania is preparing for massive reorganization in which foreign arm GT&E International probably will be dissolved—at least with regard to its manufacturing activities—and company restructured on global basis by product line. It is believed that Entertainment Products Group & Electronic Components Group will be welded together and placed under George Konkol, currently Entertainment Products Group senior vp, who will also be responsible for the merged foreign operations in same fields.

Konkol's replacement as head of Entertainment Products hasn't been selected, but probably will be picked from outside company. Reorganization will affect all Sylvania groups, possibly all GTE activities. GTE & Sylvania declined to confirm our report, but GTE spokesman said: "We are studying this approach, but our plans have not been finalized."

"Zenith's profits in consumer electronics exceeded those of any domestic competitor in 1975 and we believe that Zenith was the only U.S. company to have earned a profit in 1975 in the manufacturing & marketing of TV receivers," Chmn.-Pres. John Nevin told stockholders meeting in Chicago last week. "Substantial improvements" in cost position, he added, "make it possible for Zenith to be even more competitive in the very price-sensitive TV markets that we are witnessing today and anticipate in the future." First-quarter net profit was up 48.1% from last year on sales gain of 14.5% (see financial table).

Obituary

John Eagan Jr., 58, mgr. of RCA Frequency Bureau office, Cherry Hill, N.J., died of heart attack April 10. He served with RCA 35 years. Survivors include wife & son.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FOGARTY 'SET' FOR FCC SEAT, White House informs senators in reported package deal with Houser at OTP. Senate Democrats say both now are 'confirmable' in election year. (P. 1)

JUDGE ORDERS FV PEACE TALKS: Ferguson suddenly ends trial, orders settlement through discussion, satisfied that Wiley hadn't forced policy on networks. 'Great turn of events,' says NAB. (P. 2)

CBS AFFILIATE CONVENTION headlines possible expansion of evening news, efforts to increase station compensation. Taylor concerned about declining confidence in institutions. Cronkite brings cheers with attack on 'cosmetic' journalism. (P. 3)

HOUSE GRIPE SESSION: Communications Subcommittee plans agenda, airs gripes; in closed organizational meeting. Renewal hearing 'absolutely' before end of session, Van Deerlin promises, though bill is 'unlikely.' (P. 5)

Consumer Electronics

WHITE HOUSE STUDIES proposal to break CB into separate services, each with own channel allocation using some frequencies now reserved for govt. Bill to ease licensing also is considered. (P. 7)

APRIL TV SALES dipped below 1975 level, marking year's first down month. Color decline shaved to 0.5% by good final week; monochrome down. (P. 7)

TOTAL TV OUTPUT ROSE 33.6% in first quarter to 3 million as domestic production climbed 18.1%, imports 60%. Imports captured 24.6% of color, 70.5% of b&w supply. (P. 7)

MAGNAVOX DEBUTS NEW STAR-like 20-channel touch-button tuner, expands electronic tuning to 53% of color models. Optional remote, on-screen time display, AC-DC b&w, improved TV games also in 1977 line. (P. 8)

DARK SIDE OF CB emerges at NEWCOM, as speakers warn of problems at govt. & industry levels. Market shakeout forecast. CB makers re-examine participation in show. (P. 10)

NEW CB FIRMS coming on market, including Lear Jet, Mitsubishi, RCA. (P. 10)

RCA BACK ON TRACK, Conrad tells stockholders, pointing to 'solid profit' in Consumer Electronics, record first-quarter picture tube shipments. (P. 11)

IMPORT ADJUSTMENT assistance granted for Sarkes Tarzian TV tuner workers, rejected for some ex-RCA & Skottie Electronics employees. (P. 11)

FOGARTY 'SET' FOR FCC SEAT: White House has informed Senate Republican & Democratic leaders that President Ford intends to appoint Senate Communications Subcommittee Counsel Joseph Fogarty to FCC, succeeding Glen Robinson (whose term expires June 30). Word was taken personally to Sen. Baker (R-Tenn.) after he and other senators openly expressed displeasure that they weren't given advance word on planned appointment of Chicago lawyer Thomas Houser as OTP dir. (Vol. 16:16 p1).

Now, we're told, Houser & Fogarty will go up as package and confirmation of both—even in this presidential election year—seems assured. "The White House finally got the message that Joe [Fogarty] is the only Democrat confirmable for FCC this year," according to Senate official. Fogarty has support of Commerce Committee Chmn. Magnuson (D-Wash.) & retiring Communications Subcommittee Chmn. Pastore (D-R.I.).

Another Senate source cautioned that "I don't think the White House has completely signed off [on Fogarty appointment] yet...I don't think it's quite that far along." For instance, it was pointed out FBI check hasn't been completed. On OTP nomination, we were told that "there are some senators still trying to fight Houser in favor of Eger [acting OTP Dir.], but it's all over for John Eger."

Fogarty, 45, succeeded Nick Zapple as communications counsel when latter retired last July (Vol. 15:23 p6). He joined Commerce Committee staff in 1966, working on transportation matters and East-West trade before moving to Communications Subcommittee. His personal views on myriad of broadcast matters aren't generally known. He's graduate of Boston College Law School, practiced law in Mass. & R.I. before coming to Washington. Fogarty is married, has 6 children.

White House also is expected to move soon on several vacancies on CPB board. Among those under consideration: Archie Dykes, Kan. U. chancellor; Clyde Reed, editor of Emporia (Kan.) Gazette; Charles Roll, Gallup Institute, Princeton, N.J.; Mrs. Walter Helmrich (ex-actress Peggy Dow of "Harvey" fame), Tulsa civic leader and wife of prominent oilman.

Commerce Committee last week rejected nomination of John Byington for 7-year term on Consumer Product Safety Commission; Ford intended to name him chmn., succeeding Richard Simpson. Byington, deputy dir. of HEW Office of Consumer Affairs, was opposed by consumer groups. Ford is expected to rename Simpson for 2-1/2-year vacancy and Committee has indicated it'll go along.

JUDGE ORDERS FV PEACE TALKS: In extraordinary move during month-long family viewing (FV) trial in L.A., Federal District Court Judge Warren Ferguson called off entire thing, ordered disputants to settle issue by discussion. Plaintiffs in case are TV guilds & producers who seek to get FV canceled—primarily on grounds it was imposed by unconstitutional govt. fiat. "It's a weird thing here that the court is asking the parties to do," a defendant told us.

Dramatic action came after 2 days of testimony by FCC Chmn. Richard Wiley and near end of first day on stand by CBS Pres. Arthur Taylor. About an hour before Taylor was to conclude day's testimony—and while he was being cross-examined on "vagueness" of TV code—judge suddenly questioned whether it would be "utter nonsense to continue the lawsuit. The matter is going to be resolved by way of colloquy and discussion between yourselves." He stated that Wiley-Taylor testimony satisfied him that Wiley hadn't pressured networks into FV.

Immediately after Ferguson's statement in open court, he called counsel into his chambers, told them to report back May 18 with proposal. At one point during private discussion, judge indicated he planned to propose settlement of his own, reportedly backed off when counsel questioned whether that would be proper.

Of defendants (NAB, FCC, networks), only NAB Exec. Vp-Gen. Counsel John Summers would speak for record: "It's a great turn of events from our perspective, but the case just isn't concluded yet." Counsel for defendants met May 7 to plan strategy for meetings this week with plaintiffs' lawyers—none of whom could be reached for comment last week.

Obviously of great influence on Ferguson was Taylor's frank statement that he probably shouldn't have discussed such sensitive program issues with Wiley—and he assured the judge he wouldn't do it again. Ferguson stated that he expects to get similar guarantees from ABC & NBC heads—and their attorneys said that he would.

During his testimony earlier in week, Wiley insisted that he only aided industry in achieving self-regulation; that he never pressured network heads into adopting FV; that he never promised them anything in return, either. Wiley argued strongly for retention of FV, stating that "it's working. I hope you will give us a chance. I think this thing is in the public interest. It would be a tragedy to throw it away."

Judge Ferguson, who participates more actively than most jurists, questioned Wiley closely, wondering if he had excluded "an awful lot of people" from presenting their views to Commission. They, he said, "completely disagree with the approach the networks have taken and don't have a voice." Wiley insisted he represented the public, that it was his duty to do so. FCC chmn. testified that—in spite of furor and court suit—he'd do same thing all over "because I believe what I did, to make suggestions, was in the public interest."

Taylor defended his initiative in FV, argued that "it has contributed to a decline of acts of violence" on TV and has "virtually eliminated brutality in early evening hours." Solution of problems via violence is no act of "creativity," he said. FV "hasn't reduced provocative issues...

They're put on more responsibly."

Counsel for plaintiffs probed for evidence of "pressures" from Wiley and FCC staffers. For example, he noted that one staffer, during meetings with network chief, was said to have criticized "MASH" as "immoral."

Ferguson wondered whether FCC was protecting networks' financial interests. Taylor assured him that vast numbers of viewers want violence, thus increasing ratings—that networks in fact lose some audience & revenues by reducing violence. But, said Taylor, "we're taking too much of a chance by letting violence grow. In the long trend, we recognize we need to do more than achieve the largest possible audiences."

Trial brought out Taylor's philosophy of entertainment programming—"illumination, not propaganda." He went through CBS' problems in determining whether to present an episode of "Good Times" on VD. Taylor said he had no problem with presenting the VD aspect, but was worried about the underlying premise that teenage sexual promiscuity was somehow "cool." Finally, he said, show was presented, got kudos from medical groups, etc.—but criticism from some affiliates and viewers who frowned on implications of approval of promiscuity as well as mention of VD. Taylor said he would have preferred to see program present something indicating that sexual partners should have "responsibilities toward each other."

Taylor also discussed enormous pressures from Congress about violence on TV, particularly from Sen. Pastore (D-R.I.), chmn. of Commerce Communications Subcommittee. And, he warned, Pastore's prospective successor, referring to Sen. Hartke (D-Ind.), has shown that he would be even more critical of broadcasting. As he told CBS TV affiliates (see below), Taylor asserted that he is "concerned about the decline of public support for free commercial TV."

Ferguson noted that both sides in case strongly condemn excessive violence, strongly resist governmental influence on programming—yet find themselves battling each other in court—concluded that he was puzzled.

NEWS MAKES HEADLINES FOR CBS AFFILIATES: More network news and more affiliate compensation were top topics at CBS-TV affiliates convention in L. A. last week. And affiliates came away thinking network news is likely to be expanded more quickly than compensation.

CBS Pres. Arthur Taylor kicked off news-expansion concept by noting: "It has been said, with perhaps some truth, that we provide not much more than a good headline service. TV has brought the world to the living room, but that is only part of the story. The world that it presents must be more than a superficial one. It must try to make clear the complexities of our time."

From affiliates' closed meeting seeped word of discontent—fear that network would put additional news in station time. Several affiliates termed news expansion "inevitable," one stating he was surprised that it hadn't happened earlier. CBS officials didn't get specific about plans, said their purpose was to start discussion. ABC recently side-stepped reports that it planned to expand evening news to 45 min. (Vol. 16:17 p5)—but CBS-TV affiliates seemed resigned to probability that all 3 networks would expand.

(Group W Pres. Donald McGannon said networks should reserve half-hour prime time weekly for "in-depth news coverage." He said "this would be a welcome relief from the level of violence and adult content now being delivered." He said Group W will "vigorously resist" expansion of network news into station time, predicted it would result in less local news.)

As for compensation, CBS's recent announcement of record financial performance (Vol. 16:17 p4) encouraged affiliates to raise question of a raise again. They were given slight glimmer of possible "adjustments" here & there.

Taylor's address had wide-ranging philosophical theme. He was concerned with drop of public confidence in TV news—and in "declining confidence" in all institutions, including govt. He was worried about gag orders, about S. 1 and its potential muzzle for journalism. He termed Gerbner study on TV violence (Vol. 16:14 p3) "fallacious." He found "declining support for free broadcasting" in Washington, noting that House Communications Subcommittee report "was heavily slanted to cable & pay cable."

Taylor found "cause for optimism," nonetheless, referring to "orderly transition" following Vietnam and Watergate and to "racial justice and spiritual development."

Walter Cronkite was enormous hit with his attack on "cosmetic" news—stations following media consultants' advice and presenting beautiful "anchorpersons" who knew nothing of their communities. "I wonder," he said, "if those stations that hire the young and beautiful but inexperienced and callous to front their news broadcasts are not getting ripped off... I think they've been sold a bill of goods, that they've been made suckers for a fad: Editing by consultancy."

Cronkite said stations have solution "right under your nose"—promote from within or "raid your local newspaper"—"a fellow or a gal who knows the city like a book, likes the city, warts and all, and plans to raise a family there." He paid high tribute to his bosses: "They have been forced to stand against the most horrible political pressures. They have valiantly protected news integrity against commercial demands. It has taken extraordinary courage, but the Paleys and Stantons and Taylors and Schneiders have done it, and are doing it. And, the network that has the highest confidence of the people, as shown in the news ratings, also happens to be the biggest money maker."

Cronkite received standing ovation, and CBS-TV Affiliates Chmn. Charles Brakefield stated: "I consider that one of the most important speeches I've ever heard." We got same response from dozens of affiliates—though one said ruefully: "I bet 90% of the audience will forget it in 3 minutes."

CBS News Pres. Richard Salant expanded on Taylor's theme of erosion of journalistic freedom, calling S. 1 "the official secrets act," stating that "we are making no progress in ridding ourselves of 2nd-class citizenship," giving horrible examples of how FCC's personal-attack rule hobbles coverage, etc. He also said that CBS has finally codified its news practices, offered copies to affiliates.

On business side, Sales Vp Frank Smith predicted "a record sales year, at levels you will not believe." He foresaw substantial increases this year & next. He also reported that CBS was pulling out of TvB because organization is paying little attention to network sales, concentrating on spot & local. Smith also alluded to FTC's abortive attempt to foster regional networks—saying that testing the market proved there's little demand.

Programs Vp Bud Grant screened pilots for next season, and affiliates indulged in traditional game of guessing which would be viable. Most confessed that their past guesses were way off base. If affiliates' laughter & applause mean anything, "Alice" seems best candidate of CBS's new crop.

New CBS-TV Pres. Robert Wussler hosted and emceed whole affair, got good marks from station operators—though, as Wussler was first to admit, predecessor Robert Woods "is a hard act to follow." Over-all, affiliates remained impressed with network's ratings strength, astonished at NBC's slide, and more than a little apprehensive about ABC's recent show of muscle.

Miss. TV & radio stations were hit with several petitions to deny license renewals last week—all based on alleged program & employment discrimination. Miss. branch of NAACP filed against 69 radios & 6 TVs—WTOK-TV Meridian, WLOX-TV Biloxi, WDAM-TV Laurel, WJTV & WAPT Jackson, WCBI-TV Columbus. Community Coalition for Better Bcstg. (joined by 6 other groups) sought non-renewal of 8 state-owned ETV stations. Coalition also filed complaint with EEOC. WTWV-WTUP(AM) Tupelo attracted 2 petitions to deny on grounds stations have "abandoned the black community."

Network advertisers invested \$230.5 million on TV in Feb., up 22.2%, according to TvB/BAR. Of total, \$80.9 million went to ABC, \$76.5 million to NBC, \$73.1 million to CBS.

Action on cable fees section of copyright legislation again was delayed last week with news that principals of major parties—NAB, NCTA & MPAA—will meet May 10 in attempt to reach further compromises on various proposals now pending before House Judiciary Subcommittee. In addition, Register of Copyrights Barbara Ringer also is understood to be working on compromise. Subcommittee tentatively has set May 12-13 for markup for this week.

"Internal" affirmative action statement and report by "ad hoc fact finding committee" (Vol. 16:13 p10) top agenda for NAB Exec. Committee meeting May 11-12. Other NAB committee meetings, in preparation for June board sessions: May 8—Radio Information; May 10—Cable Radio; May 13—Radio Code Board; May 17-19—TV Code Board.

HOUSE GRIPE SESSION SOOTHES NERVES: House Communications Subcommittee members & staff settled down last week in organizational session (first such meeting this year) under new Chmn. Van Deerlin (D-Cal.) to plot course for remainder of 94th Congress. However, meeting immediately turned into occasion for members to blow off steam about problems they and their personal staffs had had in coordinating with Subcommittee staff. There was "no bitterness," according to participants.

Members emerged from closed meeting with fair idea of hearing possibilities for remainder of year and promises from all to improve cooperation. Van Deerlin observed later that most past difficulties were due to prolonged illness of former Chmn. Macdonald (D-Mass.) and that "staff has been put in a difficult position through no one's fault," concluded: "Now we have to play catch-up ball."

Both staff & members obviously were pleased with chance to participate more actively in Subcommittee planning. Members began with criticism of staff for failure to keep them informed or allow them to participate in Subcommittee activities. Rep. Carney (D-O.) complained he was unable to examine staff report on cable (Vol. 16:5 p2) before it was issued to press, noted that constituents might not differentiate between views of members & staff. Rep. Frey (R-Fla.) argued that most communications issues are nonpartisan, expressed concern over atmosphere of secrecy surrounding Subcommittee activities, as did Rep. Wirth (D-Colo.).

Frey made strong pitch for renewal hearing. Even if legislation is unlikely to result this year, he said, hearing should be held simply to have bill ready for action in next Congress. Van Deerlin agreed, later told us he planned to honor commitment for hearing made earlier by Macdonald & Commerce Committee Chmn. Staggers (D-W. Va.). Though successful legislation this year is "most unlikely," he said, hearing will be held "absolutely this session...I'm still going to honor what's been made as a commitment." However, he warned, renewal hearing is "not on the front burner" at this time.

Wirth & Rep. Waxman (D-Cal.) renewed request for field hearings on TV sex & violence, family viewing (FV), etc.—in Cal. & Colo.—in spring (Vol. 16:10 p2). Members expressed concern over whether hearing would conflict with L.A. FV trial (see p. 2).

Meanwhile, plans for first week of cable hearing (Vol. 16:18 p1) have been substantially completed. First session, May 17 will cover regulatory background, with ex-FCC Chmn. Dean Burch & Don LeDuc, U. of Wis. Communications Arts professor, among those to appear. May 18 session features panel of economists; May 19 hearing centers on non-commercial applications of cable—educational, health, etc., with special emphasis on Spartanburg, S.C. 2-way cable experiment sponsored by National Science Foundation & Rand. Representatives of NCTA, NAB & CATA are slated to testify May 20. NAB representatives reportedly are upset with pro-cable slant they say hearing will take, plan to meet with Van Deerlin May 10 to protest.

Speaking at Bowling Green (Ohio) U. last week, Van Deerlin hit FCC regulation of CATV & satellites. "It's the role of government not to place obstacles in the way of technological development" if public is willing to pay, he said. Among other points: (1) Renewals—"I'm far less interested in the length" than FCC's failure to review—sans complaints—renewal applications. (2) Family viewing—"Hearings can wait until next session" on FV & violence. "Don't say it's [FV] the government's; it's the networks' and Richard Wiley's." (3) "Something that won't wait much longer is political access [for presidential candidates]... Clearly it's something that is going to have to be solved in Congress" since FCC has made wrong decisions (Vol. 16:13 p2) and networks have shown unwillingness to sell time voluntarily.

(4) "Minority hiring is something that must be looked at carefully," particularly on PBS stations. (5) "The greatest contribution the Commerce Committee can make [on copyright] is to stay out of the way" of Judiciary Committee. He expressed hope copyright bill won't delve too deeply into CATV-broadcasting, thus causing others to seek referral to Commerce.

Finalizing staff instructions issued in Dec. (Vol. 15:51 p3), FCC last week further reduced AM-FM duplication by commonly-owned stations in same market. Move was made, Commission said, because of continued growth in FM revenues and since "program duplication [is] inherently wasteful." Present rule prohibits over 50% duplication in cities over 100,000. New rule, effective May 1, 1977: Over 100,000, 25% duplication permitted, 25,000-100,000, 50%. Effective May 1979, 25% limit will apply to cities over 25,000. Variations will be permitted, not to exceed 40% in any given week. In partial dissent, Comr. Robinson said he favored total duplication ban in cities over 100,000; for smaller markets, he would limit it to 25%.

"NBC is maintaining the momentum of its first quarter's record sales & higher earnings," RCA Pres. Anthony Conrad told N.Y. stockholders' meeting last week, with "sales volume & pricing levels for the 2nd & 3rd quarters running well ahead" of 1975. But, he added, management feels ratings slip-page "keenly" and "has been taking steps to rebuild its program organization & schedule." Much of debate from floor centered on AIM resolution to establish ombudsman within NBC News to handle fairness complaints. It was overwhelmingly defeated, as it has been in past, by RCA & CBS stockholders. (For other RCA meeting highlights, see p. 11.)

House Investigations Subcommittee hearing on FCC & regulatory reform set for May 10 & 14 will concentrate on following, according to staff: (1) Cable & increased competition in broadcasting. (2) UHF equality with VHF. (3) Consumer participation in FCC proceedings. (4) Political broadcasting. (5) TV violence. (6) EEO enforcement. Rep. Moss (D-Cal.) will chair May 10 session, while Rep. Ottinger (D-N.Y.) is scheduled to lead May 14 meeting. In addition, Rep. Wirth (D-Colo.) plans to attend May 14 hearing to ask questions on broadcasters' use of ratings (Vol. 16:17 p6).

Personals

Dinah Shore receives IRTS "Broadcaster of the Year" award at May 12 luncheon, Americana Hotel, N.Y.

Mark Cohen elected ABC-TV senior vp-finance & planning, new post; **Anthony Thomopoulos**, ABC Entertainment vp-special programs, promoted to ABC-TV vp, "will assist and work closely with" ABC-TV Pres. **Frederick Pierce**; **Philip Kriegler**, ABC West Coast PR dir., elected a vp; **Roy Polevoy** named planning & administration dir., ABC TV Spot Sales; **Garry Klef**, ex-Kaiser Aetna, appointed gen. mgr., ABC Entertainment Center, Century City, L.A.

Mickey Hooten, WTAE-TV Pittsburgh programming dir., named gen. mgr., WISN-TV Milwaukee (both Hearst stations), succeeding **James Butler**, resigned; **Craig Marshall**, WTAE-TV national sales mgr., promoted to WISN-TV gen. sales mgr., replacing **Jim Norton**, who becomes sales mgr.; **Joseph Rovitto**, also WTAE-TV, named WISN-TV news dir., succeeding **Bill Taylor**, who "will announce his new plans shortly."

W.W. Warren promoted to pres.-chief exec. officer, Fisher's Blend Stations; **John Behnke** advanced to exec. vp-gen. mgr.; **Beth Fortnum** elected asst. secy...**Robert E. Shay**, ex-WCBS-TV N.Y., appointed program head, WPIX N.Y., will be elected vp at next board meeting; **Shay** succeeds **Henry Booraem**, retiring later in year...**Robert Burch**, ex-KLO(AM) Ogden, Utah, appointed gen. mgr., KCFW-TV Kalispell, Mont.

Belva Brissett, Senate Intelligence Committee staff, expected to join NAB govt. relations dept. in staff expansion...**Milton Q. Ford**, exec. vp of Hamilton-Landis Assoc., resigns to form media broker Milton Q. Ford Assoc., 1725 K St., NW, Washington 20006. Phone 202-296-7133.

Michael Rollens promoted to NBC-TV variety programs dir...**George Moynihan**, Group W national TV program mgr., promoted to vp-exec. producer of programming, TV Station Group; **Jeff Schiffman**, WBZ-TV Boston program mgr., promoted to TV Station Group program development mgr., new post.

John Blair, founder of rep John Blair & Co., retires as dir.-honorary chmn...**Eugene Sutorius**, ex-Spotmasters, joins WNJU-TV N.Y. as gen. sales mgr...**Andrew Jackson**, ex-WPLG Miami, named engineering dir., WIIC-TV Pittsburgh...**Keith Fuller**, AP deputy gen. mgr., elected pres. & gen. mgr., succeeding **Wes Gallagher**, retiring in Oct.

First of several Justice Dept. (JD) petitions seeking license renewal denials to newspaper-owned stations is ready for FCC action. Staff recommendation, passed over last week, that JD plea against WIBW-TV-AM-FM Topeka be dismissed is expected to be approved by near-unanimous Commission. However, we're told, there'll be substantial rewrite of staff reasoning—that JD hadn't made case and that integrity of FCC rulemaking must be protected. JD filed against WIBW—commonly-owned with Topeka Capital & State Journal—2 years ago (Vol. 14:18 p3).

Senate Commerce Committee has requested written comments on regulatory reform proposals it is considering adopting without hearing: (1) Sen. Pearson (R-Kan.) proposal to recodify all rules issued by regulatory agencies under Commerce Committee jurisdiction, reject unnecessary ones (Vol. 16:16 p3). (2) Federal protection against assaults for agency investigators. (3) Requirement that agencies act on petitions for rulemaking within 120 days. (4) Simultaneous transmission of budgetary & legislative proposals to OMB & Congress. (5) Allowing agencies to represent themselves—rather than Justice Dept. acting for them—in civil litigation. Proposals are "non-controversial," according to staff spokesman, because each already has been adopted for one or another agency. However, if comments indicate hearing is needed, it will be held, spokesman said. Meanwhile, Senate Govt. Operations Committee is expected to include FCC regulation of cable in its comprehensive report on regulatory reform—expected before Feb. 1977—as example of "a problem area" in federal regulation, according to Committee aide. Goal of report is "new criteria for regulation that make sense," aide said.

KTVH Wichita has accused competitor KARD-TV of "willful fraud" in filling out of Arbitron & Nielsen diaries for Nov. sweeps. In asking FCC to investigate, KTVH Pres. Gen. Mgr. Dale Larsen said he checked all Wichita-area diaries, found 3 Arbitron diaries filled out from home of KARD-TV National Sales Mgr. J. Lawrence Proffitt showing all 3 tuned to KARD-TV from sign-on to sign-off. Larsen said 2 Nielsen diaries came from home of S. W. Funk, KARD-TV technician, and one from KARD-TV Chmn. Charles Brown. All 3 were filled out by same person, according to Larsen, and tuned to KARD-TV "to the exclusion of any other station."

Sen. Hartke (D-Ind.), next in line to succeed retiring Sen. Pastore (D-R.I.) as Communications Subcommittee chmn., squeaked by strong primary challenge from freshman Rep. Hayes (D-Ind.) last week, winning by 4% of vote. Hartke will face ex-Indianapolis Mayor Richard Lugar (R) in Nov. election. In same primary, House Rules Committee Chmn. Madden (D-Ind.) was defeated by State Sen. Adam Benjamin.

"It's tough," FCC official said of hiring freeze that's been in effect since first of year because of money shortage. "Congress authorized the jobs but didn't give us the money... We beg, borrow & steal [personnel] internally to fill the absolutely essential positions." FCC now has over 130 vacancies because of hiring freeze, which is expected to continue well into summer, although agency has request pending in Congress for supplemental funds.

Newsmen were invited to cooperate "on a voluntary basis" with CIA by Dir. George Bush. Speaking to Overseas Press Club, Bush said CIA will continue "to encourage your contacts with our people." Though agency has abandoned practice of using paid journalist-informants, Bush said he won't reveal any names of people who have helped CIA—either in past or future.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 23 (16th week of 1976):

	April 17-23	1975 week	% change	April 10-16	1976 to date	1975 to date	% change
Total TV.	157,716	183,093	-13.9	163,920	3,271,679	2,976,337	+9.9
color	95,872	100,790	-4.9	91,847	1,903,397	1,660,137	+14.7
monochrome	61,844	82,303	-24.9	72,073	1,368,282	1,316,200	+4.0
Total radio	450,467	381,681	+18.0	389,320	9,405,146	7,364,877	+27.7
home, portable	241,142	198,324	+21.6	184,518	5,731,644	4,874,090	+17.6
AM-only	71,688	63,553	+12.8	42,702	1,257,587	1,540,914	-18.4
FM & FM-AM	169,454	134,771	+25.7	141,816	4,474,057	3,333,176	+34.2
auto	209,325	183,357	+14.2	204,802	3,673,502	2,490,787	+47.5
Port.-comp. phono.	23,617	47,120	-49.9	26,736	651,845	857,131	-24.0

Color TV 5-week moving average: 1976—104,214; 1975—105,142 (down 0.9%).

WHITE HOUSE STUDIES RADICAL CB PLAN: Proposal to break CB into separate services—each with own frequency allocation—is being considered by high-level task force composed of representatives from Domestic Council's Regulatory Reform Group & other White House officials. Task force is staffed by OTP.

Under plan, some frequencies now allocated to govt. would be made available for individual CB uses—highway safety, for example—in effort to make sure CB becomes total communications service and "more than just a hobby service," according to task force member. Among govt. frequencies under consideration are some now allocated to Defense Dept., it's understood. "Wherever we go, there will be people pissed off because there are already govt. uses on all bands being considered," acting OTP Dir. John Eger told us. In past, OTP had turned down FCC request for CB space in govt. frequencies.

Task force also is considering legislation designed to make licensing process easier. No timetable has been set for completion of study.

APRIL TV SALES DIP BELOW 1975: April ended with upswing in color TV sales to dealers, but not quite large enough to keep it from being 1976's first down month. April sales totaled just over 418,000, down about 0.5% from 420,511 in April 1975. Monochrome picture was worse—about 301,200 sets in 1976 month, down 13% from 346,368 year earlier.

Figures for final week of April, to be released this week by EIA, are expected to show color sales of about 126,300, up 6.5% from same 1975 week, after declines of 4.9%, 5.2% & 0.1% in preceding April weeks. Monochrome sales of 84,100 were down 7.5% for April's final week, marking declines from 1975 for all 4 weeks of month.

Color TV 5-week moving average as of April 23 (see State of the Industry) dipped below 1975 for first time this year, down 0.9%. Pickup in April's final week to 126,300 made it best single week in March-April, restored 5-week average to plus side by hair-thin margin of about 40 sets.

TOTAL TV MARKET UP 33.6% FIRST QUARTER: Stepped-up domestic TV production and soaring imports combined to push total new-set supply past 3 million in first quarter, up better than 1/3 from doldrums of same 1975 period but still a full million sets below 1974 level, our compilation of EIA & govt. data shows.

Growth in imports far outpaced increase in domestic output, leaving imports with record 44.3% share of over-all U.S. TV market at production level, up from 37% in same 1975 quarter and just above previous record of 42.7% set in 4th quarter last year. In color, imports nearly doubled market share, rising to 24.6% from 12.6% year ago, while b&w share reached record 70.5% from 66.8%. Last year, imports took 19.5% of color market, 67.3% of b&w for full year. Imports share of color peaked in 4th quarter at 26%.

Output of portable-table models, which lost ground to consoles for first time last year, resumed market-share growth, as production-plus-imports for period rose 45% to 1,217,000, accounting for 70.3% of new supply, up from 67.3%. Consoles & combinations also gained, rising 25.7% to 513,000. Allowing that virtually all imports are portables, domestic factories increased portable-table production 16% to 791,000 in first quarter, leaving imports with 35% share of market, up from 18.7% in 1975 quarter. In hotly-competitive 18"-19" market, imports captured apparent 31% of 771,500 sets made.

Picture of domestic production increases in table below isn't quite as bright for traditional U.S. factories as it might appear. In b&w, increase probably is represented by output for subsidiary Quasar at Matsushita's P. R. plant and is expected to show downturn in 2nd quarter as Sylvania completes transfer of b&w to Taiwan plant. In addition, Magnavox is expected to switch from domestic production to imports for small-screen AC-powered b&w portables later this year. Domestic color production figures include output by U.S. plants of Sony & Quasar.

Here's our analysis of domestic & import TV situation for first quarter:

U.S. TV SUPPLY—FIRST QUARTER 1976 VS. 1975

		U.S. Produced	% change	Imports	% change	Total Market	% change
Total TV	1976 . . .	1,689,000	+18.1	1,344,000	+60.0	3,033,000	+33.6
	1975 . . .	1,430,000		840,000		2,270,000	
color	1976 . . .	1,304,000	+19.6	426,000	+171.3	1,730,000	+38.7
	1975 . . .	1,090,000		157,000		1,247,000	
monochrome	1976 . . .	385,000	+13.2	918,000	+34.4	1,303,000	+27.4
	1975 . . .	340,000		683,000		1,023,000	

MAGNAVOX ADDS 'SON OF STAR' FOR '77: Magnavox will sharply increase number of color offerings with electronic keyboard-addressed tuning this year, adding 11 sets with new non-remote system featuring LED digital channel readout. Number of models with remote STAR tuning is being cut by one to 12—so 23, or 53% of Magnavox 1977 color sets, will have electronic tuning (58% if only 19" & 25", where feature is available, are counted), 2nd only to Zenith, which went 70% electronic tuning last year and should go higher in 1977 line.

Also upcoming from Magnavox, as revealed at press preview in Chicago last week: (1) Addition of on-screen time display capability to all STAR models (which also have on-screen channel display). (2) Dealer-installed remote option on 25" color with new electronic tuner. (3) Battery portable 9" & 12" b&w portables, company's first since 1974. (4) Three new Odyssey TV games, all with on-screen digital scoring & sound and with color & stick-figure players on high-end model. (5) New 45" stereo console series. (6) Tape hardware option for all stereo consoles, giving consumer choice of 8-track play, 8-track record, cassette or none. (7) New 4-model component-compact stereo series at \$160-\$250. Except for latter, Magnavox declined pricing specifics pending start of regional sales meetings next month, though it indicated there would be some moderate selective price boosts.

New tuner is 20 channel, comes with 12 VHF's pre-set at factory, and, like STAR, uses 2-digit addressing—0-5 for Ch. 5, 4-4 for 44. We were told it was developed in-house by Magnavox. Unlike STAR, new tuner is voltage—not frequency—dependent, so consumers hooked to CATV or MATV systems which shift stations to new channels can program tuner accordingly. For example, if CATV converts channel 46 to channel 3, set can be adjusted so that pressing 4 & 6 on keyboard causes display to show "46" and tuner to bring in Ch. 3.

No price was given for new tuner, but it's estimated to add \$75-\$100 retail, or about half cost of STAR. Six-function remote, included on one of two 19", optional on 25", will add \$50-\$75. Dealer installation of remote is 5-min. job involving 2 plug-in connections—front-mounted sensor & cigarette-pack-sized can of electronics. Remote doesn't offer random channel selection and tuner must be adjusted to skip unused channels.

Magnavox's new battery b&w, along with officials' reticence to expand on their prepared statements, were only outwardly visible results of takeover last year by Philips. B&ws are being sourced in Japan, and it was indicated carryover 12" hybrids will be abandoned later in favor of solid-state models from Taiwan, where Philips has major complex. Until now, Magnavox was only TV company with totally U.S.-made line, and such foreign sourcing was unthinkable as recently as mid-1974 when Magnavox was a leader in stop-Japan campaign. Also in b&w, Magnavox dropped out of 16", eliminated last 19" hybrid.

Commenting on Magnavox of today, Consumer Electronics Pres. Alfred di Scipio said acquisition by Philips was best thing that could have happened—"for any consumer electronics company to survive today it must have financial & technological resources of a high order." He predicted few in industry would show profit in coming years, but he expected Magnavox, along with Zenith & Sony, would be among them. Di Scipio emphasized Magnavox has had very cordial relationship with new parent, said "we've had freedom & latitude to run our own business" within over-all framework of Philips policies.

In prepared "non-expandable" statements on future products, Di Scipio said: (1) Magnavox will produce & market optical videodisc player in U.S. for regional sales starting in 1977, wouldn't confirm start of in-home tests by end of this year or indicate whether Magnavox would participate. (2) Company is now conducting feasibility studies on home TV projectors, expects to complete them by midyear. Performance & reliability tests will follow. (3) Home VTR market is being watched, and any product development would be in cooperation with Philips. Di Scipio looks for 7.5-million color TV sales to dealers this year, with possibility of 8 million if there's strong 4th-quarter spurt.

* * * *

Admiral is in general agreement with Magnavox's 1976 color forecast. Rockwell Consumer Operations Pres. Charles Urban put figure at 7.4 million at security analyst meeting in Chicago. He said Admiral would unveil low-power, high-performance modular color chassis, as well as unique electronic remote tuning system. Meeting also got filmed glimpse of Admiral's interactive TV device, formerly Interface Mark IV (Vol. 15:39 p8), now called Videospond. It's understood gadget is microprocessor-controlled, can be programmed for variety of game; calculation, computing, information-storage & educational chores via tape cassette, comes with keyboard & joystick controls. Production decision hasn't been made yet; first public demonstration of capabilities is expected next month.

Japanese TV producers, balking at Asahi Glass' bid for 15-20% hike in TV tube glass prices (Vol. 16:11 p9), are finding prices being boosted elsewhere, too. Matsushita Electronic Component Sales says it's going up 5-20% on all products; Nichicon & Murata say they'll raise capacitor prices, and other suppliers have similar plans. Boom in CB exports and recovery in TV exports have most Japanese component producers operating at capacity, and they feel they can't keep going at 1974 prices.

Industry opposition apparently has killed bill in House Trade Subcommittee to hike duties on electronic watch modules from 75¢ to \$5.37 (Vol. 16:10 p12). Also apparently dead is latest plan to repeal Tariff Schedule Secs. 806-7, which exempts value of U.S.-made content from duties levied on foreign-assembled products.

Owens-Illinois is restructuring 60%-owned subsidiary Panel Technology, producer of gas-discharge displays for calculators, appliances, etc. Shut down last month because of financial problems, PT has reopened under O-I management with new bank financing, will boost prices by about 55%, plans to expand product line, develop electronic-drive circuitry production capability.

General Instrument is converting power regulator & multiplier plants in El Paso, Tex. & Juarez, Mexico to assembly of auto radio tuners. Move is part of GI plan to drop unprofitable businesses.

Intel is newest U.S. IC producer to set up Japanese subsidiary. Capitalized at \$833,000, venture will start as import-marketer, expand to production.

DARK SIDE OF CB: No one was forecasting end to CB boom, but speakers at last week's NEWCOM CB seminar warned that industry could face variety of problems at industry & govt. levels. Former FCC Comr. Nicholas Johnson, now with National Citizens Communications Lobby, said FCC's failure to move quickly on CB is partly due to fact that Commission sees itself as arbitrator of disputes, doesn't view its role as formulator of national communications policy. Basic approach to CB and other issues is piecemeal, with no concept of problem as total package, he said.

Although CB market will continue to blossom, fact that number of CB suppliers now has risen to 52 inevitably points to period of turbulence, E. F. Johnson Mktg. Vp Gerald Mills said. Too many of those firms jumping into CB are inexperienced and don't have resources to provide range of necessary services to support product once it's on market. This could result in market shakeouts, Mills said, leading to flood of distress merchandise and subsequent lowering of profit margins. "But established suppliers, I am confident, can minimize this period of turbulence," Mills added. Echoing Mills' statements, Comptron Distributors Pres. Jack Silverman said industry should be ready for change in market conditions, with marginal suppliers dropping out "as supply gradually catches up with demand." But CB is not "electronic hula hoop," Silverman said. "The age of personal communications has arrived, and I'm very confident about the future."

Future of NEWCOM itself in CB industry is clouded, many suppliers saying pressure of 3 trade shows in 2-1/2-month period is forcing them to re-examine future participation. Pace announced on opening day it will drop out of 1977 NEWCOM, focus attention on PC-77 (Feb. 15-17). "The needs of our customers can further be served by concentrating their time & efforts, as well as ours, on one or 2 shows instead of the 5 major trade shows we have participated in."

Other exhibitors said they were reevaluating NEWCOM's value as CB showcase, particularly in light of fact that new products & programs were unveiled at PC-76 in beginning of April. Additional factor which could further complicate already congested show calendar is report that there will be still another show for consumer electronics—presumably including CB—in April 1977.

Delay of FCC program allowing direct connection of customer-owned gadgets to phone lines was ordered by Richmond, Va. Appeals Court at request of AT&T & group of independent phone companies. Order prevents FCC registration of devices suitable for use without phone company-approved protective couplers. Court said order would remain in effect until it rules on motion. Program was to have started May 1.

Plant & equipment of American Videonetics, Sunnyvale, Cal. developer of 8-head consumer VTR (Vol. 14:45 p9), are being auctioned May 20. AV was taken over last year by parent Omron Corp. of America (Vol. 15:40 p13) and subsidiary is being dissolved. Principle of 8-head VTR now belongs to Omron, a subsidiary of Omron Tateisi, Japan.

NEW CB FIRMS: Growing concern over saturated CB market isn't keeping new companies out. Latest to take plunge are Lear Jet & Mitsubishi, with Wells-Gardner studying situation closely. Lear Jet will introduce 5 models—2 for under-dash at \$130 & \$150 and 3 in-dash custom units for aftermarket installation in GM & Ford cars (prices not set). Units are being supplied by Meishoh Electronics—Japan, should be available in late May. Mitsubishi expects to enter CB market this month under private-label agreements with retailers & wholesalers, significantly expand program in fall. Wells-Gardner says CB is in future, but timing of market entry will be delayed until FCC announces decision on channel expansion.

Other new CB brands were unveiled at NEWCOM Show in Las Vegas—HED line from Cerwin-Vega and CM line of scanners & CBs from Channel Master. HED 4-model line ranges \$130-\$225, includes 3 units to be marketed under "Mongoose" brand. Channel Master's 2 new PLL CBs are \$160 & \$180, 3 scanners in line range \$110-\$170. RCA added 2 new PLL units to its previous 2-model line of CBs at NEWCOM. Units are not FCC type-accepted, pricing not set.

CB Scene: Over 1 million CBers are operating illegally in Japan, using sets originally produced for U.S. market, according to Japanese OEM CB supplier. Only transceivers allowed on narrow 27-MHz CB band in Japan are 1/2-watt sets with built-in telescoping antennas... **Kraco** has begun shipping 3 units to AMC for under-dash installation as dealer option, spokesman said at NEWCOM... **J.I.L.** is supplying Ford with in-dash combination unit for installation in firm's LTL9000 custom-built tractor-trailer... **GE Tube Products Dept.** is offering CB repair kit, including scanner & CB replacement parts guide... **CB** goes to the movies: "Convoy," hit CB song by Midland spokesman C.W. McCall, will become United Artist film; "CB Mamas" is now making rounds of porno flick houses.

Elcaset 1/4-in. audio cassette system (Vol. 16:16 p10) will have U.S. premiere at CES when Superscope shows 2 Sony front-load decks. Senior Vp Fred Tushinsky said Superscope will distribute Sony Elcaset decks & tape products in U.S. through 1977 "under the 2 companies' present operating agreement" and will introduce system into its Marantz & Superscope lines by early 1977. Tape cassettes will be available in 60- & 90-min. lengths.

Mergers & acquisitions: **Sprague & Cabot** called off merger plan (Vol. 16:12 p12), didn't explain why, though Sprague spokesman said company is no longer takeover candidate... **GE** said it sold holdings in Telefunken to West German bank. GE owned about 1.5 million shares (10%), worth some \$59.3 million. GE said sale wouldn't affect technical & commercial relationship with Telefunken.

Toshiba won't introduce V-Cord II home video-cassette recorder in U.S. this year, nor will it be shown at company's convention in Chicago this week, official told us last week. Toshiba will sell unit in Japan compatible with Sanyo's V-Cord II (Vol. 16:18 p8).

RCA BACK ON TRACK: "For the first time in more than 2 years, every major segment of RCA is moving ahead," Pres. Anthony Conrad told N.Y. stockholders' meeting last week. He forecast strong 2nd quarter and, barring "unlikely reversal in the economy," excellent year. Commercial Electronics & Services, which lost \$48.3 million in 1975, is expected to show profit this year. "We shipped more color picture tubes in the first period than in any quarter in our history" and production is on 3-shift basis, Conrad said. Solid State isn't profitable yet, but results were "sharply improved," and "Consumer Electronics, which showed a loss a year ago, rebounded with a solid profit" in first quarter.

"Tough-minded review" to improve profitability has had these effects: (1) Every major purchase contract in TV manufacturing has been renegotiated, resulting in "significant savings." (2) Picture tube manufacturing & yield have been improved, to save \$10 million a year. (3) Solid State costs have been cut, saving \$6 million. (4) Losing & marginal Commercial Systems products have been dropped to save \$5.3 million. (5) Staff-level reductions have cut corp. costs by \$3 million. Administrative costs per sales dollar have been trimmed 6%, marketing costs 7%, with 15% increase in productivity in sales per employee. Since Jan. 1, 1974, RCA has sold or discontinued businesses representing net operating losses of almost \$15 million per year; phase-out of receiving tubes was completed ahead of schedule week of April 26.

CB equipment, sourced from outside, should contribute "modestly" to RCA earnings this year, Conrad said. Videodisc system is "getting the benefit of at least as much painstaking planning, developing & testing... as any innovation we have yet made."

Unusually heavy questioning from floor produced little new information. In response to one question, Conrad said former Chmn. Robert Sarnoff's election to take retirement pay in lump sum cost RCA about \$738,000 (he's also on 10-year consultant contract at \$75,000 yearly). He said RCA had "no reason to regret dropping audio," but if favorable opportunity appears later, "we'll look at it." (For report on NBC, see p. 5).

Add Channel Master to list of firms planning to enter video-game market. Two-player 4-game unit introduced at last week's NEWCOM Show will be made in Japan, sell for \$80. Features include automatic or manual serve, on-screen serving, sound. Firm will submit game—tentatively called Challenger—to FCC soon, hopes to show it at CES, deliver in Aug. or Sept. Phone-Mate will market 2 games—\$100 4-game & \$120 6-game "Zonk" models. Dyn has dropped plans to market wireless game shown at Jan. CES (Vol. 16:2 p11), will introduce wired unit in future. FCC said wireless game could not be type approved since no provisions for wireless RF transmission are contained in regulations. Magnavox added 3 new games to Odyssey line (see p. 8). Continental Microsystems will introduce "complete line of home video games" under Bowmar brand at CES. Firm purchased Bowmar name, inventory & manufacturing facilities after Bowmar went into Chapter XI bankruptcy.

IMPORT ADJUSTMENT AID: Labor Dept. (LD) declared group of former workers at Sarkes Tarzian TV tuner plants eligible for import adjustment assistance but rejected aid bids in 2 other cases.

Approval covers ex-employees at ST plants in Bloomington & Jasper, Ind. & Brownsville, Tenn. LD said that where imports of TV tuners in 1970-71 were equal to 156.9% of domestic production & 79% of consumption, in 1974-75 they rose to 550.6% of production, 104.7% of consumption. Lower prices caused ST customers to switch to imported tuners, cutting into ST sales, which were down 41.9% last year. In 1975, LD found, ST cut average employment of tuner production workers 39.3% in Bloomington, 42% in Brownsville, discontinued production at Jasper in Feb.

LD turned down aid bid by ex-workers at RCA test equipment business in Harrison, N.J., noting RCA bought most of its product from outside sources. LD found RCA's decision to quit business had nothing to do with import competition. In other denial, LD said 1975 sales loss of 20.1% and resulting 46% production employment decline at Archbald, Pa. ceramic capacitor plant of Skottie Electronics was due to recession-induced sales decline in TV-radio rather than imports.

Add projection TV: (1) Keyser Video Inc., 2534 Wilmington Pike, Kettering, O. (Robert Keyser, pres.) offers single-lens projection system with 50" screen for ceiling mounting at \$1,495, floor version at \$1,595, latter with videocassette recorder at \$3,495. (2) Zygma-Vision debuts this month with showroom in Waldorf-Astoria Hotel, N.Y. British-made unit will have 4.5-x-6-ft. screen, same size as Advent's, and both use 3-lens system. Zygma-Vision's Dale Conen told us set is in production, but price hasn't been established. (3) Super Screen TV, 101 Park Ave., N.Y., has 2-piece single-lens system for use with medium- or large-size screen. (4) General Equipment, 1401 N. Cramer Blvd., Anaheim, Cal., offers 46-x-60-ft. picture using 25" color set as light source.

FTC consent order accepted last week by Nikko Electric and its Mt. Vernon, N.Y. distributor United Audio bans firms from suggesting resale prices for 2 years, refusing to sell to or otherwise penalizing price-cutting dealers, requiring dealers to report price-cutters or imposing restrictions on dealers. Order also requires that terminated dealers be reinstated. FTC spokesman said move is continuation of hi-fi industry probe that resulted in similar orders being issued against Pioneer, Sherwood, TEAC & Sansui last year (Vol. 15:34 p7), said more may be coming.

Orders for Sony products at San Diego convention (Vol. 16:18 p10) were "biggest for any year by far," with sales above expectations in every products category, we were told by Vp Joseph Lagore, who said trend is continuing in distributor & branch open houses.

Correction: Power consumption of new Panasonic 19" chassis is as low as 108 watts, not 180 as indicated last week (Vol. 16:18 p10).

WEEKLY Television Digest

with
Consumer Electronics...

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Trade Personals

Melvin Cornfield promoted to RCA vp-treas., succeeding Laurence Farley, resigned... Tadao Tanaka, NEC senior exec. vp, will be elected pres. at annual meeting next month, succeeding Koji Kobayashi, who'll become chmn.; Shinichi Uematsu to move from exec. vp to senior exec. vp; Exec. Vp Yuzaburo Makino to be chief advisor... Donald Beall, ex-Collins Radio Group pres., advanced at Rockwell to corp. vp & electronics operations pres., succeeding Donn Williams, now vp-electronics strategy development.

Bruce Lundvall promoted from vp-gen. mgr. to pres., CBS Record Div., succeeding Irwin Segelstein, now NBC-TV programming exec. vp (Vol. 16:18 p4)... Ray Pockrandt named vp-gen. mgr. of ABC Record & Tape Sales Corp.'s new Electronics Distribution Div., formed by combining Mid-State Distributor, Des Moines, & Western Appliance Distributors, Seattle... James Douglas, ex-Admiral, Edward Blum, ex-Weaton Sales, and Richard Ewald, ex-Hitachi, join Sankyo as regional sales mgrs.; James Morse, ex-Film Corp. of America, appointed mgr. of new Premium & Special Markets Div.

Jack Avery, ex-Hy-Gain, joins J.I.L. as eastern sales mgr... Thomas Domini, ex-Electronics Corp. of America, appointed Conrac Turner Div. NE sales mgr... John Roselli, ex-Midland, named western sales mgr. for Pathcom's Pace line.

Joseph McDowell named American Microsystems standard & memory products dir., with responsibility for consumer circuits, microprocessors & memories; Richard Konrad shifts from standard product mktg. dir. to Consumer Products Group mktg. dir... J. William Petty advanced at Timex from mktg. dir. to mktg. & sales vp.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Advance Ross			
1976-qtr. to March 31 ^b	5,312,260	171,001 ^a	.05
1975-qtr. to March 31 ^b	4,040,830	(82,444)	--
Advent			
1976-year to March 27	24,342,832	227,442 ^a	.12
1975-year to March 29	16,724,049	(2,972,798)	--
1976-qtr. to March 27	6,772,867	607,866 ^a	.29
1975-qtr. to March 29	4,480,049	(3,227,798)	--
American Electronic Labs			
1976-year to Feb. 27	30,437,461	407,232 ^a	.24
1975-year to Feb. 28	35,168,156	97,643 ^a	.06
Automatic Radio			
1976-6 mo. to March 31	39,304,000	3,360,000 ^a	1.39
1975-6 mo. to March 31	19,507,000	(444,000)	--
1976-qtr. to March 31	20,993,000	1,495,000	.62
1975-qtr. to March 31	8,693,000	(281,000)	--
BBDO International			
1976-qtr. to March 31	18,900,000	1,562,000	.62
1975-qtr. to March 31	17,000,000	1,350,000	.54
Columbia Pictures Industries			
1976-9 mo. to March 27	256,073,000	10,072,000 ^a	1.22
1975-9 mo. to March 29	231,138,000	2,701,000	.35
1976-qtr. to March 27	76,511,000	956,000	.12
1975-qtr. to March 29	84,123,000	1,174,000	.15
Esquire Radio & Electronics			
1976-qtr. to March 31	4,056,831	213,459	.33
1975-qtr. to March 31	3,110,972	102,245	.16
Harvey Group			
1976-year to Jan. 31	31,489,843	134,229 ^a	.04
1975-year to Feb. 1	36,119,331	39,740 ^a	--
Interpublic Group			
1976-qtr. to March 31	41,439,000	854,000	.36
1975-qtr. to March 31	37,137,000	747,000	.32
Ogilvy & Mather			
1976-qtr. to March 31 ^b	24,178,116	1,043,436 ^a	.56
1975-qtr. to March 31	21,082,675	845,288 ^a	.47
Premier Cablevision			
1976-6 mo. to Feb. 29	16,844,000	1,756,000	.53
1975-6 mo. to Feb. 28	12,496,000	1,399,000	.45
Seaport			
1976-qtr. to March 31	4,452,000	70,000 ^a	.02
1975-qtr. to March 31	4,427,000	(32,000)	--
Soundesign			
1976-qtr. to March 31	26,055,000	1,320,000	.61
1975-qtr. to March 31	15,823,000	(326,000)	--
Sprague Electric			
1976-qtr. to March 31	45,535,414	669,180	.19
1975-qtr. to March 31	42,833,927	(1,342,917)	--

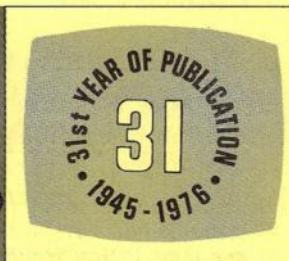
Notes: ^aIncludes special credit. ^bRestated.

GE has asked Presidential Office of Special Representative for Trade Negotiations to add receiving tube mounts to list of products eligible for duty-free importation from underdeveloped countries. Petition specifically seeks such clearance for mounts from Singapore, where GE has extensive export assembly operation, also requests that special import classification for mounts be created. Going other way, National Semiconductor has requested that duty-free benefits be withdrawn for pocket calculators; IBEW is seeking withdrawal of preference for color tubes; International Component Corp. wants duties levied on permanent-magnet DC motors with less than 1/10 hp.

WEEKLY

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with
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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

MOVE 'FAMILY' TO FV TIME: In 'unprecedented move,' L. A. judge proposes settlement in FV suit which would include airing 'All in the Family' in earlier period. He also suggests 'declaration of principles.' Parties back in court May 18. (p. 1)

HOUSE INVESTIGATIONS HEARING covers familiar territory: FV, political access, N.J. TV coverage, consumer participation, cable. (P. 2)

CABLE HEARING EXPANDED by Van Deerlin following meeting with NAB. Congressman says he's unsure whether legislation is needed, asserts FCC 'is far better equipped to deal with the issues.' (P. 4)

NAB 'FACT FINDERS' REPORT: Ad hoc group gets earlier budget consideration, 6-month reports. In-house affirmative action approved. (P. 4)

COPYRIGHT MARKUP BEGINS in House Subcommittee, no vote yet. Ringer & House staff draft based on NCTA-MPAA pact. Broadcaster-cable-producer parley founders. (P. 5)

RURAL CABLE PUSHED by OTA in report seeking 'systems' approach to make sophisticated communication system economically feasible in low-population areas. Agriculture Committee mulls legislation providing demonstration grants. (P. 5)

MOVE 'FAMILY' TO FV—JUDGE: In a move that parties to family viewing (FV) suit called "absolutely unprecedented," L. A. Dist. Judge Warren Ferguson proposed to defendant networks that "CBS give serious consideration to moving 'All in the Family' back into the family viewing period and that ABC & NBC endorse that move." Judge's suggestion—along with 10-page "declaration of principles"—was sent to parties May 10, shortly after he abruptly suspended trial and told parties to reach settlement (Vol. 16:9 p2).

None of defendants (FCC, NAB, TV networks) would comment on-the-record on Ferguson's surprise move, but most agreed privately he had overstepped court's authority. "If the judge thinks the FCC violated the First Amendment [in Wiley's meetings with networks on FV], he should read his own proposal," we were told. Parties are due back in court May 18 and Florence Kato, deputy clerk to Ferguson, said that if no agreement has been reached with plaintiffs (Writers Guild of America, West & Tandem Production), testimony by defendants' witnesses would be resumed. Kato also refused to comment on judge's proposal.

Ferguson said moving "Family" into FV time—it was shifted from 8 to 9 p.m. last fall when concept became effective under TV Code—"should not only settle the antitrust portion of the litigation but should provide concrete evidence that in the future the networks' commitment to the minimization of violence and gratuitously offensive material need not compromise the interests

Consumer Electronics

ZENITH-CORNING TUBE format rejected by Sylvania, which says conventional design is price-competitive, less bulky. RCA expected to do same. Price seen key to Zenith success. (P. 7)

'APRIL TV SLUMP'—is it really another market collapse? Most signs indicate recovery actually is continuing. Inventories up 6.7% from March, but down 5% from year earlier. (P. 8)

NEW LINE UNVEILINGS by RCA, Zenith, Sylvania, Philco & Toshiba show expansion in color, more full-feature sets, moderate price changes. RCA to launch trade-in campaign. (Pp. 8 & 10)

NEW FCC LABELING calls for coded marking, with manufacturer & marketer identification. Industry to object. (P. 9)

TWO TV GAMES fail FCC tests, others in trouble. Two Coleco models approved. (P. 11)

SYLVANIA ESTABLISHES worldwide Consumer Electronics Business Group with Konkol pres., pulling GE & components from GTE International. (P. 11)

TV ENERGY conservation target set by FEA at 50%-80% for color, 92%-94% for b&w. Hearing set for May 28. (P. 11)

of all of the parties in creative TV." He said "settlement along the lines suggested will best serve the interests of each of the parties." Included in Ferguson's "declaration of principles":

"Public confidence in broadcaster decision-making depends first of all upon broadcasters' freedom from government censorship, from the threat of government censorship, even from the appearance of government censorship... In short, FCC power to regulate... does not permit governmental decisions as to programming propriety, even in the relicensing process... It is clear that those meetings [between Wiley & networks in fall 1974] have caused many members of the public to regard the family viewing policy as an instance of governmentally-imposed censorship... FCC officials will attempt to avoid any actions which could create suspicion that they are attempting improperly to interfere with programming decisions.

"The parties affirm that every licensee has a duty to depart from the NAB Code... when the licensee in its independent judgment believes that such a departure is in the public interest... The networks specifically affirm that their editing of programs will conform with the NAB Code... if, but only if, their independent judgment so directs... The parties [excluding FCC, since its 'jurisdiction does not extend to the matters discussed'] believe that the family viewing policy properly understood and applied need not undermine the quality of TV programming. Broadcaster experience with the family viewing policy over the last season has led to the recognition that the concerns of the creative community can be accommodated without sacrificing the goals."

Ferguson added "a few generalizations" of what FV will & won't mean next season: It's not "a children's hour"; it's not "a commitment to the bland, the innocuous, or the trivial"; it means that TV programming "can be informative, challenging & entertaining at the same time"; violence "must be sharply reduced... in the early evening hours"; it "does not purport to shy away from provocative programming... it is not a pledge to avoid... controversial themes... To symbolize the private parties' commitment to the principle that the family viewing policy is not inconsistent with provocative programming, CBS now pledges to reschedule 'All in the Family.'"

Judge also charges defendants with recognizing that public wasn't "sufficiently involved" in FV adoption and "the private parties now pledge to increase interaction between programming decision-makers and members of public interest groups, the creative community and the viewing public." He also calls on broadcasters to sponsor "convocations" with such groups and to "pledge not to participate in meetings with FCC officials" on program matters.

Under proposed "declaration," Ferguson said public will be able to hold networks "accountable" to 4 principles: "Their programming will be based on independent judgments; the depiction of violence will be minimized; gratuitous violence and gratuitously offensive material will be eliminated; provocative & creative programming will be encouraged."

FCC & broadcaster attorneys met May 12 in N.Y. on Ferguson's proposal, reached no agreement, although most came away optimistic. "There are things that are acceptable and things that are not, but any agreement is likely to be substantially different," we were told. Also, FCC isn't expected to be party to any settlement. Counsel for all sides plan to get together May 17 in L.A., with court session scheduled next day. If testimony resumes, trial is expected to continue this week, then recess until first June week.

FAMILIAR QUESTIONS FROM HOUSE OVERSIGHT: Despite extensive staff preparation, long and detailed questioning, House Oversight & Investigations Subcommittee hearing on FCC last week never got past routine type of "oversight" already carried out this year through similar grillings by House Communications & Appropriations Subcommittees.

Family viewing received most attention, despite Judge Ferguson's move to seek voluntary settlement (see above). Rep. Waxman (D-Cal.) asserted FCC Chmn. Wiley held negotiations behind closed doors without input of other industries, commissioners, or public.

Wiley declared over & over that he hadn't pressured network chiefs. He said constant criticism of his role in FV convinced him that "any public official who tries to act like this in the public interest and takes the abuse I've taken has got to be out of his mind." However, he said later, he'd "do it all over again." Commented Comr. Hooks: "If they [network chiefs] were

over-reached, they wanted to be. They recognized the self-interest of their action." Comr. Washburn: "It seemed perfectly proper to me that our chairman should attempt to do this—while keeping us fully informed—under instructions from the appropriations committees."

Wiley also denied that he acted under congressional pressure. "If we sometimes appear to be insolent, we don't intend to be," he said, defending need for agency to retain independence from Congress. Waxman agreed, said FCC should be insolent when told by congressman or congressional committee "to act contrary to the Constitution."

"Reasonable access" by candidates also was much discussed. Congressmen repeatedly asked commissioners what it meant. "More than 5 min.," said Comr. Robinson, though he said FCC should decide on case-by-case basis. Waxman asked FCC to study BBC practice of allocating blocks of time to candidates, but Wiley said legislation would be needed. Moss attacked FCC decision denying time for Ronald Reagan on WCKT Miami following series of interviews with President Ford before Fla. primary (Vol. 16:10 p5). Under this ruling, he charged, station could program "any propaganda it wishes as long as it's disguised in a news program." William Ray, FCC Complaints & Compliance Div. chief, strongly defended decision: "We do not substitute our news judgment for that of a station's. We consider that a dangerous practice."

Rep. Collins (R-Tex.) objected to FCC decision requiring that WGN-TV Chicago sell 30-sec. spots; station previously sold minimum of 5-min. (Vol. 16:10 p5). "In 5 minutes, you can't get away with half-truths," Collins said. Comr. Quello said he voted for shorter spots because "I really felt it restricted candidates' opportunities."

FCC's tentative decision not to reallocate N. Y. VHF to N. J. got repeated criticism from Rep. Maguire (D-N.J.). He said he had reviewed all FCC documents "and I didn't find any evidence of economic studies... None of that material supported the agreement that you reached." Wiley said VHF transfer might be good idea "in the best of all possible worlds," but wasn't realistic solution. Robinson agreed: "I don't buy the argument that a N. J. VHF wouldn't be economically feasible... My only concern was that the proposal before us could tie the whole thing up for a decade, and we wanted to get the thing going right now."

Both Moss & Rep. Ottinger (D-N. Y.) hit "sameness" of TV programming. Ottinger suggested that increased competition via satellites & cable might help, called FCC failure to submit cable legislation "a serious breach of the Commission's duties." Wiley said legislation wasn't submitted because "it has been my feeling that what we have wanted to do, we could accomplish through the current regulatory framework." Rep. Krueger (D-Tex.) encouraged FCC to help cable reach agreements with pole owners, push rural service.

In stiff questioning, staff chided FCC for not encouraging more consumer input in Commission proceedings, released letter from Comptroller Gen. Elmer Staats saying FCC has power to help defray costs of public participants. Wiley said he believes FCC is doing all it can to encourage them, promised to consider more. Robinson said problem is lack of money.

Rep. Wirth (D-Colo.)—who, though not Subcommittee member, asked to participate in hearing—pursued FCC refusal to open inquiry on ratings which he requested (Vol. 16:17 p6). Commissioners doubted value of inquiry vs. possibility of encroaching on program decisions, noted that both ratings buyers & sellers seemed satisfied. Krueger asked commissioners if they want law requiring them to regulate rating outfits; they don't. "This may be a solution in search of a problem," said Quello.

Comr. Hooks—EEO commissioner—was grilled on EEO standards & job categories, fact that EEO unit was attached to general counsel's office rather than his. Hooks said that he favored stricter standards & job categories, that he had requested EEO unit be attached to his office, but it posed "administrative problems." Richard Shiben, FCC Renewals & Transfers Div. chief, said new job category proposals would take care of old reporting system's problems.

Staff analysis of Commission travel showed that FCC spent \$89,206 in 1971-1975 for speaking engagements, vs. \$77,626 for ICC, \$61,989 for SEC, \$38,145 for FTC, \$34,326 for FPC. In addition, it was noted, 781 trips (staff & comrs.) were to speak to industry groups, while only 7 were to consumer groups, 33 for "agency business." Of 12 FCC members during 1971-1975,

Chmn. Wiley spent most traveling to conventions—\$3,905 for 21 trips. Quello was next with \$2,900 & 9 conventions; Hooks 3rd with \$2,752 & 10 trips. Commissioners replied that they addressed any group that invited them. Travel "is part of our job," Wiley noted. In addition, "you don't just tell them what they want to hear," Hooks said.

CABLE HEARING EXPANDED: Following meeting with NAB officials (at their request), House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) expanded scope of cable hearing (Vol. 16:18 p1) to include more broadcasters and supporting groups. NAB spokesmen discussed same issue with ranking Republican Rep. Frey (Fla.). Van Deerlin "listened to us, was very gracious, but made no promises," NAB Pres. Wasilewski told us.

Hearing begins May 17, may continue through mid-summer due to "intensive legislative schedule anticipated," according to Subcommittee. Leadoff witness will be ex-FCC Chmn. Dean Burch; other sessions this week will cover regulatory background, economics, institutional applications, trade association views. Second week features members of Congress, networks, more trade associations.

Meanwhile, Van Deerlin said he's unsure whether hearing will lead to legislation. "The Commission is far better equipped to deal with the issues," he told us last week, though he said he'd be in better position to judge at end of hearing. He acknowledged that staff had prepared draft bill, but "it's hard to get a bill through without it being all dressed up like a Christmas tree."

Five groups have submitted statements to House Communications Subcommittee opposing pay-cable encroachment on free TV, according to NAB: Cal. Federation of Women's Clubs (51,000 members), N.Y. City Federation of Women's Clubs, American Mothers Committee (4,000 members), Pa. Chamber of Commerce & Women World War Veterans (80,000 members).

ABC has "backed off completely" on effort to extend evening news this fall (Vol. 16:19 p3), according to several affiliates. However, we're told subject will come up at ABC-TV affiliates' convention next week in L.A. Poll by affiliates' board showed near-unanimous opposition to expansion in Sept., although most believe longer network news is coming, expect another ABC push in Jan. for fall 1977. Network expanding news will need waiver of prime-time access rule—unless all affiliates have hour of local news immediately preceding network news (unlikely)—and FCC is expected to be receptive.

D.C. Appeals Court denied reconsideration and/or en banc rehearing of 2-1 decision affirming FCC's exemption of news conferences & debates from equal time under Sec. 315 (Vol. 16:16 p5). Rehearing was sought by Democratic National Committee.

NCTA board meets June 7-8, Lincolnshire Resort, Lincolnshire, Ill., agenda not yet announced. Fall meeting is Sept. 20-21, Hyatt Regency, Washington.

Fair trial vs. free press will be covered in hour NBC special June 2, with Edwin Newman reporting.

NAB 'FACT FINDERS' REPORT: Recommendations for short- & long-term changes at NAB were presented to Exec. Committee last week, which immediately adopted 2—earlier & fuller consideration of budget and summary report on previous 6-months' activities at start of each NAB board meeting.

Proposals are outgrowth of ad hoc committee—headed by Radio Dir. Donald Jones, PSB Radio Group—formed at Jan. board meeting (Vol. 16:4 p1). Exec. Committee will meet again on proposals June 4, present recommendations to board later in month. "Short-term ideas":

(1) To set NAB priorities, staff should present "goals & objectives" to board each year. (2) Increase involvement by dirs. in committees.

"Long-term" recommendations: (1) Exec. Committee study a "management" plan for NAB. (2) Determine whether staff should be increased "to meet the needs of the 1980's." (3) Consider separate NAB TV & radio divs. with autonomous boards. (4) If 3 is adopted, consider "streamlining" boards. (5) Set 5-year goals.

Also last week, NAB adopted in-house "affirmative action policy" covering employment & promotion of minorities & women.

Bill giving translators authority to originate limited amounts of programming was approved last week by House Communications & Senate Commerce Committees; Senate Committee also approved bill extending FCC's fining authority to cable systems, but consideration of companion measure by House was delayed until Communications Subcommittee begins its comprehensive cable TV hearing. During House hearing, FCC Chmn. Wiley said FCC intends that translators "retain their primary characteristics as rebroadcast stations," and that station could continue to refuse to allow translator to rebroadcast its signal if commercial or programming deletion becomes problem. NCTA Senior Vp Wally Briscoe said Assn. opposes bill because of translator-cable interference, questioned whether translators make "efficient use" of spectrum. Briscoe also objected to difference of treatment by FCC between cable—which can't alter signals it carries—and translators, which could under proposed bill. Wiley explained that translators can substitute commercials because ads are their only source of income, while cable also gets subscriber revenues.

Time Inc. pulled switch on "Midnight Blue" last week, said it wouldn't permit programs that "exhibit a regular pattern" of obscenity to be cablecast on Manhattan Cable's access channels in N.Y. Manhattan said it was caught in "whipsaw" between federal & local regulations, expressed hope its action will lead to "dispassionate examination" of censorship & obscenity issues on access channels.

COPYRIGHT MARKUP: House Copyright Subcommittee began consideration of cable Sec. 111 of copyright bill last week, came to no vote, resumes (tentatively) May 19, may conclude May 21.

Subcommittee had before it new draft prepared by Register of Copyrights Barbara Ringer and Subcommittee staff; most new provisions were taken from MPAA-NCTA agreement (Vol. 16:16 p2).

NAB officials were concerned that, while Subcommittee members said that there should be no commercial substitution permitted, bill doesn't clearly prohibit it. They say it would allow "selective commercial substitution." Also, NAB is unhappy about fact that current draft doesn't require Royalty Tribunal to reconsider all distant signal fees if FCC later allows cable systems to carry more such signals. Subcommittee hasn't talked about pay cable; broadcasters want systems to have full liability for all distant signals if FCC loosens pay-cable restrictions.

Latest draft has new fee schedule for systems grossing between \$80,000 & \$160,000 each 6 months. They would pay 0.5% for first \$80,000, 1% for 2nd \$80,000. However, systems owned by 25 largest MSOs would be excluded, wouldn't benefit.

Systems grossing less than \$80,000 semi-annually would pay flat 0.5%. Curiously, 25 largest MSOs aren't excluded from this section, thus would benefit—and NAB spokesman termed this "absurd."

New draft would provide compulsory license for Canadian & Mexican stations—not mentioned in previous legislation.

NCTA Pres. Robert Schmidt said he was "encouraged" by progress on bill—"but I'm waiting until it's all over. I've been through too many of these."

Earlier in week, NAB, NCTA, networks & MPAA met at request of MPAA Pres. Jack Valenti—couldn't come to agreement, were particularly at odds on pay cable. Before that, broadcasters had discussed copyright with Chmn. Van Deerlin (D-Cal.) of House Communications Subcommittee, and he told them he saw no need for his committee to consider copyright if all parties got together.

Networks have become "the new power brokers of our times," FCC Comr. Hooks told Washington Press Club. They "are seemingly so obsessed with the pursuit of profits that they cannot stop to provide some useful information to the American people," he charged. He referred to their role in determining whether or not to sell—and to whom—time for political spots. Even if there are 10 presidential candidates, he said, "that would only be 10 half-hours every 4 years." Hooks said that broadcasters' failure to provide extensive political coverage voluntarily makes him lean "more and more" toward NCCB petition to FCC to require one-hour weekly of prime-time public affairs. Hooks also said FCC probably won't undertake independent analysis of conflicting CBS-Gerbner claims on levels of TV violence last season (Vol. 16:14 p3) because of budget restraints, fact that measuring violence is "a very subjective thing," feeling that "there are those on the Commission who would be opposed to doing this."

OTA PUSHES RURAL SERVICE: At request of Senate Agriculture Committee, Congress' Office of Technology Assessment (OTA) has suggested new approach to bringing sophisticated broadband communications services via cable to sparsely-populated rural areas. In unpublished report in preparation since June 1974, OTA recommends combining task of providing conventional TV signals with other commercial, health & education services, revenues from which—when combined—would make total service economically feasible.

"The major barrier to extension of systems beyond town limits has been this reliance upon entertainment services as a principle source of revenue," report notes. "Where population density of potential subscribers willing to pay \$7-\$10 a month for entertainment falls below 30 to 40 per mile, cable extension is not economically feasible." OTA plan is "system approach"—"in which costs are shares and revenues are generated by public users, commercial users and subscriber-supported entertainment fees."

In addition to "fundamental barrier" of cost—which OTA suggests might be solved via govt. "demonstration" loan program to selected rural areas—report cites several FCC regulatory restraints: (1) Restrictions on translators, which if eased could allow rebroadcast of microwave signals received from ground or satellite. (2) Requirement that public service channels be provided free of charge by cable systems. This may have had unintentional effect of making it "impossible for rural areas to afford either broadband systems or new services," report notes. (3) Treatment of cable as "ancillary"—without merit of its own. (4) Failure to consider all regulation impact on rural areas.

Study relies heavily on as-yet-unknown promise of Farmers Home Administration loan to Trempealeau County, Wis. last year for comprehensive broadband "system." Loan upset NAB Free TV Office, generated letter to White House's Paul MacAvoy from CBS Washington Vp Richard Jencks (Vol. 15:49 p3).

Agriculture Committee seems perplexed on what to do next. "We may write up legislation to encourage the kind of thing" in Trempealeau County, Committee spokesman told us, or Committee may seek further OTA study. So far, only move has been to circulate report to interested parties, seek comment.

Commercial TV renewal applications must be referred to full FCC in future if applicant proposes less than 5% local, less than 5% informational and/or less than 10% non-entertainment programming. In past, Bcst. Bureau could renew under delegated authority if station proposed at least 10% non-entertainment. Commission also said stations which vary more than 20% in programming promised in all categories, or more than 15% in any one category, will be "appropriately noticed"—although agency "chose not to put this number in the rule...to permit flexibility."

ABC-TV affiliates with KXLY-TV Spokane; CBS had dropped station because of poor clearances, moved to then-ABC affiliate KREM-TV (Vol. 16:14 p6).

Personals

Michael Eisner promoted to senior vp-prime-time production & development, ABC Entertainment, new post; **Thomas Mahony** advanced to program administration dir., East Coast; **Anthony Rocco & John Grace** to vps in ABC-TV Network Sales Div.; **Edith O'Shea** advanced to program & sales services dir., ABC International TV; **Rita Scarfone** promoted to sales administration mgr., ABC-TV owned stations.

Richard Stakes, pres. of Evening Star Bcstg., elected pres.-chief exec. officer of parent Washington Star; **Andrew Ockershausen** promoted to exec. vp-chief operating officer, Star Stations, succeeding **Stakes**; **Berl Bernhard** of Washington law firm Verner, Liipfert, Bernhard, McPherson & Alexander, named gen. counsel.

Edwin Vane, ABC Entertainment vp-national programming dir., assumes responsibility for all daytime programming... **David Polinger**, ex-WSNL-TV Patchogue, N.Y. pres., appointed asst. to Pres. **Leavitt Pope**, WPIX N.Y., new post... **Richard Wolfson**, Wometco exec. vp-gen. counsel, also elected exec. committee chmn.

Richard Christian, Marsteller, Chicago, elected AAAA chmn.; **Edward Ney**, Young & Rubicam, N.Y., vice chmn.; **Roger Mohr**, Arthur Meyerhoff Assoc., Chicago, secy.-treas.

Lee Hanna, NBC News vp-TV news, appointed vp-gen. mgr., WMAQ-TV Chicago, succeeding **Lee Schulman**, now NBC-TV Stations Div. vp-program development... **Thomas Battista** promoted to exec. vp, CBS TV Stations Div.; **Steve Mills** advanced to CBS-TV vp-program production, Hollywood.

James Conley, Meredith Bcstg. pres., appointed to NAB TV Code Board, succeeding ex-Chmn. **Wayne Kears**, KENS-TV San Antonio; **Robert Rich**, KBJR-TV Duluth, replaces **Kears** as chmn. New to Radio Code Board: **Erica Farber**, WBOR Boston; **Edward Fritts**, WNLA Indianola, Miss.; **Walter Reubens**, KOBE Las Cruces, N.M.; **Jack Stuppler**, CBS.

Robert Johnson, ex-press asst. to **Walter Fauntroy**, D.C. delegate to House of Representatives, appointed NCTA vp for pay cable, starting June 7; **Johnson** previously was communications dir., Washington Urban League, and a CPB information officer.

David Kinley, ex-FCC Cable Bureau chief, joins ATC in Denver as vp-planning & development June 7... **Gerald Hellerman**, ex-aid to Senate Antitrust Subcommittee, joins Justice Dept. Antitrust Div. as financial analyst; Subcommittee aide **Terry Lytle** assumes responsibility for cable.

Robert Newgard, ex-4-Star, appointed vp-TV, Avco Embassy Pictures, L.A... **Donald Dahlman**, ex-Avco Bcstg. vp-TV sales, named vp, Multimedia Program Sales... **Candy Greene** promoted to editor, NAB Highlights, succeeding **Milton Magruder**, named special assignments editor and who will retire in Dec.

Richard Zell, Daniels & Assoc. vp, appointed vp-treas., Harmon & Co., cable brokerage & consulting firm... **S. John Martin** advanced to account-

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with
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ing & finance mgr., Cox Cable Communications Trans Video Div.; **Leonard Tozer**, ex-Mission Cable TV, named business mgr... **Lynn Woolery** promoted to customer services mgr., Mission Cable TV (San Diego).

Paul Firstenberg, ex-Princeton U. financial vp, appointed exec. vp, Children's TV Workshop, new post... **James Timony** promoted to FTC judge; **David Wilson & Alan Palmer** appointed asst. dirs. - general litigation, FTC Competition Bureau.

James Strickland, consultant, joins Raytheon Data Systems as telecommunications mktg. mgr... **Harold Fleig** promoted to Nielsen central territory mgr., NTI... **Gerald Breglia**, ex-Adam Young, joins Katz TV Continental Gold sales team.

Joining law firm, Fly, Shuebruk, Blume & Gaguine: In N.Y., **Michael Botein**, ex-Rutgers U. law prof. & ex-FCC Cable Bureau; in Washington, **Eric Kravetz**, ex-FCC Hearing Div. & Review Board; **Irving Gastfreund**, ex-FCC Complaints & Compliance Div.

Charles Lichenstein appointed interim dir., new PBS public information dept., remains vp-national affairs; **Lorraine Jahn**, ex-Aigen-Pearlman ad agency, N.Y., named ad dir., new post; **Jeane Young** assumes responsibility for liaison with professional organizations, speakers bureau & awards competition... **William Houser**, retired Navy vice admiral, appointed CPB chief satellite consultant.

Norman Horowitz promoted to senior vp-world-wide distribution, Columbia Pictures TV; **William Hart** advanced to senior vp-station programming, new post; **Lawrence White** promoted to exec. vp-world-wide production, succeeding **David Gerber**, who will head own production company.

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 30 (17th week of 1976):

	April 24-30	1975 week	% change	April 17-23	1976 to date	1975 to date	% change
Total TV.	210,424	209,602	+0.4	157,716	3,482,103	3,185,939	+9.3
color	126,304	118,640	+6.5	95,872	2,029,701	1,778,777	+14.1
monochrome	84,120	90,962	-7.5	61,844	1,452,402	1,407,162	+3.2
Total radio	764,556	515,399	+48.3	450,467	10,169,702	7,880,276	+29.1
home, portable . .	498,699	317,180	+57.2	241,142	6,230,343	5,191,270	+20.0
AM-only	174,764	124,468	+40.4	71,688	1,432,351	1,665,382	-14.0
FM & FM-AM . .	323,935	192,712	+68.1	169,454	4,797,992	3,525,888	+36.1
auto	265,857	198,219	+34.1	209,325	3,939,359	2,689,006	+46.5
Port.-comp. phono. .	53,080	83,340	-36.3	23,617	704,925	940,471	-25.1

Color TV 5-week moving average: 1976—105,819; 1975—105,776 (up 0.04%).

SYLVANIA REJECTS ZENITH-CORNING TUBE: Sylvania says it won't use new "standard" picture-tube bulb developed by Corning and Zenith's Rauland (tube) Div. (Vol. 16:10 p7), and it appears likely RCA will make similar announcement this week. Sylvania's reasons: (1) Despite reduced glass cost (\$3.99 in 19" size), it can be competitive using conventional design. (2) Its set-making customers don't like new tube's bulk.

Sylvania does like tri-potential gun which can make spot size on large-screen slot-mask tube at least as small as that of conventional delta-gun tube. So does everybody else, and it's good bet that all tube makers eventually will adopt some version of it. As for glass design—nix, unless forced into it by customers. Another feature may well be borrowed from new design—100° deflection, but in conventional glass.

"Sylvania...will not embrace the glass technology employed in the tube," said Electronic Components Sr. Vp Alfred Viebranz. In consultation with set makers, he added, decision was based on these considerations: (1) "Because of our highly automated manufacturing processes...the new concept does not offer us or our customers any economic advantage. In our opinion, tubes with present glass will continue to be competitive technically & economically." (2) "The larger over-all dimensions of the new glass with essentially the same viewing area present our customers with cabinet & styling disadvantages.

"The prime new feature of the Rauland tube of interest to us & our customers," Viebranz continued, "is in the tri-potential gun. This premium gun appears to have the potential of providing picture performance equivalent to the current delta-gun tube while allowing most of the attendant in-line chassis savings to the set producer. We will be competitive in this area."

RCA Tube Div. spokesman confirmed that it has made appointments to talk to set manufacturers this week and will make announcement about Zenith tube format. Among other tube makers, Westinghouse officials were unavailable, and GE tube spokesman indicated company has no position on Corning-Zenith tube now. GE recently introduced 25" in-line non-slot-mask tube with improved bipotential gun which reduces spot size (Vol. 16:13 p13), is aiming for OEM sales.

Corning, which recently sampled tube makers with Mark IV (Zenith-type) 19" bulbs assembled in Bluffton, Ind. plant, says limited production will start by midyear, with 25" 100° to go into production early in 1977. Corning also is sampling 17" bulbs with 100° deflection—using conventional glass but accommodating Zenith tri-potential gun. Zenith already has indicated

its 17" would be conventional type.

Even if all major competitors come out against Zenith tube, battle certainly won't be over. Zenith has yet to drop other shoe—price it quotes to OEMs for tube is all-important, and it must be low enough to give them incentive to redesign chassis and, in some instances, cabinets. This may not happen until "annual blood-letting" (as one tube manufacturer put it) around Oct., when tube makers quote prices for coming year.

Zenith is determined to reopen Lansdale tube plant as OEM supplier and thus has reason to quote good price on new tube. Many set makers don't like its physical bulk, but they're willing to be convinced if it can save them real money. If they should decide to buy, it's obvious Rauland's competitors will have to re-think their rejections. Missing part of equation is price. Next move has got to be Zenith's.

FACTS ABOUT THAT 'APRIL TV SLUMP': April certainly didn't look like 4th month of that great TV recovery year of 1976—at least not on surface. EIA figures (see State of the Industry) confirm our report last week that color sales to dealers were down fraction of percentage point from April 1975 and monochrome sales dropped 13%—first month of decline for either category.

During April, total factory plus distributor inventories rose 6.7% to 1,936,000, factory stocks rising 10.8% to 1,040,000, distributor inventories creeping up 2.3% to 896,000. But compared with year earlier, total inventories were down 5.1%, factory down 20%, distributor up 20.9%.

Is it really a slump? While caution certainly is in order, all signs indicate recovery actually is continuing. Based on trends of last 5 years, April sales were at seasonally adjusted annual level of 7.1 million, up from 6.7 million in March. April looks poor compared with last year because April 1975 was unusually good month as dealers loaded up on outgoing models to beat price increases & warranty reductions they knew were coming. This year, there was no such incentive to buy in April; manufacturers already have spread word prices will be stable, there are few hot-priced closeouts, and dealers presumably are waiting to shop new models before making heavy commitments.

Inventory increase during April at factory level is normal for this time of year, as plants begin to stockpile new models. It could even be a bit low if dealers respond strongly to 1977-model product. Missing factor in equation is retail sales. Did they slump in April? Our Early Warning Report, mailed last week to EWR subscribers only, indicates that April sales were better than last year. Here are EIA's sales-to-dealers figures for April, with 1975 & 1974 comparisons:

Product	April 1976	April 1975	% change	April 1974
Total TV	719,329	766,879	-6.2	785,857
color	418,133	420,511	-0.6	488,133
monochrome	301,196	346,368	-13.0	297,724
Total radio	2,101,710	2,042,072	+2.9	2,157,466
home, portable	1,203,090	1,286,434	-6.5	1,371,457
AM-only	349,109	418,513	-16.6	576,677
FM & FM-AM	853,981	867,921	-1.6	794,780
auto.	898,620	755,638	+18.9	786,009
Port.-comp. phono.	138,441	267,876	-48.3	159,094

RCA, ZENITH, SYLVANIA, PHILCO, TOSHIBA: Floodgates opened on 1977 lines last week with release of at least partial details by RCA, Zenith, Sylvania, Philco & Toshiba—RCA & Sylvania distributor meetings are being held this week. In color, story generally is more models with step-up features, few & modest price changes, both up & down (for model rundown see p. 10).

RCA is zeroing in on growing color replacement market with trade-in promotional campaign and vastly expanded "ColorTrak" offerings, particularly in consoles. In remarks prepared for delivery at Lake Tahoe meeting, Mktg. Vp Jack Sauter announces late-summer launch of

"Trades Fantastic," RCA's first national trade-in program. Sauter says promotion is built into participating dealer price on all new "ColorTrak" consoles. Allowance offered consumers will be indicated in ads. He estimates that trade-ins & 2nd set sales now account for 60% of total color market.

In "ColorTrak", RCA expanded 19" model line to 6, with leader unchanged at \$480, rising to \$700 for model equipped with digital 82-channel touch-button remote Control Center (down \$25). Also new are pair of open list 25" table models. In consoles, 25" "ColorTrak" now starts at \$670, down \$70 from least expensive to have feature last year. High-end 25" consoles with Control Center are unchanged at \$1,095. New 20-channel varactor remote is \$75 premium on consoles, \$80 on 19" tables. "ColorTrak" is included in 26 of RCA's 38-model color line, or 68%, vs. 8 of 38 last year. Remaining sets—two 15", 3 each 17", 19" & 25", one 21"—all XL-100 models, have been open listed. In b&w, RCA increased number of battery portables; total number of b&w models is up 2 to 9.

Zenith is holding back developments in 17", 19" & 25" for planned late-summer meeting, left no doubt of continuing interest in 23" with unveiling in Chicago of line with more models (12 from 8 last year), high-end features. New to 23" from Zenith is 18-channel varactor tuner on all but \$600 table model leader (up \$10), plus "Zoom" instant close-up remote (on 4 models) found only in 25" & 19" last year. Also added were three 19" and four 13".

In audio, Zenith introduced new compact tuned port speaker systems featuring front-mounted brilliance switch to give consumer choice of sounds, added cassette & 8-track record compacts, may be sole company expanding 4-channel line segment (new compact), improved performance characteristics of high-end consoles. Audio equipment pricing held steady.

Still to come from Zenith is display of 19" using redesigned 100° deflection bulb & improved gun (see also p. 10). At July convention, Zenith is expected to show more electronic tuning in 25", could preview 100°-deflection 17" models. Some good news for profit-hungry distributors last week was announcement Zenith would pre-pay freight on all 1977 models.

Sylvania spread GT-Matic through entire line except for 17" leader, and at Las Vegas convention this week will bring GT-Matic II—first "truly automatic" chassis—to all sets 21" & larger (last year, feature started in big-screen line at \$700). Many price points are up, some because of switch from regular to GT-Matic or GT-Matic II chassis, with 17" now starting at \$380 (up \$11), 19" at \$420 (up \$20), consoles at \$600. Dropped are 13" models which presumably will show up later in new versions. All varactor-tuned sets are also out. Line has 35 models, down from 41 in Jan.

Major addition to Sylvania monochrome line is 9" AC-DC at \$130. In 12", 16" & 19", starting prices are up \$10 to \$100, \$130 & \$150. Sylvania added no audio products; new models are expected this fall.

First completely Sylvania-built Philco line also showed some price boosts, 17" starting at \$370 (up \$10), consoles at \$620 (up \$20), with monochrome price points about same as last year. Line is solid-state except for 16" b&w. Color line has 14 models vs. 15 last year; of 17 b&w models, 8 are new.

Toshiba aims to double dollar volume this year, added four 19" color models, with manual & remote varactor tuners at high end, plus new 13" at \$300, down \$30. Full 10-model color line is biggest in Toshiba's U.S. history.

NEW FCC LABEL: Strong industry objection is expected to FCC proposal to amend equipment labeling requirements. Plan calls for label which would carry, in addition to currently-required data, code indicating equipment authorization grantee and actual manufacturer, and product identification number. It would cover all type-approved, type-accepted & certified equipment.

FCC says it will supply 3-character codes for

brand & manufacturer, while product designation can be model or any other number chosen by grantee, not exceeding 11 characters. FCC says brand & manufacturer code lists will be public, and that's where industry will object. Historically, industry defeated every proposal to disclose producers of private-label goods. Comments are due June 10, replies June 21. In related action, FCC is adopting single form for all equipment-authorization requests, replacing 3 now used, effective May 17.

NEW SETS FOR 1977: Here's rundown on new models introduced last week, and due for introduction by RCA & Sylvania this week. Approximate retails on open list models, where not indicated, will be provided when available:

RCA color line starts with 11 open-list XL-100 models (see p. 8), with pricing understood to be down for some as much as \$40. "ColorTrak" 19" starts unchanged at \$480, with step-ups at \$490 & \$500, remote (20-channel) is \$560 (up \$30) & \$570, version with digital 82-channel Control Center is \$700. In 25", line starts with pair of new open-list table models; 3 leader consoles are \$700, step-ups (4) are \$750, also available in 20-channel remote versions at \$825; 4 full consoles are \$825, 5 step-ups are \$925; consoles (4) with Control Centers are \$1,095. B&W starts with 9" at \$100, AC-DC is \$130, AC-DC with battery & accessories is \$165; 12" leader is open, AC-DC is \$150, AC-DC with battery is \$180; 16" is \$160 (up \$10); 19" leader is open, step-up at \$170 is priced same as last year's leader.

Zenith line starts with 13" at \$360 (down \$20), step-ups at \$380 & open, remote version at \$440 (down \$10). New 19" are open, \$460 & \$480; 23" table at \$600 is up \$10, as is open-list console leader (\$630), but all consoles include electronic tuners this year. Steps in consoles are \$650, \$660, \$670 (2 models), \$700 for modern design model & open. Four models with 18-channel remote are \$750 & \$800.

Sylvania color line (prices unchanged except as noted) now starts with 17" at \$380 (up \$11 from Jan. leader), with GT-Matic step-ups at \$400, \$420 (down \$10), one-knob remote \$500. Starting 19" price is up \$20 with GT-Matic at \$420, step-up at \$460 (eliminating former \$430 model), remote at \$550; two GT-Matic II sets are \$500, with single-knob unit at \$520 (down \$10), remote at \$600. Rest of line is GT-Matic II, but some price comparisons are with GT-Matic predecessors: 21" table at \$550 is unchanged, 25" table \$590 (up \$10), remote \$680 (up \$10). Consoles start at \$600 (down \$29), with two at \$620, two at \$650, four at \$680, single-knob unit at \$700 (former GT-Matic II starting point), four at \$730, four remotes \$780, three combinations \$1,195, (up \$100), remote \$1,695.

Monochrome line: New 9" AC-DC \$130, AC 12" at \$100 (up \$10), three at \$105 (up 5), one at \$110 (120 unit is dropped). In 16", leader is \$130 (up \$10 from former hybrid leader), step-up \$140 (up \$10); 19" are \$150 (up \$10) & \$160; 22" table \$200, consoles \$240 & \$250.

Philco color starts again with 15" at \$340, with 17" at \$370 & \$390 (both up \$10), 19" at \$375 (down \$25), \$400 & \$430, 25" table \$550, four consoles \$620 (up \$20), two at \$650 (up \$30), with former \$700 unit eliminated. Combo is \$1,150 (down \$49). Monochrome starts with 8" at \$90, two 9" at \$95 (up \$7) with AC-DC at \$135; 12" at \$100 with new \$105 step-up, three at \$120; 16" hybrids are \$125 & \$135; 19" \$145 & \$160; new 22" series has table at \$200, consoles at \$240 & \$250.

Toshiba's expanded color line starts with carry-over 9" at \$300, new 13" leader is \$300 (down \$30),

with carryover step-ups at \$330 & \$350, 15" continues at \$370, 19" open-list leader is unchanged at about \$400, with step-up at \$430. New 19" full-feature models are \$450 & \$460; high end with 12-channel pushbutton varactor tuner is \$490, same with 3-function remote is \$530. Hold-over b&w line is unchanged with 9" & 12" battery portables at \$110 & \$130, AC-only 12" open (\$100). Also new are cassette deck with Dolby for both recording & FM at \$200, direct-drive automatic turntable at \$200.

Channel Master returns to consumer electronics with all-audio line starting with 5 compact stereos, \$110-\$250; radios are \$15-\$50 for 5 FM-AM portables, FM-AM table \$50, 8-band portable (including CB) \$70, electronic digital FM-AM clock models \$70 & \$80. In tape, battery cassettes are \$40 & \$60, 8-track home record deck \$100, 3 car players \$28-\$55, cassette car player \$90; car radio 8-tracks \$100 & \$150, cassette version \$120. Car CBs with PLL circuits are \$160 & \$180, while scanners are \$110 & \$130 for hand-held 4-channel models, \$170 for 10-channel.

Expanded recall powers were given Consumer Product Safety Commission in bill signed into law last week. Measure lets CPSC have dangerous products removed from distribution through court order, without previously required public hearings. It also establishes, for first time, that CPSC standards supersede state & local requirements. Also, agency has proposed plan for joint study, with UL, of TV accident data, to help determine whether mandatory safety standard is needed for modern sets (Vol. 16:13 p12, et seq.). Plan being considered by UL calls for study of all 700 shock & implosion incidents, sampling of some 600 fire & other cases. CPSC says study will take 8 months, will relate incidents to age & type of set, reason for failure. In fire incidents, study will attempt to determine if set was ignition source and whether consumer abuse or improper servicing was involved.

Audio notes: Sylvania is going rep route with hi-fi component line, removing it from regular distribution channels. Reps have been picked for Cal., Conn., Fla., Mass. & metro N.Y., are being sought for Chicago, Ohio & D.C.-Philadelphia. Pending is brand name change from Sylvania to GTE... **Advent** offers its first audio receiver, at about \$260... **Nakamichi & ADS** combined to produce first hi-fi auto stereo, at hi-fi (\$700) price. It includes full-feature Nakamichi cassette player deck at \$275, 2 ADS speakers with built-in amplifiers at \$395, AC adaptor for in-home use at \$30.

Advent's new consumer projection TV set, to be introduced at CES, will sell for \$2,495. The 3-lens unit has 6-ft. (diagonal) screen of Advent design vs. 7 ft. Ektalite screen with Advent's \$3,995 VideoBeam. Electrohome will market unit under own name in Canada, Pres. J.A. Pollock indicated at stockholders meeting last week. Electrohome will manufacture chassis for Advent. In issuing results for fiscal 1976, Advent said VideoBeam sales rose 226% to just under \$10.8 million, while audio equipment sales were up 1% to \$13.5 million.

GAME SPECS—FCC GETS TOUGH: Two video games—including new First Dimension model—were rejected by FCC labs last week, and spokesman indicated others waiting to be tested under Class I rules could be in trouble. "We're finding that many just aren't doing their homework. There is a test procedure set down by us, and they aren't following it."

Primary goal of FCC tests is keeping game signal from being fed to TV antenna and creating interference. FCC wouldn't comment specifically on deficiencies in games rejected (name of 2nd game is being withheld until firm can be notified), but problem in general involves RF output of game at isolation switch box. Mean values of game output measured at set antenna terminal and at TV antenna input are compared, and difference should be 60 db or greater. "We're getting some as low as 48 db," spokesman said, "and we can't approve that under Class I." FCC hasn't yet approved any game on first submission, he said, adding that initial filing fee is \$1,500, \$1,125 for subsequent filings.

Some games are making it through tests. Latest is Coleco, which received FCC clearance for 2 Telstar 3-game models (\$70 leader, \$80 step-up with AC adapter, wood cabinet). Others on FCC test list: Phoenix International ("Video Sports," 4 games, \$80 through U.S. subsidiary, Tokyo Phoenix), IEA (Weber Electronics, Canada, "Teletainment," 7 games, \$80 in Canada), Microelectronics ("Ricochet," 4 games, \$100), Radio Shack (2 models, 4 games, under \$100), Electronic Resources (Hong Kong), APF, Atari, Entex, Video Master (through U.S. agent American Consumer Electronics), Telegames, Unisonic.

Applications from Lloyd's, Enterprex & Phone-Mate have been submitted to FCC, haven't reached labs yet. National Semiconductor says new color 3-game "Adversary" will be submitted in mid-June, retail at \$99. Gran Prix says plans to enter market (Vol. 16:2 p11) were dropped because of production problems.

Sears instigated talks which led to Sanyo's agreement to acquire Whirlpool's 57% interest in Warwick's TV business (Vol. 16:18 p8), according to Japan Economic Journal, which says Sanyo's first proposal was to provide technological assistance to troubled Warwick. Both Warwick & Sanyo supply Sears with color TV. Sanyo's decision to buy Warwick stemmed from fear that International Trade Commission's wide-ranging probe into U.S. business practices of Japanese TV firms could lead to import controls, jeopardize Sanyo's plan to sell nearly million color sets here this year, double 1975 volume, JEJ says. Warwick's dwindling TV fortunes are shown in 10-K filing with SEC, reporting 1975 TV sales to Sears of \$68 million, vs. \$142.1 million in 1974, \$148.7 million in 1973, \$135.8 million in 1972, \$124.9 million in 1971. Filing confirms our report Warwick has lost all color portable business, says it expects no significant production in 2nd half this year.

CBS Records adopts single inventory policy for future Masterwork disc releases. CBS will issue records either in stereo or SQ 4-channel, but not both. Last year, EMI & Angel Records made similar move.

SYLVANIA WORLDWIDE: Sylvania last week confirmed our report of 2 weeks ago that it's establishing worldwide Consumer Electronics Business Group, uniting all CE & component activity, pulling foreign enterprises out of GT&E International (GTEI) (Vol. 16:18 p14). Title of group pres. goes to George Konkol, formerly Entertainment Group sr. vp, who will hq in Stamford, Conn. Alfred Viebranz continues as Electronic Components Group sr. vp, reporting to Konkol. Successor to Konkol in Entertainment Group hasn't yet been picked, but probably will be named from outside Sylvania. Hermann Moessner continues as managing dir. of European Consumer Electronics Group, reporting to Konkol.

Former GTEI properties which go into new group include TV manufacturers Fleetwood of Canada & Saba of Germany. TV & audio products are also made in Latin America, Caribbean & Far East. Sylvania's Taiwan TV plant has been under Entertainment Products Group since its purchase from Ford, was never part of GTEI. Picture tubes are made in Europe & Latin America.

Sylvania hopes to realize advantages of closer contacts among its consumer electronics & component operations, including pooling of engineering, greater leverage in purchasing, general interchange of ideas. Not mentioned in release is fact that new arrangement eliminates layer of telephone-company bureaucracy from communication among manufacturing segments of company.

Consumer electronics & components were weakest segments of Sylvania's \$1.22-billion domestic business and GTEI's \$1.04-billion business in 1975. In case such adversity continues, new setup would make it easy to spin off these operations—although Sylvania spokesman told us that certainly was not consideration in the change.

FEA ENERGY GOAL: Federal Energy Administration proposal that efficiency of TV be improved by as much as 94% by 1980 over 1972 had industry members shaking heads in disbelief over weekend. Proposal in May 14 Federal Register said goal is to improve efficiency of b&w 92%-94%, color 50%-80%. Industry had expected FEA would follow targets of 48% for b&w, 42% for color, set by Bureau of Standards last year, before FEA was given authority.

Goals for TV are highest of any in appliance list released by FEA. Maximum improvement sought for other key items: Refrigerators & freezers 40%, dishwashers 40%, dryers 20%, water heaters 35%, air conditioners 40%, ranges & ovens 50%, washers 50%. FEA says it expects TV industry can meet target through solid-state design and eliminating instant-on. FEA said it will hold hearing on TV May 28, set May 18 deadline for appearance requests.

Sony received its 2nd Emmy—this time for development of U-matic videocassette system. Sony's first, in 1973, was for Trinitron tube.

ITA moves hq June 1 from Tucson to 10 W. 66th St., N.Y. 10023. ITA's 7th Annual Audio-Video Seminar is April 3-6, Hilton Head, S.C.

Trade Personals

Wesley Wood resigns as Admiral special projects vp, plans unannounced... **Jack Tweedale**, ex-RCA N. Y. district mgr., named Toshiba NE mgr... **Walter Buller** appointed Sony Canada controller; **Doug Johnson** & **Marnix Van Gemert** named product mgrs... **Jarrell Lester** named Fuji Film Video Tape Div. Mid-Atlantic sales mgr... **Roy Wright** joins Conrac Turner Div. as CB products mgr.

Ben Jacoby shifts at RCA Semiconductor from mktg. vp to systems & services strategic planning vp, duties assumed by Vp **Richard Santilli**, who assumes new responsibility for worldwide sales & mktg. plus international operations; **Edward Troy**, former mgmt. systems & services vp, replaces Santilli as vp-bipolar ICs... **Guy Entrekin** advanced at Bourns from exec. vp to pres., succeeding **Marlan Bourns**, who continues as chmn... **John Buchholz** & **Robert Meinicke** resign as pres. & mktg. vp, **Bunker Ramo Industrial Div.**; **Govert Bassett** named mktg. mgr. of new Consumer & Instrumentation Group; **Richard Parissidi** named to same post with new Business Equipment Group... **Robert Smith** appointed West dist. mgr. for Sylvania Parts Div. Connector Products.

Keizo Takami becomes Toshiba chmn. June 30, succeeding **Toshio Doko**, who becomes counselor, continues on board; **Kazuo Iwata** moves from exec. vp to pres., succeeding Takami... **George Hawthorne**, ex-Newcraft, joins JVC Industries (video equipment) as national sales mgr.

George Nichols, DeSoto pres., adds post of chmn., succeeding **Bernard Malm**, retiring June 30... **Bernhard Plettner**, Siemens pres., adds duties as chmn. of U.S. subsidiary, succeeding **J. Sterling Bunnell**, who remains on board... **Carl Martens**, ex-Motorola, joins Varian as international mktg. mgr. of subsidiary Communications Transistor Corp... **Jack Miller**, ex-Motorola Semiconductor, joins Lansdale Transistor & Electronics as vp-gen. mgr. with responsibility for germanium power transistor business Lansdale bought from Motorola.

Frank Schwartz, American Videonetics pres., appointed corp. services vp for parent Omron Corp. of America; **Andrew Frantzen** promoted from Calculator Div. mktg. mgr. to Consumer Products Div. vp... **Arch Martin**, ex-Sprague, named AVX national account mgr., EDP; **Michael Trubowitsch**, ex-Siemens, joins as eastern sales mgr., succeeding **Robert Boughrum**, now national sales mgr.

Canada's living costs rose 9% in year to March 31, but consumer electronics remained bargains, according to Statistics Canada report showing TV prices rose just 0.3%, while stereo combinations sold for 4.1% less. In contrast, cost of repairing TV jumped 11.6%. Over last 5 years, SC said, TV prices have dropped 11.4% while repair costs soared 60.5%.

Calculations in fractions can be handled on \$25 calculator offered by Casio. Unit also figures square roots, shows whole number remainders in division, operates in "base-6" mode for problems dealing with time or angles, computes standard deviations.

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
Doyle Dane Bernbach			
1976-qtr. to March 31	13,130,000	706,000 ^a	.39
1975-qtr. to March 31	12,009,000	283,000	.16
Electrohome			
1976-qtr. to March 26	21,206,000	(268,000)	--
1975-qtr. to March 28	19,000,000	(1,202,000)	--
Foote, Cone & Belding Communications			
1976-qtr. to March 31	14,369,000	599,000	.26
1975-qtr. to March 31	12,439,000	173,000	.08
Gladding			
1976-6 mo. to March 31	39,290,000	4,298,000 ^a	1.23
1975-6 mo. to March 31	29,754,000	(168,000)	--
ITT			
1976-qtr. to March 31	2,693,240,000	119,292,000	.96
1975-qtr. to March 31	2,638,167,000	106,614,000	.86
Koss			
1976-9 mo. to March 31	14,502,742 ^b	1,120,772	.66
1975-9 mo. to March 31	12,130,451 ^b	843,984	.50
1976-qtr. to March 31	4,659,067 ^b	414,215	.24
1975-qtr. to March 31	4,085,688 ^b	376,217	.22
Lafayette Radio & Electronics			
1976-9 mo. to March 31	74,828,733	2,143,561	.98
1975-9 mo. to March 31	69,046,197	1,636,384	.70
1976-qtr. to March 31	25,677,604	818,095	.38
1975-qtr. to March 31	22,023,351	496,738	.21
MCA			
1976-qtr. to March 31	217,119,000	23,886,000	2.74
1975-qtr. to March 31 ^c	175,211,000	15,376,000	1.78
Movielab			
1976-qtr. to March 27	6,132,921	221,758 ^a	.16
1975-qtr. to March 31	5,393,047	184,001 ^a	.13
Oak Industries			
1976-qtr. to March 31	35,673,286	774,477	.42
1975-qtr. to March 31	26,572,598	214,608	.08
Philips NV ^d			
1976-qtr. to March 31	2,563,300,000	38,500,000	--
1975-qtr. to March 31	2,141,400,000	22,200,000	--
SBE			
1976-6 mo. to April 30	16,735,000	1,524,000	1.66
1975-6 mo. to April 30	5,402,000	462,000	.60
1976-qtr. to April 30	9,552,000	902,000	.90
1975-qtr. to April 30	3,320,000	272,000	.35
Sonderling Bcstg.			
1976-qtr. to March 31	5,934,000	189,000	.26
1975-qtr. to March 31	5,399,000	93,000	.13
Teleprompter			
1976-qtr. to March 31	26,135,000	(1,135,000)	--
1975-qtr. to March 31 ^c	23,012,000	(1,697,000)	--
J. Walter Thompson			
1976-qtr. to March 31	30,757,000	(702,000)	--
1975-qtr. to March 31	30,080,000	(716,000)	--
Vikoa			
1976-qtr. to March 31	2,360,000	132,000 ^a	.05
1975-qtr. to March 31	2,227,000	(151,000)	--

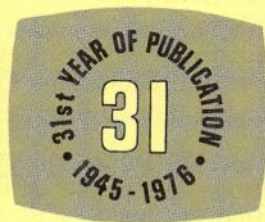
Notes: ^aIncludes special credit. ^bShipments. ^cRestated. ^dAt guildler's current rate.

"Congratulations on your new CB license," says first line of recent mailing from Popular Electronics, solicitation letter apparently based on FCC license approval list. FCC spokesman says computer tapes containing information can be purchased from National Technical Information Service of Commerce Dept., or compiled from FCC files at no charge other than those involving FCC personnel.

WEEKLY

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MAY 24, 1976

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

AGREEMENT FAILS, FV TRIAL concludes with broadcasters' testimony. Plaintiffs seeking \$300,000 each, plus expenses, from networks, NAB. Judge says he won't 'overturn' FV. (P. 1)

CABLE HEARING—NO CONSENSUS: Repetition of well-known views, as Van Deerlin begins long hearing. This week: 'Midnight Blue,' Taylor, Erlick, Land, Newman, Lindow, Jones. (P. 2)

5 MIN. NOT 'REASONABLE' access for presidential candidates, FCC tells KGW-TV in 'precedent-setting' decision. Station sells Church, Brown 30 min., Carter two 5-min. segments. (P. 4)

WIBW RENEWED AS JD loses anti-competitive plea on newspaper ownership. Action portends FCC action on similar petitions. (P. 4)

COPYRIGHT NEARS FINALE: NAB wins point on economic impact as Subcommittee completes Sec. 111 markup. Rate increased from 0.6% to 0.675% in 2 provisions. Limitations on Mexican & Canadian imports. (P. 5)

BLACKOUT COMPROMISE REACHED by deadlocked House-Senate conferees. Staggers & Van Deerlin apologize to Pastore. NFL data show no adverse impact on football in 1975. (P. 6)

FCC-FTC PANELS ON TV drug ads produce sharp disagreements. Most feel more research needed. Sturm says 'jury still out.' (P. 6)

AGREEMENT FAILS, FV TESTIMONY ENDS: Despite prodding by federal judge—who had suggested his own solution (Vol. 16:20 p1)—plaintiffs (WGAW & Tandem Productions) & defendants (networks, NAB, FCC) failed to reach settlement May 18 in family viewing (FV) suit. Appearances by 3 broadcasters next 2 days completed testimony.

Any hopes for agreement fell apart when WGAW & Tandem demanded \$300,000 each, plus expenses, plus abolishment of TV Code. Judge Warren Ferguson told plaintiffs that, under any agreement with broadcasters, suit against FCC must be dismissed even though Commission hadn't participated in discussions among other defendants. Judge reportedly also said several times during talks in his chambers that he wasn't going to "overturn" FV.

Before meeting with plaintiffs, broadcasters had hammered out tentative agreement—although not all agreed with all points. They were concerned particularly with section on informal communications between industry & commissioners, expressing fear it could stop "the normal day-to-day way of doing business with the FCC." There also were sections on future broadcaster consultation with special interest groups & public, licensee programming responsi-

Consumer Electronics

RCA SELLING DIRECT to national chains under new program which reimburses distributors. Company believed to have at least 3 separate TV lines. Zenith freight-equalization policy studied by others. (P. 8)

LASER VIDEODISC system which can record as well as play back developed by Canadian engineer using 2-mW laser, new plastic. Japanese firm claims low-cost optical disc pickup. (P. 9)

'AUTOMATIC COLOR' is new battleground, with GE, RCA & Sylvania plugging different versions. GE color prices up \$10-\$20 on most models. Highlights of set maker conventions. (Pp. 9 & 13)

4 MORE GAMES FAIL FCC tests, giving industry jitters over fall marketing plans. Commission says firms don't understand test procedure; one producer says FCC doesn't understand industry. (P. 10)

RCA ENTERING GAME market this year through Distributor Div. Heath to introduce kit. Universal Research & Fairchild outline new games. Magnavox reveals licensing details. (P. 12)

HOBBYISTS PROTEST plan to eliminate Class C service from CB band. FCC says application pace may be slowing. Wiley on interference. (P. 12)

WATCH-MARKET SHARES estimated by William D. Witter Inc. show Hughes as No. 1 in watch-plus-module market for 1975, but National Semiconductor seen taking over first place in 1976. (P. 13)

bilities, commitments of Code subscribers, among others. If FV stayed, then plaintiffs wanted "explicit language" specifying that Code subscriber had obligation to violate Code in certain instances; "does this mean he would have to get out of Code?" defendant wondered aloud.

We were told by both sides that there's still "slim hope" for settlement and that negotiations are expected to continue. Representative of plaintiffs said that, despite judge's statements that he wouldn't rule in favor of them, "a very good record has been built for any appellate proceedings... The judge could well rule that [FCC Chmn.] Wiley's talks with the networks were improper without throwing out family viewing... It'll be very difficult for the judge to rule that what Wiley did was proper."

Trial ended May 20 with testimony from NAB Chmn. Wilson Wearn, ex-Code Chmn. Wayne Kearl (chmn. when FV was adopted in March 1975) & Code Board member Wallace Jorgenson. Judge ordered briefs submitted in month, oral argument July 15-16.

CABLE HEARINGS—NO CONSENSUS: Each side thought it got in many good licks, while its opponents looked bad, during first week of cable hearing by Rep. Van Deerlin's Communications Subcommittee. But there was very little new. Sole surprising development was strong enthusiasm of Rep. Frey (R-Fla.) for same-market station-cable cross-ownership—long ago banned by FCC. NAB & NCTA evidently agree on that one—but didn't say much, in obvious recognition that Commission is unlikely to reverse itself.

Four days of hearing this week include an audience grabber—screening of sex-oriented "Midnight Blue," recently removed from Manhattan Cable, courtesy of Rep. Murphy (D-N. Y.), who claimed credit for getting it knocked off (Vol. 16:20 p4). Also scheduled this week: CBS Pres. Arthur Taylor; ABC Senior Vp Everett Erlick (NBC won't testify), INTV Pres. Herman Land, NATO Chmn. Martin Newman, AMST Exec. Dir. Lester Lindow, Manhattan Cable Vp Charlotte Jones.

Changes in FCC's regulatory attitude, rather than in Communications Act, were advocated by ex-FCC Chmn. Dean Burch. He suggested FCC adopt attitude of "healthy cynicism" toward broadcasters' fears of economic disaster, experiment with laissez-faire approach. He said, Congress should retain role of "overseer, rather than innovator" on cable, because it "would be a difficult arena to thrash out the unique problems faced daily by the FCC." Of FCC's pay-cable rules, he said: "I doubt that they accomplish anything... I don't think there is any logic in them, and I don't doubt that the Commission itself will make some changes in them."

Former OTP Dir. Clay Whitehead said cable legislation is needed to guarantee freedom of the press against power of govt., business and media itself. "Today, freedom of the press cannot be just allowed," he said. "It must be enacted." He said that "to treat cable as merely a multi-channel broadcaster—which the FCC is obliged to do because of the wording of the Communications Act—would be a great tragedy... Our communications future is being decided narrowly in boardrooms and closed meeting rooms. The only hope is to move the decision-making process into the hearing room."

Rep. Moore (R-La.) criticized all witnesses who advocated cable deregulation while requiring fairness doctrine, ascertainment, equal time, etc., for conventional broadcasters. "I don't think it would be unfair at all," Whitehead responded. "We do not levy public service requirements on movie fan magazines... There is no rationale for regulating cable in the same way as broadcasting." Commented Rep. Moore: "I think we're living in a dream world if we think the Congress is going to enact a law that will allow us to watch anything we want."

"Central truth" of cable-broadcast "competition," according to NAB Pres. Vincent Wasilewski, is "that cable could not operate without broadcast signals." He said that if broadcaster "is going to be made to compete with unlimited imported signals, we do not believe the case is overstated when we say we fear for his survival." As for legislation, he said none was needed "as long as the FCC pursues its present course."

"We love the broadcasters," CATA Pres. Kyle Moore told congressmen, but his feeling apparently doesn't extend to FCC, which he criticized as "bureaucracy gone wild." Among regulations which hurt cable, he said, are earth station standards (large dishes) which he claims would

prevent small & rural systems from obtaining pay TV; FCC administrative burden; limits on distant signals. "I know no station that has ever gone off the air because of distant signal importation," Moore said. CATA Gen. Counsel Richard Brown advocated "failing station" doctrine—giving station protection if it's going under. He said that 10-15% loss in revenues might be "workable" definition of "failing."

NCTA Pres. Robert Schmidt sought even stronger pro-cable regulation. He said that 15-20% reduction in station's profit margin, even if entirely due to cable, "would not constitute sound public policy grounds for limiting cable growth. The paramount consideration must be service to the public." NCTA Chmn. Burt Harris took harder line: "Why should we be regulated in the public interest any more than a newspaper or a shoe store?" "But you are inextricably linked to broadcasting," commented Chmn. Van Deerlin (D-Cal.). "You are an extension of a regulated industry." Replied Harris: "We are linked only by microwaves."

Attempts by panel members to pinpoint present or potential economic harm to broadcasters were largely unsuccessful. Wasilewski said siphoning and audience fractionalization—with resultant loss of revenues—were biggest dangers, yet cited no specifics. Rep. Wirth (D-Colo.) noted that Flagstaff market experienced "serious fractionalization," yet had 400% increase in broadcast revenues 1970-1974. Schmidt said Bakersfield market exhibited similar result. Harris said that relationship between audience fractionalization & revenue loss is "only theoretical at the moment because local advertisers have no place else to go, so they still spend their dollars on the local TV station."

In his discussion of station-cable relations, Frey joked: "If we get 100% cross-ownership, the Committee obviously is going to adjourn." [Next day, in address to Iowa Bcstrs. Assn., Frey went further: "You have the technological skills and capital resources to make broadcasting & cable complementary rather than competitive... There is common ground. Let's make the most of it."] Whitehead also said he would favor dropping cross-ownership bars, but only if cable would be pure distributor, leaving programming to others.

In other testimony: (1) Rand's Leland Johnson said UHF improvement would "overwhelm" effects of cable, warned analysts "to be suspicious of UHF independents which claim to be losing money... year after year yet remain on the air." (2) CBS Vp-Chief Economist David Blank disputed predictions that cable will program to minority tastes. "People want event TV. They want the latest movies... The evidence is quite clear that it is going to be very difficult to generate an audience for the Metropolitan Opera that will pay its own way." He said current FCC rules already allow cable to do what it wants.

(3) Rice U. Economics Professor Stanley Besen argued that FCC restrictions on cable are misapplied, being most stringent in top-50 markets "where cable's effect is likely to be smallest." (4) Rand's William Lucas said 2-way cable system such as in Spartanburg experiment is "both hard to implement and hard to maintain, and I doubt that you will see this type of project appear many places in the nation in the current regulatory environment." (5) Despite occasional abuse of access channels, such as obscene programming, access should continue to be provided free, according to U.S. Catholic Conference's Rev. George Byrne & Madison, Wis. city official Merry Sue Smoller.

Nearing end of govt. service, OTP Acting Dir.

John Eger summed up views in address to Ohio Assn. of Bcstrs.: "The normal restraints... between broadcaster & listener are really all we need to ensure fairness, good taste or any other factor government may feel constrained to regulate. That is the lesson I've learned... after 5 long years of close-up concentration... And all my experience boils down to one simple word, the word with which we began 200 years ago. And the word is freedom."

Deadline for comments on FCC radio networking rules has been extended to July 9, at request of NBC & ABC; replies are due Aug. 6.

Rulemaking to allow TV stations to use circular polarization (CP) (now limited to FM) has been issued by FCC. TV has been limited to horizontal polarization since standards were adopted in 1941. ABC conducted highly successful test on WLS-TV Chicago, showing that CP didn't increase interference, did minimize such problems as ghosts & spotty coverage. Comments are due June 24, replies July 6.

Free TV time for non-profit "community organizations" is goal of rulemaking petition filed at FCC by 4 religious groups and 79 "individual church communicators." Groups ask that "community service" be added to program categories in renewal form.

5 MIN. NOT 'REASONABLE'—FCC: In what was termed "a potentially very important" decision by one commissioner and a "precedent" by many lawyers, FCC last week ruled station isn't providing "reasonable access" when it refuses to sell presidential candidates time in more than 5 min. segments. Ruling came on complaint by Sen. Church (D-Ida.) against KGW-TV Portland, Ore.—which had refused to sell candidate 30 min., offered instead two 5-min. periods.

Commission, in 5-2 decision (Wiley & Reid dissenting, Quello concurring after arguing against majority in meeting), was careful not to say that 30 min. would be required to comply with "reasonable access" provision of Sec. 312(A) of Communications Act—added in 1971—but KGW-TV immediately sold Church and Cal. Gov. Brown (D) 30 min. prime time, back-to-back, May 24, night before Ore. primary. (Democratic candidate Jimmy Carter settled for two 5-min. programs.) Many lawyers & Washington observers now expect 30 min. to become "reasonable" standard, particularly since stations are loathe to sell 15-min. segments.

Church also has complaint pending at FCC against networks—held in abeyance at his request—which have refused to sell him 30 min. KGW-TV case "tips FCC's hand" on how it'll rule on that one if occasion ever arises, several sources predict. Added Comr. Washburn, in Minneapolis speech May 20: "It is my opinion that in order for the networks to live up to the spirit of the reasonable access standard, they should be willing to sell half-hour time periods to candidates."

In limiting political sales to 5 min. (before nominating conventions), CBS maintains presidential candidates are running in state elections—not nationally. State primaries end June 8, and Commission lawyers pointed out that all remaining candidates after primaries end would be "national" until Democratic candidate is picked at July convention. "Their argument will be shot to hell if Church wants to pursue it," we were told.

Veteran Washington lawyer said KGW-TV ruling "reverses prior decisions [and] is consistent with the same type of crazy ruling in the WGN case" (Vol. 16:10 p5). Noting there are 11 presidential candidates in Ore. primaries, KGW-TV spokesman (and others) said biggest problem for stations under ruling is to have enough time available during week before election to meet equal-time demands. Added Comr. Robinson: "I don't know where we'll go from here in terms of precedent."

Agencies such as FCC, which are required by statute to regulate "in the public interest," aren't required to demand that companies they regulate adopt affirmative action programs to combat employment discrimination, according to Supreme Court. In 8-0 decision (Justice Marshall not participating), Court held that FPC and similar agencies have power to "take into account... evidence that the regulatee is a demonstrated discriminator" but rejected NAACP demand that non-discrimination be required. Court held that "public interest" requirement applies to each agency's statutory purpose and not to other "important national goals."

JD LOSES WIBW RENEWAL CASE: Saying it already had decided issues involved—in Jan. 1975 cross-ownership decision (Vol. 15:5 p3)—FCC last week dismissed Justice Dept. (JD) petition to deny renewals of WIBW-TV-AM-FM Topeka because JD "failed to raise any substantial or material questions of fact." It's clear that Topeka isn't "a community to which our divestiture rules should apply," FCC said.

JD had sought non-renewal because WIBW stations are owned by Stauffer Publications, which also owns city's only daily newspapers—thus causing monopoly in advertising & news, JD claimed. Countered FCC: "Nothing in the record... indicated that Stauffer has acted... in such a manner as to preclude or inhibit competition... In fact... further diversity is not only possible but imminent" through activation of 2nd commercial UHF. Concurring in unanimous decision, Comr. Robinson said JD petition had "considerable merit [and] fortifies my belief that the Commission's refusal to break up existing concentrations permits a serious problem to go uncorrected."

WIBW protest was first of several such JD petitions pending before Commission (Vol. 16:19 p6) and obviously portends way agency will act on others, we're told. Topeka was considered "just about the worst situation," FCC official said, because VHF WIBW-TV has only one UHF competitor while all other outlets facing similar petitions have VHF competitors.

Pro-nuclear-power spots aired in 1974 violated fairness doctrine, FCC told 8 Cal. radio stations—KFOG San Francisco, KFRE Fresno, KFYV Arroyo Grande, KMBY Monterey, KRED Eureka, KRPY Sacramento, KSMA Santa Maria, KSRO Santa Rosa—last week in unanimous decision with 4 concurrences. Spots were sponsored by Pacific Gas & Electric, and Commission found they presented only one side of important controversial issue and that stations hadn't aired other side adequately. Substantial amounts of pro-nuclear programming also were aired by all 8. FCC ordered stations to state within 10 days how they plan to meet fairness obligations. At same time, Commission cleared 4 stations—KATY San Luis Obispo, KJOY Stockton, KPAY Chico, KVON Napa—of unfairness on nuclear programming, and said it needed more information before ruling on complaint against KUZZ Bakersfield.

"Very good full year" was predicted by ABC Chmn. Leonard Goldenson in annual meeting last week, and he said 2nd quarter will be "a very strong one." Most of his statement stressed news, noting that ABC's news budget had increased tenfold in 10 years. As for Barbara Walters and her \$1 million salary, he said that one point increase in Evening News ratings would pay her salary plus "handsome return." Pres. Elton Rule said ABC-TV this year will "considerably outperform" the 13% increase expected for 3 networks combined. He said ABC Radio, which set records last year, "should do even better in the rebounding economy of 1976," said company seeks an AM & an FM station to reach ceiling of 7 each.

NAB's Hundred-Plus Markets TV Committee meets May 24 with FCC.

COPYRIGHT NEARS FINALE: Broadcasters won a point in cable copyright last week as House Copyright Subcommittee completed markup of Sec. 111—but NCTA vowed to battle NAB-sponsored amendment down to final wire.

Rep. Railsback (R-Ill.) introduced NAB-originated amendment which would require Royalty Tribunal, when considering changing fees if FCC increases number of distant signals that CATV may import, to weigh impact of such signals on economics of broadcasting. This means that Tribunal, theoretically, could increase royalty rates on such distant signals so much that cable systems couldn't afford to import them.

Subcommittee voted 6-1 on amendment, only Wiggins (R-Cal.) opposed. He said amendment introduces communications-policy issue, trespassing on Communications Subcommittee's grounds.

Subcommittee also gave to group-system owners with one hand, took with the other. It changed fee schedule for systems grossing between \$80,000 & \$160,000 each 6 months to eliminate exception for MSOs. This elimination permits small systems owned by MSOs to pay same low rate as those individually owned.

But to make up for revenues lost that way, Subcommittee turned around and increased from 0.6% to 0.675% the rate paid by systems importing no signals and from 0.6% to 0.675% the rate for "the first distant-signal equivalent." NCTA & MPAA had agreed to this in advance, and CATA went along with it. Representative of one MSO at hearing said "we lose a little by the change."

NAB is hopeful of winning—when Subcommittee comes to penalty section of bill—amendment suspending for up to 30 days a compulsory license for system willfully altering broadcast signal.

Subcommittee also voted geographical limits to compulsory license for systems using Canadian & Mexican signals. For Canada, it's 42nd parallel or 150 miles of border, whichever is closer; for Mexico, it's 230 miles of border. It's understood MPAA was behind this, fearful of letting foreign copyright owners get too much of U.S. royalty pie.

Poll of about 350 members of Congress by Rep. Pepper (D-Fla.)—member of House Bcstg. Subcommittee—found that all but "a little over a hundred" favor broadcasting House proceedings, according to House official. Poll gave Subcommittee hope it can move resolution through House Rules Committee (Vol. 16:13 p10). Subcommittee probably will leave to Rules Committee & House members choice of coverage: Broadcast pool, public broadcasting, or in-house operation.

John Bankson of Hamel, Park, McCabe & Saunders was elected FCBA pres. in first mail balloting—which more than doubled customary number of votes. He succeeds Reed Miller of Arnold & Porter, takes office at June 22 annual meeting. Edgar Holtz, Hogan & Hartson, was elected vp (2nd vp post was dropped); Lois Siegel Schwartz, secy.; Carl Ramey, McKenna, Wilkinson & Kittner, treas.

NAB Exec. Committee actions: (1) Voted to pay family viewing court costs (see p. 1) from \$209,881 TV Code surplus. (2) "While we have no wish to prevent passage of a copyright bill in this Congress, we will oppose any legislation" which doesn't adequately protect TV stations against distant signals & pay-TV siphoning and which incorporates performance fees. (3) Adopted in-house affirmative action statement on employment. (4) Approved NAB seminar for minority owners. (5) Changed fall conference format to afternoon first day, morning 2nd day, so only one night would have to be spent in hotel. (6) Subject to Board approval, June 26-July 1, 1977 meetings will be held in Williamsburg, Va., since 1977 convention is in Washington. Last summer board meeting outside Washington was in Williamsburg in 1967, when late Grover Cobb was elected chmn. (Vol. 7:27 p1).

"I did concur" in CBS decision to suspend him from all reporting duties following leak of House Intelligence Committee report (Vol. 16:8 p2, et seq.), Daniel Schorr told Sigma Delta Chi Washington dinner last week. "I wouldn't have thought of it myself, but we did sit down and concur... No coalition has ever been formed without somebody swallowing and making some concessions." Will he ever return to CBS as reporter if given opportunity? "My withdrawal from daily reporting has been less painful than I thought," he responded. "People change, and I am not foreclosing what I will be thinking when this period will be over."

Renewal of WFAA-TV Dallas, over competitor WADECO, has been recommended by FCC Judge John Conlin—who found latter "too casual in its filings with the Commission and [it] simply did not take seriously enough the representations it was making or required to make [creating] serious misgivings regarding WADECO's reliability." Judge added that WFAA-TV "presents an extraordinary combination of continuity & experience and [has] a proven record of superior past performance," that its record "seemed exemplary."

Access to network pool coverage of national political conventions again was denied PBS by 3 networks. PBS requested that pool coverage be provided free; networks asked PBS to share costs. Meanwhile, CBS News also rejected PBS request to rebroadcast CBS Reports documentary, "Inside Public TV." CBS News wrote PBS that it "should not find itself in the position of acting as a supplier of documentaries and other broadcasts of current interest to PBS."

FCC has refused to disqualify Pierson, Ball & Dowd as legal counsel for WNAC-TV Boston in lengthy renewal fight against 2 competitors—one of which, Community Bcstg., had sought disqualification because ex-FCC Chmn. Dean Burch now is member of firm. WNAC-TV holds favorable 1974 initial decision; Commission ordered oral argument June 24.

Fine of \$200 has been levied by FCC on ATC Ohio subsidiary, Delaware Cable, for using unauthorized frequency on 2 CARS stations to relay WJW-TV Cleveland. Penalty may be first assessed against a CARS operation.

BLACKOUT COMPROMISE REACHED: House-Senate conferees, deadlocked for 4-1/2 months over sports anti-blackout bill, finally compromised last week. Conference was marked by demand by Sen. Pastore (D-R. I.) for apology from House members for insinuating that he had made "a private deal" with NFL Comr. Pete Rozelle (Vol. 16:18 p2). Reps. Staggers (D-W. Va.) & Van Deerlin (D-Cal.) subsequently apologized, paving way for: (1) Permanent extension of blackout, instead of 3 years favored by Pastore. (2) Setting limit at 90 miles instead of 75 proposed by Frey—from border of home team's hometown, for one-year trial.

Final approval of compromise was delayed at Sen. Magnuson's (D-Wash.) request until submission of FCC's 3rd annual report on bill's impact on professional sports, expected by June 10. Though Magnuson denied he was trying to stall bill, he is opposed to bill's permanent extension, would be bolstered by any finding by FCC of adverse impact. However, Magnuson will be disappointed. According to NFL data we've obtained, bill hasn't harmed professional football. In 3rd year of blackout, average number of "no-shows" at locally-televised games was down about 36% from year before (4,047 in 1975 vs. 6,413 in 1974), while average number of "no-shows" at blacked-out games was down about 7% (5,520 vs. 5,965 year earlier). At same time, ticket prices rose 15% (from \$7.62 average in 1974 to \$8.70 in 1975) while number of games televised locally fell from 86 to 75.

■
Among NAB TV Code actions: (1) Rejected Jock Itch product. (2) Rejected on-air test of Massengill Douche. (3) Said Fleet Enema is OK but must meet "appropriate time & copy standards." (4) Referred fireworks ad, proposed for "safety-oriented commercials," to children's committee for study. (5) Referred to committee "gratuitous identification" of products during TV sports. (6) Left up to individual stations ads for women's health services—family planning, examinations, abortion, etc. (7) Rejected cigaret-paper ads. Recent Radio Code Board meeting decided to poll national organizations for views on contraceptive ads, approved new guidelines for beer & wine commercials, affirmed rejection of cigaret-paper spots, emphasized that Code language on record lyrics should continue to be enforced.

New Radio Hall of Fame will recognize "people from any phase of radio broadcasting who have made a significant contribution to the industry," according to criteria recommended by NAB Radio Information Committee. NAB Radio Board will set qualifications at June meeting in Washington; first will be inducted at 1977 NAB convention in Washington.

Ascertainment surveys by non-station personnel were approved by FCC for WCIA Champaign & WMBD-TV-AM-FM Peoria. Commission said licensee demonstrated competence of surveyors who work under stations' supervision.

Among participants in NBEA convention, June 9-11, Washington: Sens. Humphrey (D-Minn.), Muskie (D-Me.), Kennedy (D-Mass.), Rep. Hays (D-O.), several Cabinet officials.

FCC-FTC panels on TV drug ads last week produced sharp disagreements over whether they have adverse impact on children. "I don't know what kind of studies we have to have to wake us up to the fact that they're harmful," said Mass. Atty. Gen. Francis Bellotti to repeated contentions that more research is needed (although most panelists agreed that such is case). Failure to recognize TV ads as contributing factor in misuse of drugs is "frankly foolish," said Barbara Fowles of TV program "Electric Co." CBS's Philip Harding countered that FDA & CPSC records offer "no evidence" that TV commercials are harmful. "Children don't need TV advertising to tell them how to hurt themselves... They do so quite readily with products rarely, if ever, advertised on TV." Proprietary Assn. Pres. James Cope said drug misuse is "totally unrelated to... TV advertising," called such charges "threadbare theories." John Sturm, member of FCC task force, said after panels that "the jury is still out on any kind of causal relationship" between TV & children's usage of drugs but that he "leans toward the direction that there is none... I don't see any role for the FCC on the basis of what I heard for a day and a half," that if there's a problem, it should be solved through self-regulation. Commented broadcaster: "It's a solution in search of a problem because there's no problem."

NABET members were voting at week's end on 4-year contract with NBC providing 33% wage increase. Union was expected to accept new proposal, after rejecting one 10 days ago to surprise of union leadership. Strike against NBC has been on since April 1, and pickets last week threw wrench into Democratic Platform Committee meeting in Washington. Picket line was thrown up around Hyatt Regency after NBC non-union workers set up cameras in hotel ballroom. NBC refused to remove cameras, at request of DNC, and several prospective witnesses (including presidential candidates) refused to cross picket line. CBS Pres. Arthur Taylor (in statement delivered by Washington Vp Bill Leonard) ask for planks repealing Sec. 315, providing protection against pay cable, supporting "a strong shield law," authorizing broadcast coverage of Congress and repealing fairness doctrine.

Cinemerica has acquired pay-TV rights to library of "classic" films controlled by archivist Raymond Rohauer—including movies of D.W. Griffith, Alfred Hitchcock, Buster Keaton, Douglas Fairbanks, Rudolph Valentino, Mack Sennett, Frank Capra, Ernest Lubitsch, Paul Robeson.

Add cable satellite earth stations in operation: Rollins, serving Wallingford, North Haven, Guilford & Madison, Conn., at \$8.50 monthly per subscriber for pay cable. Add applications filed: N. Little Rock, Ark.; Augusta, Ga.; Lawrence, Kan.; Hobbs, N.M.; Ada, Okla. (For details, see CATV Addenda.)

Post-Newsweek stations have "very strong momentum," with revenues up 27% in first quarter, according to Washington Post Co. Pres. Larry Israel, in stockholders meeting. Chmn. Katharine Graham said newspaper expects "very good year indeed," recovering from Oct.-Feb. pressmen's strike.

Personals

Seymour Amien appointed ABC Entertainment program planning vp, new post; **Eve Krzyzanowski** advanced to ABC affiliate administration mgr... **Richard Fischer** promoted to vp-TV news, NBC News; **Richard Kellerman**, one-time news planning dir., rejoins NBC as media specialist; **Roy Wetzel** promoted to elections dir.

Kathleen Beisty & James Walsh advanced to vps, CBS management information systems; **Jeane Renick** promoted to Hollywood daytime programs mgr., CBS-TV; **Robert Williams** advanced to budgets & reporting dir., CBS TV Stations Div.; **Stephanie McClelland** promoted to sales & profitability analysis dir.; **Edwin Wilson** advanced to capital & long-term planning dir.

Donald Campbell, WMAR-TV Baltimore vp-gen. mgr., retires June 1; he'll be succeeded as gen. mgr. by Program Dir. **Dale Wright**; **Reynard Corley**, sales mgr., assumes additional post of asst. gen. mgr.; **Charles Horich** advanced to broadcasting dir.

Jeff Davidson, pres.-gen. mgr. of WLKY-TV Louisville, assumes same post with WXIA-TV Atlanta (both Combined Communications), succeeding Acting Gen. Mgr. **Alvin Flanagan**, Bcst. Div. pres.; **Kenneth Croes**, pres.-gen. mgr., KOCO-TV Oklahoma City (Combined Communications), succeeds Davidson; **Al Parsons** promoted to KOCO-TV pres.-gen. mgr.

Daniel Polsby, legal asst. to FCC Comr. **Glen Robinson**, in Sept. becomes asst. prof., Northwestern U. Law School... **Alvin King**, NAB dir. of station relations and staffer 22 years, has been fired, received 6-months (\$12,500) severance.

L. Brent Hill, Cosmos Bcstg. vp-administration & radio operations, promoted to senior vp-operations; **James Saunders** advanced to vp-administration; **Thomas Josephsen**, WSFA-TV Montgomery gen. mgr., promoted to vp.

Betty Fox, ex-Corinthian Bcstg., named station mgr., KVVU-TV Henderson-Las Vegas... **William Eastham**, S. C. Johnson & Son pres.-chief operating officer, elected a dir., Meredith Corp... **Pete Santy** advanced to sales mgr., WNEM-TV Bay City, Mich... **Phil Press**, ex-CBS TV Stations Div. national sales, appointed gen. sales mgr., WCAU-TV Philadelphia.

Saidie Adwon, KTUL-TV Tulsa, assumed AWRT presidency at recent Philadelphia convention, succeeding **Jane Cohen**, WRC-TV Washington; **Audrey Hunt**, WCBF-TV Charleston, S. C., named pres.-elect.

Dick Groat promoted to national sales mgr., WOTV Grand Rapids; **Emily Ehlert** appointed public affairs dir., succeeding Community Affairs Dir. **Andy Amyx**, who resigns to form own business... **Anthony Battaglia**, ex-WMAR-TV Baltimore, rejoins WHEN-TV Syracuse as local sales mgr... **Thomas Johansen** promoted to local sales mgr., WNJU-TV N. Y.

H. Roger Gardner forms own media brokerage: 1725 K St. NW, Washington 20006, phone 202-296-7134... **David Pritzker**, ex-FCC, named asst. to

chmn., Administrative Conference... **Marilyn O'Connor**, ex-ABC, appointed information dir., Assn. of Media Producers... **H. Stephen Halloway**, ex-Justice Dept. Civil Rights Div., joins Senate Commerce Committee as minority counsel for communications & consumer matters.

New NCTA committee chmn.: Elections, **Polly Dunn**, Columbus, Miss.; political action, **Patrick Nugent**, Austin, Tex.; cable services, **Robert Clasen**, Continental Cable, Ohio; membership, **Bill Daniels**, Daniels Properties.

Stuart Chuzmir promoted to vp-asst. to the pres., Home Box Office... **L. Allen Williams** promoted to vp-mgr., Warner Cable southern region... **Robert Freedlund** joins Cerro Communication Products as north-central sales mgr., succeeding **Doug Fuller**, now Cerro passive device product mgr... **Jerry Blount**, ex-Miami Valley (O.) Cable, named gen. mgr., Napa Valley (Cal.) Cablevision.

Thomas Keller, OTP gen. counsel, in mid-June joins Washington law firm Verner, Liipfert, Bernhard, McPherson & Alexander, successor not yet named... Rep. **John Rhodes** (R-Ariz.), House minority leader, speaks at Dec. 1 luncheon during Dec. 1-4 Western Cable TV Convention, Disneyland Hotel, Anaheim, Cal.

Steve Ladley promoted to head new Media Payment Corp. West Coast office: 210 N. Pass Ave., Suite 105, Toluca Lake, Burbank, Cal. 91505, phone 213-849-4117... **Robert Adams**, independent producer, appointed broadcasting dir., U.S. Chamber of Commerce, succeeding **Robert Moxley**, who remains promotion dir.

Henry Hermes promoted to JVC Industries vp; **Herman Schloss**, ex-Sony, appointed national sales administration mgr.; **Robert Vavra** promoted to mid-west sales mgr.

Will Dougherty appointed to head new TvB Atlanta office as southeast sales dir., new post... **Howard Glassroth** promoted to vp, Telcom Assoc... **Val Napolitano** promoted to Arbitron Radio-TV advertiser-agency sales southern mgr.

Georgette Houghton promoted to eastern sales mgr., Kaiser Bcstg. Spot Sales... **Henry Cauthen**, S. C. ETV Network pres. & gen. mgr., elected chmn., Southern Educational Communications Assn... **Herb Lazarus** advanced to vp-gen. mgr., Columbia Pictures TV International; **C. Charles Jowalszas**, ex-N.Y. State Urban Development Corp., elected treas., Columbia Pictures Industries.

Charles Smith promoted at Warner Cable from gen. mgr. of Palm Beach Cable TV to western vp-gen. mgr.; **James Gray** named central vp-gen. mgr.

Spot TV prices "were as flat as a blown-out tire during 5 years when consumer prices and print media costs exploded," TvB Pres. **Roger Rice** said, calling for higher rates. He said TV's CPM has dropped 7% last 5 years, while newspaper costs rose 41%, magazines 18%, supplements 35%.

FCC finalized rules declaring cable franchise fees over 3% void unless waiver is granted.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended May 7 (18th week of 1976):

	May 1-7	1975 week	% change	April 24-30	1976 to date	1975 to date	% change
Total TV.	165,021	166,479	-0.9	210,424	3,647,124	3,352,418	+8.8
color	102,023	95,962	+6.3	126,304	2,131,724	1,874,739	+13.7
monochrome	62,998	70,517	-10.7	84,120	1,515,400	1,477,679	+2.6
Total radio	489,216	424,025	+15.4	764,556	10,658,918	8,304,301	+28.4
home, portable . .	232,191	263,690	-12.0	498,699	6,462,534	5,454,960	+18.5
AM-only	71,287	75,224	-5.2	174,764	1,503,638	1,740,606	-13.6
FM & FM-AM . .	160,904	188,466	-14.6	323,935	4,958,896	3,714,354	+33.5
auto	257,025	160,335	+60.3	265,857	4,196,384	2,849,341	+47.3
Port.-comp. phono .	23,417	32,033	-26.9	53,080	728,342	972,504	-25.1

Color TV 5-week moving average: 1976—104,031; 1975—103,295 (up 0.7%).

RCA SELLING DIRECT TO NATIONAL CHAINS: Implementing more aggressive sales stance, RCA has started program of direct sales to key national accounts, with profit participation by distributors. Move was foreshadowed in April, with announcement of Marvin Kramer's appointment as retail mdsg. vp (Vol. 16:15 p9), followed by series of meetings with distributors to outline new policy.

Under new program, RCA ships & bills directly to major chains, appropriate distributor receiving payment said to range around 5%. RCA distributors apparently are divided in their feelings about new move. Those who traditionally pushed hard to sell chains are said to be unhappy, while those who didn't are delighted to get free ride. This type of program isn't new—it's been traditional with some middle-sized manufacturers.

RCA is believed to have at least 3 separate lines of TV merchandise. It has regular line for conventional 2-step selling, supplemented by longest "Custom Line" in its history—18 Color-Trak sets, 2 monochrome. Custom Line sets have cabinets & escutcheons which differ sharply from those in regular line, can't be compared by customer for pricing purposes. Custom Line is intended for large traditional marketers such as dept. stores. Third line presumably is special variation for nationwide chains.

Consumer Electronics Mktg. Vp Jack Sauter touched briefly on new move in address to distributors at Lake Tahoe convention: "We must deal with the evolution of retail distribution—the expansion of the national & regional chains, the growth of group & catalog showrooms. Some people look upon them as being disruptive, but if they are successful, it means they are serving the public the way it wants to be served. That's not being disruptive—that's being a smart merchandiser."

Meanwhile, Zenith may have started nationwide trend when it instituted policy of pricing freight costs inboard on shipments to distributors (Vol. 16:20 p8). This means distributors in Cal. & N.Y. pay same freight as one in Chicago, practice long followed by appliance & other industries. In addition to equalizing costs, practice simplifies accounting, eliminates paperwork. Consumer Electronics Vp-Gen. Mgr. Roy Pollack said RCA has just completed 8-month study, had "open mind" on subject, could institute system fast. Other manufacturers indicate they may adopt plan if distributors want it.

CANADIAN CLAIMS LASER DISC RECORDER: An assistant prof. may have come up with breakthrough that makes videodisc a challenger to VTR for home video recording market. Just such a claim is being made—albeit tentatively and with proper academic reserve—by John Locke at U. of Toronto's Aerospace Studies, who says he's developed plastic material and recording laser with low enough power to make consumer use practical. Meanwhile, in Japan, a Maruman Group company says it's prepared to produce low-cost laser videodisc pickup assembly.

Special plastic material combined with unique laser system, both considered proprietary by Locke, permits encoding of video or any other information on disc by laser with power of just 2 milliwatts, only twice output of read-only lasers used in Philips, MCA & Zenith videodisc players, and well below potentially dangerous lasers of 300 mw or more now being used by those firms (and by RCA in an experimental TV slide recorder) to produce masters.

While object of Locke's work apparently was to come up with data-storage medium, he says "startling reduction in the laser power required for recording [brings] the thought of home videodisc recording, as well as playing, into the realm of economic possibility." His work to date has been with argon lasers, but he says helium-neon type used in all videodisc players demonstrated to date would work as well. In fact, he says, HeNe types hold out only hope of becoming cheap enough to make home recorders possible.

As he envisions it, home videodisc recorder would have dual-power laser, higher power used for recording, lower output for playback. Cost of recorder, Locke feels, would be about 50% more than player-only—or about \$750-\$800, based on current Philips target and some 40% less than price of home VTR decks offered today. However, pricing is based on hoped-for development of low-cost, mass produced laser recording modulators. All modulators available now "are handmade and cost thousands," Locke said.

Philips has always contended that future generation of its VLP disc system would have recording capability. Locke's claimed breakthrough was achieved with help of grad student Craig Willis involved just \$15,000 in funding plus \$100,000 of borrowed equipment.

While Locke declined our request for demonstration, he says he's willing to show system to interested manufacturers—he claims he's been in contact with several, including Zenith, RCA & Xerox, but we weren't able to confirm this. Locke can be reached at Institute, 4925 Dufferin St., Downsview, Ont., Canada, M3H 5T6.

Laser videodisc pickup from Mansei Kogyo, member of business group best known for cigarette lighters, can be made for claimed price of about \$85, which company says is some 20% less than cost of Philips-type pickup. Mansei says pick-up comes complete with laser, has simpler focus & tracking system than Philips', using just 2 photodiodes & single electrical circuit, compared with 4 diodes & 4 control circuits used by Philips.

'AUTOMATIC COLOR' IS NEW BATTLEGROUND: "Self-adjusting color" was primary feature in 3 TV lines introduced last week—RCA's ColorTrak, Sylvania's GT-Matic & GE's VIR. Latter feature starts in 19" at \$540, in 25" at \$780. Sylvania promoted its 4-year-old GT-Matic and newer GT-Matic by claiming it accomplishes more than others and calling its 2 competitors "johnny-come-latelies" in automatic color field.

GE raised color prices \$10-\$20 from last spring's introductory prices on most models, but 25" starts as much as \$70 higher than last year with discontinuance of \$640 console added last fall and \$600 table model. RCA & Sylvania prices held firm (Vol. 6:20 pp 8 & 10), but some lower-priced promotional & discontinued models were revealed by Sylvania last week (further details on p. 13).

GE is all-solid-state in 1977 color & b&w—with exception of 10" color hybrids which should be phased out next year. In addition to VIR system & in-line tubes announced at March preview (Vol. 16:13 p6), GE highlights include new modular 30-KV chassis for 25" using 8 modules, 4 common to those in 13", 17" & 19" chassis previously introduced, electronic digital readouts in most 19" & 25" sets.

In 19" category, GE introduced low-priced series starting at \$420, down \$50. VIR feature adds \$50 to 19" price tag, \$60 to 25". In b&w, GE dropped 9", cut \$10 from 12" & 15" leaders.

Returning to line after 2-year absence is U.S.-assembled battery portable (12", \$125)—making GE only producer without an import. In color, GE's 36-set line is up 12 models from last spring, while b&w line (through replacement of 7 hybrids with solid-state models) remains at 14.

Tone of RCA & Sylvania meetings was upbeat. RCA hosted distributor principals & salesmen, some of whom brought retail customers to special showings at Lake Tahoe, for total of 2,500 attendees, largest RCA convention ever at single location. Consumer Electronics Vp-Gen. Mgr. Roy Pollack set mood in contrasting 1973 & 1976, noting RCA experienced 8% color market-share increase in interim at distributor-to-dealer level, indicating it was ready to capitalize on improving economic climate (for new distribution policies, see p. 8).

RCA Pres. Anthony Conrad promised new developments from labs to "combine lower set costs with higher performance, to decrease power consumption, to provide greater picture resolution and more options on remote control." He forecast industry sales of 8-10 million color sets a year within next few years. Touching briefly on videodisc system, he pledged that RCA's independent distributors will be "basic to our marketing plans" and "you will be the first to know when the curtain is going up."

Sylvania used big Las Vegas convention to announce virtual top-to-bottom sweep of GT-Matic through its color line, starting with previously undisclosed reduction of 13" automatic set by \$20 to \$330, and made it clear that it's taking aim at ColorTrak with theme "first true self-adjusting color set." RCA unveiled first campaign under Leo Burnett ad agency, featuring TV appearances by John Huston & Samantha Eggar and simplified explanation of how ColorTrak works ("Before you see the color, the ColorTrak system grabs it, aligns it, defines it, sharpens it, tones it and locks the color on track"). RCA is dropping "XL-100" designation from ColorTrak models, using it only for non-automatic leader models. Other convention highlights:

Replacement market: RCA, Sylvania & GE all indicated they're going strongly after replacement sales, estimated at 33-50% of color TV market. RCA's "Trades Fantastic" nationwide Aug.-Sept. trade-in campaign will offer "\$50, \$75, \$100 & more" for used color sets traded on ColorTrak consoles in "most comprehensive national trade-in effort ever on the part of a manufacturer," said Sauter. "We're involved, so is the distributor—it's a 3-way proposition." Plan was tested successfully in Atlanta & Wichita. In cases where dealer doesn't want to handle used sets, distributor arranges to sell them to local TV reconditioning firms.

Import competition: Domestic manufacturers are more aggressive this year in attacking Japanese competition. In departure from past practice, top 3 RCA speakers—Conrad, Pollack, Mktg. Vp Jack Sauter—specifically cited imports as major competitive force. GE TV Mktg. Mgr. Norman Schnell warned: "Some of our offshore competitors continue to price their products very aggressively and give little if any selling support. I would urge dealers to look at the total package... before deciding on price alone." In same vein, Sylvania Video Products Vp Robert McCarthy cautioned: "Dealers cannot exist on those profit margins... The legacy of imported sets is degeneration of the dealer structure."

Audio: Sylvania gave preview of plans for audio introductions in Aug., when it will debut GTE brand of high-end components, reduce prices of Sylvania compacts & consoles. "We have no intention to abandon any segments of our current business," said Audio Product Mgr. Horst Heistrath. New products will be produced in joint effort between Sylvania's U.S. & Hong Kong facilities, with complete new line of compacts down \$40-\$60 from past levels, consoles about \$50 below comparable predecessors. Most of current merchandise has been repriced accordingly (see p. 13).

Present Sylvania component line will continue through 1976, but Sylvania brandname in future will be on 5-10-watt-per-channel equipment, while premium GTE label will be on 20-80-watt receivers. Component line has switched from distributors to reps in major markets. Philco will re-enter compact business later this year in \$150-\$250 range.

FCC PUTTING CRIMP IN GAME PLANS: FCC rejection of 4 more video games last week is forcing some producers to re-examine not only plans for June CES but marketing strategies for fall/Christmas season. Failure of games to pass stiff type-approval tests means they go to end

of increasingly long line of games on testing list.

FCC labs won't release names of games which flunked—or of one game which won approval during week—until firms have been notified formally. Previous week, games submitted by First Dimension & APF failed tests (Vol. 16:20 p11). Basic problem, according to FCC spokesman, is failure of suppliers—and independent testing labs used by many of them—to understand difference between Commission rules governing products which must be certified & type-approved and those (such as games) which must be type-approved.

Type-acceptance & certification are essentially paper-work procedures, with test data based on standardized tests submitted by company, while FCC labs generate own data on products requiring type approval. Details of type-approval testing procedure are contained in bulletin available from Chief Engineer. Tests are rigorous, spokesman said, involving measurements of output signal, switch isolation, output-terminal conducted interference, field strength & line conductance in variety of configurations. So far, he said, biggest problem has been radiation of RF signals from cable & chassis. "We're looking for the maximum reading in every configuration. It's the toughest test of any the FCC conducts, and these companies don't realize what a toughie it is."

Producer whose game flunked test, however, charged that tests have been made tougher due to mounting controversy over interference from CB, that FCC is cracking down on them for no real reason—contention disputed by FCC. Producer said his game passed all but one FCC test, passed all tests in independent lab, and charged that FCC makes no allowances for fact they are testing prototypes which are subject to misadjustment in transit. Tests require lab equipment costing thousands of dollars, he said, are unrealistic for \$50-\$100 product aimed at mass market. "The retesting cost isn't peanuts," he added, "but it's nothing compared with the hundreds of thousands of dollars tied up in parts, molds, letters of credit and everything else connected with this. The FCC doesn't appear to understand that."

Despite grief at FCC level, other firms—including RCA & Heath—are preparing to enter market, and firms already in field are readying new models for CES. At same time, Magnavox outlined basic patent licensing agreement covering games (see p. 12).

Japanese tantalum capacitors may be being dumped in U.S., said Treasury in notice ordering withholding of final appraisement on all future imports. Notice means that all such imports after April 20, official notice date, will be subject to any dumping duties which may be levied. Agency said preliminary investigation, which was limited to capacitors from Matsuo Electric & Nippon Electric Co., showed that some 26% of their sales to U.S. were at less than home market price. Treasury said possible dumping margins ranging from less than 1% to 140% were found. Average margin was 45%. Matsuo & NEC account for some 75% of such imports from Japan, Treasury indicated. Treasury also amended appraisement withholding notices on possibly dumped AC adaptors from Japan to exclude units that are either built into or at least packaged with finished products, provided no separate charge is made for adaptor.

FCC Chmn. Wiley and Safety & Special Radio Services Chief Charles Higginbotham address CB conference at Consumer Electronics Show June 13. Other program highlights of June 13-16 event at Chicago's McCormick Place: Govt. & Consumer Affairs Conference, Chris White, FTC; Audio Retailer Conference sponsored by EIA, ERA, IHF & NARDA on formation of national organization for audio retailers; panel sessions on CB, TV & video systems, video games, calculators, watches.

RCA Tube Div. told set makers last week it doesn't plan to use Corning Mark IV glass developed for new Zenith color tube, as forecast here last week (Vol. 16:20 p7). Sylvania made formal announcement last week, with public statement from RCA expected this week. While Sylvania said it was working on tri-potential gun similar to Zenith's to reduce spot size in slot-mask tube, RCA indicated it may be able to achieve same effect with standard bi-potential gun. RCA also said it preferred 90° deflection but but will go to 100° (using standard glass) if customers prefer. Westinghouse spokesman told us company is still studying new glass but tends to agree with Sylvania position. GE TV Mktg. Mgr. Norman Schnell said that company is looking at tube but is concerned whether potential savings to GE would be same as those to Zenith.

CB Radio Advisory Committee task coordinators appointed by FCC: Richard Horner, E. F. Johnson, local interference; Lawrence LeKashman, Lafayette Electronics, user rule compliance; Clark Turner, publisher, disseminating information; David Garner, importer, operator training; Lee Bergren, Midland Engineering Sales, technical standards; John Sodolski, EIA, electromagnetic compatibility; T.A. Andros, Hy-Gain, personal use communications needs; Rep. Paul Findley (R.-Ill.), public safety uses; P. Randall Knowles, North Shore (Ill.) Emergency Assn., Part 95 readability; Manny Hoffman, equipment theft.

RCA INTO GAMES: While it won't be through Consumer Electronics Div. (CED), RCA is expected to enter video game market by year's end. In response to comment from CED that it won't join field, spokesman for Distributor & Special Products Div. said entry is being "seriously considered." It's understood game will use RCA chip, be on market by Christmas. Move is indicative of growing activity by Distributor Div. in new-product areas, including CB, with 40-person purchasing team in Japan. Other new games: Heath reportedly will introduce kit in \$50 range by end of year, and I. C. Instruments of Hong Kong will show game at CES.

Universal Research will add 3 games to line at CES, including \$300 Video Action Fact which provides games, quizzes, information storage & retrieval, uses program cartridges. Game price will include some cartridges, and firm is negotiating with publishers & software suppliers for complete cartridge library. Universal also will introduce Video Action IV, 4-player unit offering 2 conventional table-tennis games plus road racing at \$100, and Video Action Game Table, \$500 cocktail table with built-in monitor, inlays for chess, checkers & backgammon. Fairchild will use CES to take wraps off Video Entertainment System, cartridge system which will also play 2 conventional games. Cartridges will contain additional games, entertainment & educational programs—prices not set. Dyn will introduce Paddle-Four & Paddle-Six, 4- & 6-game models using GI chip priced \$100 & \$125 at CES.

Magnavox suit against Midway & parent Bally, charging infringement of Magnavox game patents, has been settled with Midway taking license. Suit involved coin-op game; action against Atari & Sears involving home game remains alive. Magnavox spokesman said case could get to court in early June, decision by fall. Toy producer Coleco is first to sign licensing agreement covering home game with Magnavox, and terms indicate stake Magnavox has in patent rights—especially if game business turns into multi-million-dollar industry many are predicting. We've learned Coleco will pay Magnavox initial \$100,000 in staggered installments, with final \$50,000 due next Jan. More important, however, are royalty terms—5.5% of net selling price on first 100,000 units, moving downward to base of 3% over 350,000 units. Using \$50 as rough average wholesale price, licensed sales of million units would generate more than \$2 million for Magnavox. Magnavox spokesman confirmed details and emphasized that terms may differ with other firms.

RCA is getting favorable results from its Consumer Acceptance Lab (Vol. 16:15 p10), Consumer Electronics Vp-Gen. Mgr. Roy Pollack told distributor meeting. Since establishment of lab "DOA incidence has dropped 80%, general out-of-carton quality problems decreased over 70%, failure rate over 90 days was reduced by 50%," he said.

More manufacturer forecasts of 1976 TV sales to dealers: GE—Color 7.8 million, b&w 5.4 million. RCA—7.5-8 million color. Sylvania—7.8 million color, 5.3 million b&w; 1977—9 million & 5.5 million.

CB PLAN IRKS HOBBYISTS: Hobbyists operating remote-control model planes & related devices are flooding FCC with mail protesting portion of CB channel expansion proposal calling for incorporation of 5 Class C remote-control channels into CB band. Though Class C frequencies exist in other parts of spectrum, plan to drop them from 27-MHz band has prompted "deluge of mail," Amateur & Citizens Div. Asst. Chief Richard Everett told us. Response forced Commission to move comment & reply dates back 2 weeks (now June 9 & 24).

Frantic pace of applications may have leveled off, Everett says. After peak of 600,000 in March, number dipped to about 515,000 in April, he said. "April is the first month we haven't seen an increase, and my feeling is it will now settle at the 400,000-600,000-a-month rate." Chmn. Wiley told Senate Appropriations Subcommittee last week FCC expects to receive 4.8 million applications during current fiscal year and 6.8 million in next, average of 566,000 a month. Processing time has been reduced to less than 30 days, Wiley said, adding that goal is 10-20 days "at minimum cost to the govt."

Field offices across country "are besieged with complaints" over CB interference with other products, Wiley said, adding that annual complaint rate has jumped from 30,000-40,000 level of past years to current 100,000—"and we are not receiving all the complaints." As example, Wiley cited one-day phone company survey of Dallas field office which showed that more than 2,000 calls went unanswered after callers received busy signal. Despite efforts of FCC, Wiley said he expects interference problem to continue due to growing use of CB in residential areas.

Ad notes: Sharp appoints Isidore Lefkowitz Elgort for Consumer Electronics Div., replacing Cunningham & Walsh on \$2-million account. C&W retains some Sharp PR, Wisner-Sanchez keeps Industrial Div. C&W held account just one year... **Regency** appoints Clinton E. Frank for CB, scanners, radio-telephones & weather radios. Account, billing about \$1 million, was formerly in house... **Pathcom** launches \$4-million campaign for Pace CB gear under theme: "You've got the world by the ears"... **Electra** budgets over \$2 million for Bearcat scanners which company believes hold 33% of \$170 million market... **RCA** will promote 2-model CB in hobby magazines... **Intel** will use TV spots to stress LED in Microma watches.

Japan Electronics Show, originally slated for mid-Sept., has been moved to Oct. 22-27. Tokyo event is being combined with Japan Audio Fair. Over last 5 years, JES has increasingly become consumer event, and it's believed later dates will help spur Christmas buying interest... **Taiwan** will hold electronics & appliance exhibit at Taipei Sept. 12-19.

Work resumed at Pemcor's 2 Rola Div. speaker plants last week as employees ended 9-week strike, terms not announced.

Ray-O-Vac plans 50,000-sq.-ft. plant in Portage, Wis. for batteries used in watches, hearing aids & cameras, starting operations in early 1977.

NEW SETS & PRICES: GE color line opens with three 10" hybrids at \$260 (up \$10), step-ups at \$265 & \$270; 13" are up \$10 to \$360, \$370, \$380; 17" leader is up \$20 to \$420, step-up is \$430. In 19", new portable series opens down \$50 at \$420, with \$430 & \$450 steps; Townhouse table models with electronic channel readout (4) are \$490, up \$20 from last spring, \$10 from fall. In consoles, 5-model series with standard tuners is \$670 (up \$10), 6 step-ups with electronic readouts \$700, pair with wood cabinets \$720, down \$20 from comparable 1976 models. In VIR color, 19" is \$540, four 25" consoles are \$780 & \$800. In b&w, 12" opens at \$105 (down \$5 from fall, with steps at \$110, \$115 (2) & \$120, battery portable at \$125. In 15", leader is unchanged from fall at \$120, with steps at \$125, \$130 & \$135; 19" leader continues at \$155, steps \$160, \$165 & \$175, latter with stand.

RCA XL-100 models, now used as low-end units leading up to ColorTrak (Vol. 16:20 p10), are all open-listed to provide maximum flexibility, but prices appear to be lower than year ago, some reflecting reductions made since last May, others special promotional allowances. Summary of XL-100 starting prices: Leader 15" can be sold at about \$350, virtually unchanged from recent past but down \$40-\$50 from year ago; 17" leader can retail for about \$380 (year-ago list was \$425); 19" starts at about \$400, continuation of drop-in introduced after May, when starting price was \$490; 21" table continues at \$570; 25" leg console leader can sell at \$600-\$630. Although 19" ColorTraks officially begin at \$480 list, unit introduced in April at \$500 is still available in limited quantity and could sell in \$460-\$470 range.

RCA monochrome line has added "battery-ready" AC-DC sets in addition to "battery-included" versions (battery lists at \$60). Line starts with 9" AC portable at \$110 (not \$100 as reported last week). Open-list 12" AC leader can sell at about \$120 (unchanged), 19" leader at around \$165.

Sylvania color TV line (Vol. 16:20 p10) was sweetened at convention by summer specials & out-of-line holdovers. The 13" series, missing from 1977 line, is still available in 2 sets at \$300, GT-Matic at \$330 (all down \$20). Last year's 19" leader, now a summer special, is \$379 (down \$21), while new summer special 19" electronic-tuned remote is \$550, and series of 5 GT-Matic II 25" consoles from last year is being cleared at \$600 (down \$80).

In stereo, Sylvania compacts at \$200, \$250 & \$300 and consoles at \$380-\$630 are about \$50 below predecessors, holdovers down comparably at \$300-\$888.

RCA was top consumer electronics marketer on TvB's list of 513 largest network TV advertisers of 1975. RCA placed 52nd with \$11.15 million, followed by GE (55th) at \$10.5 million. Among others, with ranking in parentheses, outlay in \$1,000s: Tandy (106) \$4,950; Zenith (143) \$3,107; GTE (146) \$2,915; Texas Instruments (147) \$2,900; Rockwell (169) \$2,180; Sony (177) \$1,978; Memorex (362) \$344; Superscope (405) \$203; Motorola (419) \$171; Craig (445) \$105; Lafayette (453) \$92; Koss (470) \$60; Matsushita (483) \$33.5.

WATCH MARKET SHARES: Worldwide shipments of complete digital watches totaled about 3.8 million, according to new study by William D. Witter Inc., released at company's First International Conference on Digital Watches in N. Y.

Rankings of watch & module companies in order of sales of complete watches plus modules sold to others (number of modules in parentheses): Hughes 1,080,000 (1,080,000), National Semiconductor 875,000 (600,000), Litronix 800,000 (200,000), Frontier 600,000 (600,000), Fairchild 400,000 (125,000), Armin 300,000 (0), Optel 250,000 (5,000), Uranus 250,000 (0), American Microsystems 245,000 (45,000), Intel (Microma) 200,000 (20,000), Timex 200,000 (0), Mostek 175,000 (175,000), Pulsar 140,000 (20,000), TI 108,000 (8,000), Micro Display Systems 75,000 (0), Integrated Display Systems 70,000 (5,000), Electronic Arrays 35,000 (35,000). Japanese firms shipped 475,000, other Asian 300,000 (1,000), Swiss 100,000 (0), other European 150,000. No module shipments were given for Japanese or other European categories.

Realignment in market shares is seen for 1976, with these forecast ranges for cased watch plus module shipments (in millions): National Semiconductor 4-5, Hughes 3-3.5, Fairchild 2.7-3.3, Timex 2-2.5, Litronix 1.5-1.8, TI 1.3-1.8, Frontier 1.2-1.5, American Microsystems 0.8-1.2, Armin 0.6-0.8, Integrated Display 0.75-0.8, Uranus 0.6-0.7, Optel 0.5-0.75, Electronic Arrays 0.5-0.7, Commodore 0.5-0.7, Intel 0.4-0.6, Micro Display 0.4-0.6, Pulsar 0.15-0.155. Japan & other Asian, 1.5-2 each; Swiss, 0.3-0.6; other Europe, 0.7-0.9.

Another estimate indicates Litronix & Pulsar enjoyed greatest dollar sales of finished digital watches last year, at \$22 million each, followed by Armin at \$17 million, Benrus \$15 million, and Fairchild, National & Optel \$11 million each. Average factory selling price ranged from about \$40 for National to \$183 for Pulsar.

Witter also quotes Fairchild figures indicating worldwide digital watch market in units & average retail price: 800,000 (at \$150 each) in 1974, 3.5 million (\$100) in 1975, 15 million (\$60) in 1976, 30 million (\$45) in 1977, 50 million (\$35) in 1978, 70 million (\$27) in 1979, 90 million (\$25) in 1980. Copy of edited transcript with comments of 27 panelists, and other statistics & forecasts, is available from Witter at 1 Battery Park Plaza, N. Y. 10004 for \$75.

Tape topics: Sony will start marketing Elcaset decks & cassettes in Japan in June, advancing planned introduction of system by 3 months. System uses cassettes about twice size of standard Philips cassettes, operates at double speed for better fidelity (Vol. 16:16 p10). Sony's first deck will be about \$660, with \$430 version due in July, both with Dolby circuitry. Remote control option will be \$33. Cassettes, 60-min., will be \$5 for low noise, \$4.85 for high-energy ferrichrome. Matsushita & TEAC, other partners in Elcaset development, haven't announced marketing plans... Ampex will announce product & promotion plans for drive to reestablish itself as tape marketer at CES.

WEEKLY Television Digest

with
Consumer Electronics...

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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
Bartell Media			
1976-qtr. to March 31	3,388,000	(535,000)	--
1975-qtr. to March 31	3,313,000	(665,000)	--
Gray Communications Systems			
1976-9 mo. to March 31	8,952,146	539,652	1.14
1975-9 mo. to March 31	7,174,651	427,756	.90
Grey Advertising			
1976-qtr. to March 31	12,354,000	392,000	.33
1975-qtr. to March 31	11,104,000	159,000	.13
Starr Bcstg. Group			
1976-9 mo. to March 31	26,843,117	308,479	.26
1975-9 mo. to March 31	22,605,138	387,075	.33
1976-qtr. to March 31	8,796,152	(91,642)	--
1975-qtr. to March 31	6,745,100	(395,258)	--
Taft Bcstg.			
1976-year to March 31	93,215,968 ^a	11,518,153 ^b	2.85
1975-year to March 31	89,837,114	11,654,324 ^b	2.91
1976-qtr. to March 31	15,941,323	1,960,427	.48
1975-qtr. to March 31	15,699,788	1,112,689	.28

Notes: ^aRecord. ^bIncludes special credit.**Trade Personals**

Lawrence LeKashman resigns as Lafayette exec. vp June 30 for personal reasons, plans unannounced... **John Lane**, head of Channel Master Far East operations, adds duties as gen. mgr. of new Consumer Products Group; **Gene Gold** is sales & mktg. vp; **Robert Backner**, former RCA product planning mgr., named operations mgr... **Matthew Garvey**, GTE International, advanced from Far East vp-gen. mgr. to senior vp-corporate planning & development, with additional responsibility for corporate policies, standards & procedures, succeeding **Yeshayahu Lavi**, resigned.

Ted Inahara promoted at Superscope from Superscope-brand national field sales mgr. to national sales mgr... **Falcon Davis** advanced at Milda from national sales mgr. to mktg. & sales dir.; **Frederick Bolton** appointed eastern sales mgr.; **Joseph O'Hare** named for Midwest... **Donald Weeks**, ex-Westinghouse, joins Quasar as sales mgr. for Ohio, Ind. & Mich.

Andrew Sass, former Admiral new product dir., previously holder of similar post at Motorola Consumer Electronics, joins General Instrument Micro-electronics Group as product & mkt. planning dir.; **William Brydia**, ex-Multitone Electronics, named distribution sales mgr., succeeding **Joseph Perrotta**, national sales mgr., who held post on interim basis; **Robert Ferraro**, ex-Cramer Electronics, appointed regional sales mgr... **Robert Metzgar** promoted from production mgr. to mgr., Sylvania Parts Div. Warren, Pa. wire plant, succeeding **Joseph Vought**, on special assignment.

Chuck Miller promoted at TEAC from Accuphase line sales dir. to sales mgr. of new Special Products Group responsible for Accuphase, Micro Seiki & new

TEAC Esoteric products; **John Blache**, ex-Fisher Radio, appointed national credit mgr... **Henry Hermes**, JVC Industries national service mgr., named vp; **Herman Schlose**, ex-Sony, appointed national sales admin. mgr.; **Robert Vayra** appointed Midwest mgr.

Michel Ebertin, ex-Rockwell calculator product mktg. dir., named National Semiconductor operations dir. for calculator, game & micro-controller products... **Kenneth Lyttle** named Hamilton Watch ad & sales promotion dir... **Jerry Meyers** appointed 3M Mincom Div. Midwest region sales supervisor; **Earl Warrington** named eastern sales mgr.

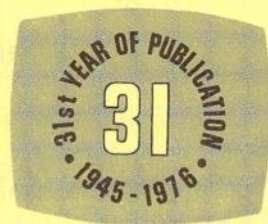
'NEW FISHER' DEBUTS: Now owned 50-50 by Sanyo & former parent Emerson Electric, Fisher Corp. last week introduced long line of audio components, 85% of them brand new. Conceding that line is more expensive than competitors', Pres. Howard Ladd said company is aiming at "very high end," but forecast Fisher will be among "top 3 in this business if we're not already." Consumer demand for better products is "stronger than ever," he said—"this is going to be the best year in the consumer electronics business, bar none, and that's why we're confident."

Company is fielding full line of "integrated component systems"—"we're reintroducing the philosophy that a 'compact' isn't a fancy radio but high-fidelity equipment." Systems range \$250-\$500, with new receivers running \$230-\$500, to be topped still unpriced 100-watt per channel and 150-watt unit which will sell in \$1,000 range when available. Other additions include belt-drive turntables at \$120-\$200, cassette decks at \$200 & \$250, 8-track recorders at \$130 & \$300. Electronics are made in Japan at former Sanyo plant converted to Fisher products. Speakers are built and some electronics & compacts assembled in Milroy, Pa.

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MAY 31, 1976

VOL. 16, NO. 22

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

'THE MOMENTUM IS OURS': Affiliates believe what they hear on new ABC-TV status. Near-unanimous opposition to expanded news, although most believe it's coming. Goldenson praised. (P. 1)

OTP BILL ON FAIRNESS, FORMATS: Recommendations on AM-FM to Ford urge experimental 5-year suspension of fairness doctrine, elimination of FCC consideration of program changes in approving station sales. (P. 2)

CABLE HEARING—PAY, PORNO: Taylor & Erlick maintain hard line, call pay cable biggest threat to conventional TV. Panel sees 'Midnight Blue,' asks who's responsible. Frey seeks definition of 'public interest.' (P. 3)

REID LEAVING FCC July 1, after marriage, producing 2nd vacancy. Gives GOP chance for 7-year term, though Senate could sit on nominations until election. (P. 5)

Consumer Electronics

NEW VERSION of Zenith tube under study would incorporate internal magnetic shield to save space, cut set manufacturing costs. (P. 7)

RECORD-SHATTERING Japanese color TV exports to U.S. totaled 221,500 sets in April; b&w up 151%. Japanese move to halt ITC probe of business practices. (P. 8)

CPSC REJECTS UL counter-proposal for joint study of TV accident data, calls project off, insists UL meet June 22 deadline for submission of TV safety standard proposal. (P. 8)

ADMIRAL'S ROCKWELL ERA launched with space-age color chassis at space-age prices. Line includes digital tuning, do-it-yourself optional remote, new color portable & b&w chassis. (Pp. 8 & 11)

MCA READY TO START production of discs in anticipation of optical player introduction. Torrance, Cal. plant equipped to turn out million discs annually; more capacity could be added quickly if needed, company says. (P. 9)

GE AUDIO THRUST is in 'personal communications'—CB, portable tape products, radio. Compact systems, car stereo dropped from line, now placed on 'back burner.' (P. 11)

FCC APPROVES 2 more video games, expects to reject 2. New games coming from RCA, Interstate Industries. TI's game plans stirs speculation. (P. 11)

'THE MOMENTUM IS OURS'—ABC TV: "In all the years [23] of attending these annual affiliate conferences, I have never experienced as much enthusiasm as is current now," ABC Chmn. Leonard Goldenson told TV affiliates convention in L.A. last week. "The momentum is ours," added TV Pres. Frederick Pierce. These comments accurately describe attitude of affiliates & network alike, who no longer are just talking about "parity" but about being No. 1 in all areas—with stress by network on news.

As expected, expanded news (Vol. 16:19 p3) played a major role—with overwhelming majority of affiliates expressing disapproval. It was prime topic at closed affiliates-only meeting May 24, at closed session with network officials May 26 and at network-affiliate board meeting (which ran 2 hours beyond scheduled time) next day. After latter meeting, this joint statement was issued: "The ABC TV Network and its affiliates seek to achieve leadership in network news. The expansion of network news as a factor in that leadership has been discussed and will continue to be discussed between the network and its affiliates."

Network officials stressed that they never sought commitment to longer news from affiliates, although both groups conceded it's coming. "We want it to be later, not sooner," affiliate told us. Outgoing Affiliates' Chmn. Thomas Goodgame, KTUL-TV Tulsa, told press conference that "this whole thing of expanded news, as far as the affiliates are concerned, started as a rumor" (Vol. 15:17 p5), that network has yet to make proposal. Pierce said that "based on the evolution

of what's happened in this business, there will be more news." Added Network Pres. James Duffy: "It's in the industry's future." Both officials said they weren't necessarily talking about expanded evening news only.

ABC News Pres. William Sheehan, Harry Reasoner & Barbara Walters injected longer news into formal presentations. "Frankly, we would like to see ABC News lead the parade and not merely fall in line," Sheehan said. "We have a lot of talking to do, and I'd like to see that conversation get started in L.A. this week." Walters noted that ABC is "No. 3 in news" and longer news will help toward being No. 1. "It's not a question of if we have it but when we have it."

In a long speech that turned most affiliates off ("she bombed," said one), Walters made these other points: (1) On \$1-million salary, she said "I never demanded this money... but I'm certainly not going to turn it down." (2) She said NBC offered her same money but "I feel that ABC is the future and I want to be a part of that future... There is that feeling of vitality & growth... by all who work at ABC." (3) Within 2 years, all 3 networks will have at least 45 min., probably hour, of evening news and each will have female anchor person.

Affiliates generally opposed expanded news because of expectation it'll come out of station time. Leading fight against concept, as expected, was Group W Pres. Donald McGannon—who has suggested that instead networks rotate public service shows at 9 p.m. Forward Communications Pres. Richard Dudley was affiliate most outspoken in endorsing longer news.

CATV & pay cable also were subjects of repeated attacks at closed affiliate-network meeting. NCTA Chmn. Burt Harris (also ABC affiliate) was in room, said he was "shocked" at misinformation & false statements, although he made no attempt to respond.

ABC, of course, made much of its tremendous prime-time ratings growth during 2nd half of season, said it will begin fall season in best competitive position ever. Affiliates seemed to agree; almost to a station, they're having their best years ever. Network also stressed "sold-out" specials for fall, announced daytime changes to shore up weak area and bragged about ratings increases in early morning-late night programming.

Affiliates surprised Goldenson with standing ovation and plaque proclaiming his "leadership in industry and faith in the future of broadcasting." Goldenson noted gains in last year, said "we simply cannot afford to relax and let up now... Even where we are strongest now [sports, prime time, radio, owned TV stations], we must not forget that our competitors are very determined." He "reaffirmed" commitment that TV network has "the 100% backing" of ABC execs. & board, said "broadcasting is our principal business and our highest priority—not just for the moment, but for the long term."

ABC Pres. Elton Rule said televised debates between major party presidential candidates after conventions "is the best anniversary present we could give to our country." He noted FCC action exempting such debates from equal time has been upheld by D.C. Appeals Court, called on candidates to accept debate proposal of League of Women Voters. He said Kennedy-Nixon 1960 debates "may in time be regarded as the greatest single contribution the broadcast medium has made to the democratic process in this country." Broadcasters have 2 other responsibilities in presidential campaign, he said: (1) To make "a reasonable amount of time available"; (2) "excellence" in news reporting.

A secondary affiliate (CBS primary) summed up ABC presentation: "The pilots ABC showed were 6-times better than anything we saw from CBS [Vol. 16:19 p3]... We're going to do a lot more clearing of ABC next fall." At closing banquet, m.c. Bill Cosby told affiliates he hoped they enjoyed gourmet meal; "at NBC [N.Y. in June], they're going to serve tuna fish and Kool-aid."

OTP BILL ON RADIO FAIRNESS, FORMATS: Broadcasters will welcome 2 amendments to Communications Act recommended to President Ford by OTP. Agency has sent to OMB suggested bill which would: (1) Suspend for 5 years, on experimental basis, application of fairness doctrine to radio stations in top 10 markets. (2) Prohibit FCC from considering format changes or program content when acting on sales of radio stations.

Recent enforcement of fairness doctrine, OTP said, "has resulted in increasing govern-

mental intrusion into the professional journalistic decisions of broadcast licensees... The legislative amendments proposed... seek to fashion an experiment to determine whether 'time & technology' have not indeed obsoleted the fairness doctrine."

As for format changes, OTP states: "It is the licensee, after all, not the bureaucrat, who is located in the community and who is in a better position to determine the most effective manner in which the tastes and interests of the listeners in his markets can be satisfied... If government... makes direct or indirect program choices... the collective First Amendment rights of the listeners as well as the individual rights of the speakers have been subverted; for who will protect us from the government?"

CABLE HEARING HIGHLIGHTS PAY, PORNO: Broadcaster-cable argument intensified during hearings before House Communications Subcommittee last week, but so much of it was repetitious that some members were losing interest, starting rumors that hearings would be cancelled or cut short. However, Chmn. Van Deerlin (D-Cal.) quickly scotched these, telling us he "absolutely" intends to resume hearings in mid-July, following June break, to avoid conflict with heavy legislative burden, congressional campaigning and Democratic national convention. Last week's sessions concentrated heavily on pay cable, also featured showing of porno "Midnight Blue."

In face of barrage of questions from Chief Counsel Harry Shooshan, CBS Pres. Arthur Taylor and ABC Senior Vp-Gen. Counsel Everett Erlick maintained hard line on cable's threat to conventional TV. Both insisted cable should have full copyright liability before FCC or Congress even consider deregulation; absent that, they said, strict controls must remain on distant signal importation and film & sports siphoning.

Erlick called "many" of staff report conclusions "insupportable," asked that FCC be required to "directly regulate" cable to assure that it has same public service obligations as broadcasters. "Right now, the only thing that cable is interested in is their private pocketbooks," he said, stating that ABC goes beyond call of duty, offering news & public affairs at \$20 million annual loss. Remark prompted Van Deerlin to inquire whether ABC "obtained the services of Barbara Walters [at reported \$1 million annual salary] for what grocery stores call 'loss leaders.'" Erlick also accused staff report of "glossing over" problems and cost of wiring nation for cable. In bitter exchange, Shooshan charged Erlick deliberately misrepresented staff recommendation that Congress enact Rural Telecommunications Act to provide low interest loans to rural areas.

If CBS still had cable holdings, "my philosophy would not change one iota," Taylor told panel. "My testimony is one of private and personal conviction... Those who control the cable and pay-cable industries—whose gross income approaches \$1 billion—have demonstrated repeatedly that they are more interested in selling the programs already developed with the risk capital of free broadcasting than in expanding the scope of TV service to the public. With the exception of pornography, they are virtually bereft of original programming ideas." He suggested that translators are "far more effective and less costly method" of serving rural areas, said CBS is "looking at the whole issue of translators and is encouraged by the possibilities."

Ranking Republican Frey (Fla.) hammered away at broadcasters' view of "public interest." "Is the public interest to insure that the networks make a profit?" he asked Erlick. "Is what the broadcasters call 'fragmentation' really just giving a particular market's viewers an additional choice?" He dismissed broadcasters' fears of sports siphoning as "a straw man... It's unlikely it'll ever happen."

Brief excerpt from recently-axed "Midnight Blue" was presented by Rep. Murphy (D-N. Y.) to make point that there's need for Congress to "clarify where the responsibility lies with respect to obscenity and the law." Excerpt featured 4 men clad only in bow-ties & top hats dancing to "Baby Face," spots for N. Y. massage parlor and couple interested in "swinging." Commented Van Deerlin: "If that isn't obscene or indecent, nothing is obscene or indecent." While Murphy claimed credit for pulling "Blue's" plug, Manhattan Cable Exec. Vp Charlotte Jones said system "decided to pull it off the air about a week before we met with him." Noting conflict in N. Y. state law & FCC requirements, she asked panel to place responsibility for access & leased-channel programming decisions on producer, not system operator.

"Blue" producer Alex Bennett said Manhattan Cable's action had caused "a growing fear of intimidation on the part of access producers." He called program "a satire on TV" portrayed "in a loving manner... with taste, with art... It has never intended to be indecent and obscene." As for local community standards, in N. Y. "there's a hooker on every block," he said.

TPT Pres. Russell Karp tried to dispel broadcaster "myths." "Cable will not siphon," he said. "It will 'pump-prime,' stimulating the production of additional programming." He rejected charge that cable enjoyed "unfair competition" as "ridiculous on its face" because broadcasters depend on "the govt. gift of the public spectrum." He also disagreed with Jones on program responsibility, saying it's a "myth" that cable operator shouldn't be able to determine what is programmed on non-broadcast channels, "no matter how violent or how obscene."

In other testimony: (1) INTV Pres. Herman Land noted that independent stations are in "rather curious position" of benefiting from cable import of their signals, but "most vulnerable to economic shock" of competition. (2) Hariton Pappas, vp-gen. mgr. of independent KMPH Tulare, Cal., said study he commissioned projects that in 10 years cable importation of 2 distant signals will cause station to lose 9.5% of revenues (or \$249,000), 43% of audience in cable homes, 26.2% of audience over-all. He said KMPH is losing 78% of audience on cable homes in nearby Bakersfield (with 60% cable penetration) while network affiliates lose 34%. He dismissed argument that cable provides diversity: "Three 'Star Treks' at 6 p.m. just can't be diversity."

(3) WPIX N. Y. gets no advantage from being carried by cable, according to Pres. Leavitt Pope. He said advertisers at present simply look at N. Y. audience only. "They don't care what we get in Syracuse." (4) NATO pay TV Committee Chmn. Martin Newman asked Congress to ensure that theaters get first crack at films. He accused distributors & pay-cable operators of mounting PR campaign "to convince the public that anyone who pays \$2-\$4 to go to a theater must be an idiot when he can stay home and see 'first-run' movies for 25¢." (5) AMST counsel Michael Horne said organization's opposition to VHF drop-ins differed from its opposition to deregulating cable. AMST opposes drop-ins because they'd interfere with signals of existing stations, he said, while cable might result in reduction of existing service.

Advertising is entitled to some protection under First Amendment's freedom-of-speech provisions, U.S. Supreme Court ruled last week, voting 7-1 to strike down prohibition against print drug advertising in Va. statute. It was not clear, however, what impact on broadcast advertising would be—since Court said: "The special problems of the electronic broadcast media are... not in this case." Court thus moved away from 1942 decision which held that "purely commercial speech" was fully subject to govt. control. Said Court: "As to the particular consumer's interest in the free flow of commercial information, that interest may be as keen, if not keener by far, than his interest in the day's most urgent political debate... So long as we preserve a predominantly free enterprise economy, the allocation of our resources in large measure will be made through numerous private economic decisions. It is a matter of public interest that those decisions, in the aggregate, be intelligent and well-informed. To this end, the free flow of commercial information is indispensable."

Alien ownership of cable isn't prohibited, FCC announced, finalizing rulemaking. Commission said there's little such ownership and it poses no threat to U.S. security or cable development. Furthermore, it said, cable needs new capital, and foreign sources can contribute. In addition, FCC said that local communities "can best determine whether or not an individual operator's nationality will prevent him from satisfying his 'public interest' obligations."

Correction: We erred in reporting that recent Supreme Court ruling meant that FCC isn't required to demand that companies it regulates adopt affirmative action programs to combat employment discrimination (Vol. 16:21 p4). Though ruling applied generally to agencies required by statute to regulate "in the public interest," footnote addressing friend-of-court brief filed by NBMC, Chinese for Affirmative Action, and National Council of La Raza, stated that FCC affirmative action regulation "can be justified as necessary to enable the FCC to satisfy its obligation under the Communications Act... to ensure that its licensees' programming fairly reflects the tastes & viewpoints of minority groups."

Briefs filed in hearing-room misconduct proceeding against attorney Benedict Cottone (Vol. 15:38 p3) include: (1) Recommendation by FCC counsel that Cottone be suspended from practice before Commission 6 months. (2) Cottone's assertion that suspension would be unfair—compared with 30-day suspended sentence given former Atty. Gen. Richard Kleindienst in ITT case. Cottone also stated that former FCC Chmn. Dean Burch received no suspension even though he approved "bugging" of employee suspected of leaking information to outside attorney.

Non-renewal of WOOK(AM) Washington remained unchanged, as FCC denied petition for reconsideration & rehearing. Commission also rejected as "hearsay" WOOK's charges that ex parte contacts had been involved in case.

2 FCC VACANCIES, REID LEAVING: FCC Comr. Charlotte Reid married May 26, resigned as of July 1, producing 2nd vacancy—in addition to slot opened by expiration of Glen Robinson's term June 30.

Republican Reid's term has 2 years to run while Democrat Robinson's departure leaves full 7-year term available. This gives President Ford chance to give full term to Republican, 2-year term to Democrat—subject to Senate approval.

Ford has been holding up many nominations in communications area but it's still expected that he'll name Democrat Joseph Fogarty to Commission, Republican Thomas Houser to OTP dir. (Vol. 16:19 p1). However, Democratically-controlled Senate and its Commerce Committee may choose to play it cozy—letting Republican nominees sit on shelf, in hopes that Democrat will be elected President, allowing appointment of 2 Democrats to FCC, plus Democratic OTP dir. There will be considerable lobbying for another woman to replace Reid, and traditional trial-ballooning of names begins.

Widowed since 1962, Reid married H. Ashley Barber, chmn. of Barber-Greene Co., heavy equipment producer, from her home town of Aurora, Ill. Barber is widower, had been married to sister of Reid's husband. She kept plans close secret, told Chmn. Wiley about it a few days before wedding. Reid joined FCC in 1971 after serving 5 terms in House, taking over seat held by her late husband.

Comr. Robinson plans to stay on for month after term expires, until Aug. 1 (except in unlikely event successor is sworn in before then). It's possible Commission will operate with only 5 members for some months. No special meetings are planned in Aug.; 3 regular weekly meetings are planned; one week will be skipped.

Family viewing field hearings have been tentatively set by House Communications Subcommittee for July 7-8 in L.A., July 9 in Denver. Chmn. Van Deerlin (D-Cal.), Reps. Waxman (D-Cal.) & Wirth (D-Colo.) & one Republican will attend. L.A. hearing will call network program practices chiefs, independent producers, other network execs. & programmers. Denver hearing will call Colo. broadcasters, public interest & religious groups. Hearings were requested last March by Wirth & Waxman. Van Deerlin told Waxman last week that hearings would only be held if a Republican would attend. So far, neither Rep. Frey (R-Fla.) nor Moore (R-La.) said he'll go.

Bill giving translators authority to originate limited amounts of programming (Vol. 16:20 p4) has been passed by Senate. Second FCC bill—extending Commission's forfeiture authority to cable—was ordered held by Sen. Roth (R-Del.); he's reportedly upset by FCC rule barring lower Del. Valley cable systems from carrying Philadelphia stations.

Obscenity legislation is up for FCC discussion this week. Staff recommendation includes moving criminal code Sec. 1464 into Communications Act, covering visual depictions as well as "utterances." Cable also is included, is described as "sticky point."

FCC has been petitioned to reconsider recent declaratory ruling removing 3-year time limit on awarding of tax certificates to broadcasters who divest stations in market where they own other broadcast properties. However, prospects of reversal are considered slim. FCC decided in 1970 to issue certificates—allowing broadcaster not to pay income tax on profit from station sale provided money is reinvested within 18 months—as encouragement for broadcasters to break up multiple broadcast property ownership. Request for declaratory ruling that certificates still could be awarded even though 3-year time limit had expired was filed with FCC earlier this year by Washington attorney William Green, of Pierson, Ball & Dowd. FCC voted (only Quello dissenting) that removing time limit would help reduce cross-ownership. Last week, Citizens Communications Center attorney Charles Firestone, on behalf of "American taxpayers," complained to IRS Comr. Donald Alexander and petitioned FCC for reconsideration, stating that decision would cost govt. "tens or even hundreds of millions of dollars." He said it removed all incentive to sell cross-owned properties, gave station owner tax break "no matter when or for what reason" he sells property.

NAB won another copyright inning last week—when House Copyright Subcommittee voted 4-3 against performance royalties, adopting instead an amendment directing Register of Copyrights to study issue, report to Congress by Jan. 3, 1978. Mark-up resumes June 4, with major broadcast issues including compulsory license for public broadcasting, Royalty Tribunal, sanctions. Meanwhile, on Senate side, there has been no comment on House activity from Sen. McClellan (D-Ark.), chmn. of Copyright Subcommittee, but an aide said he doesn't anticipate great difficulty in accommodation between Senate & House bills—so far. Said he: "I don't believe that anything the House has done will cause a problem for the Senate conferees. I believe it will be possible to reconcile the differences."

Two OTP contracts, "to identify the full range of issues associated with the growth of the information sector," have been granted—\$29,000, to Gellman Research Assoc., Jenkintown, Pa.; \$27,000, to CONSAD Corp., Pittsburgh. Said OTP Acting Dir. John Eger: "We hope that a thoughtful approach to the issues at hand will stay the natural inclination of govt. to intervene in decisions which, to the extent possible, are best suited for resolution by the private sector."

Home Box Office last week began serving cable systems via satellite in Manahawkin, N.J. & Manhattan, Kan. More than 400,000 subscribers now receive HBO service on 166 systems. Service is available to 1.5 million subscribers, passes 3 million homes. Warner Cable begins pay-cable service in Ft. Walton Beach, Fla. June 1; some 4,800 of area's 16,000 subscribers have signed up at \$6.95 monthly.

HEW broadcasting facilities bill has been okayed by Congress, sent to President Ford for his signature. It provides \$30 million for public broadcasting facilities grants, \$1 million for technology demonstration grants, for fiscal 1977.

Personals

Lee Currllin, CBS-TV programs vp, promoted to sales planning vp... Richard Berger, ex-Twentieth Century Fox asst. vp-feature production, appointed CBS-TV vp-drama program development, Hollywood, new post; Andrew Siegel, ex-ABC-TV vp-prime time current comedies, named vp-comedy program development, Hollywood, new post.

Richard Traum promoted to NBC-TV programming dept. administration mgr... Jo Moring named NBC Radio NIS dir., succeeding Roy Wetzel, appointed NBC News election dir. (Vol. 16:21 p7); James Farley replaces Moring as NIS programs mgr.

John Conomikes, WTAE-TV Pittsburgh vp-gen. mgr., elected ABC-TV Affiliates Assn. chmn., succeeding Thomas Goodgame, KTUL-TV Tulsa vp-gen. mgr.; William Turner, KCAU-TV Sioux City, Iowa pres.-gen. mgr., elected vice-chmn.; George Wallace, KGUN-TV Tucson vp-gen. mgr., and Jeff Davidson, WXIA-TV Atlanta pres.-gen. mgr., elected dirs.

Bob Shanks, ABC Entertainment vp-specials & early-morning programs, adds responsibility for supervision of prime-time entertainment specials; Barbara Gallagher, ex-NBC, named asst. to ABC Entertainment Pres. Fred Silverman, new post.

Phil Keller promoted to gen. sales mgr., WFAA-TV Dallas... Richard Taylor promoted to gen. sales mgr., WXYZ-TV Detroit... William Vrbanc promoted to program distribution supervisor, Group W Productions Video Tape Center, Pittsburgh, new post; Raymond Porter joins Video Tape Center as operations supervisor, new post... Alan Elkin promoted to Kaiser Bestg. Spot Sales midwest sales mgr.

Gerald Levin advances to chmn. & chief exec. officer, Home Box Office, succeeded as pres. by N.J. (Nick) Nicholas, pres. of Manhattan Cable; E. Thayer Bigelow advances from exec. vp to pres. of Manhattan Cable, succeeded by Charlotte Jones.

"Sister stations"—commonly owned outlets in same market—must log promotional spots for each other as commercial, FCC ruled, concluding rule-making. Commission said that comments filed showed many stations already logging such announcements commercial and that consensus of comments didn't oppose practice. FCC continues to consider same-station (self-promotional) spots non-commercial, needn't be logged. Ruling doesn't affect noncommercial stations.

Star Stations lost last appeal, U.S. Supreme Court declining to review FCC & lower court decisions not to renew (Vol. 15:5 p4 et seq.). Unless Commission allows interim operations pending selection of new grantees, stations are to go off air within 30-90 days, depending on how long FCC allows for close-down. Stations affected: WIFE-FM Indianapolis, KOIL-AM-FM Omaha, KISN(AM) Vancouver. WIFE(AM) frequency was granted to Indianapolis Bestg. which is expected to take over shortly.

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with

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House Rules Committee again met to consider resolution allowing broadcasting of House proceedings, sent matter back to staff for further study. Staff was directed to examine options—coverage by network pool, PBS or in-house operation. Earliest that resolution could return to Rules Committee would be mid-July. Meanwhile, PBS Pres. Lawrence Grossman & WETA (ETV) Washington Pres. Ward Chamberlin, in response to request from Bestg. Subcommittee, wrote Chmn. Sisk (D-Cal.) that since 4-network pool would provide "superior" coverage, they "must with all respect decline such an undertaking by ourselves alone."

TV Guide starts 8th Canadian edition June 19, serving stations in Halifax, Sydney, Moncton, St. John, Campbellton, Charlottetown, Rimouski and 3 Me. cities—Bangor, Calais, Presque Isle. TV Guide now has 96 editions.

Obituary

Rep. Torbert Macdonald, 58, died May 21 of internal hemorrhaging in Washington. Member of Congress for 21 years, Macdonald was ranking Democrat on House Commerce Committee, had been Communications Subcommittee chmn. since 1967. He was a principal author of 1971 Federal Election Campaign Act and sports antiblackout law, strong advocate of public broadcasting and outspoken critic of televised violence as well as family viewing concept; he called latter "public relations gimmick" and "an excuse to increase violence at other times." Recently, Subcommittee staff under Macdonald authored "Cable TV: Promise versus Regulatory Performance." Macdonald announced in April that he had decided not to run for 12th term because of illness. FCC adopted resolution stating that "his dedication to the public interest was exemplary." Macdonald is survived by wife and 4 children.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended May 14 (19th week of 1976):

	May 8-13	1975 week	% change	May 1-7	1976 to date	1975 to date	% change
Total TV	168,894	179,459	-5.9	165,021	3,816,018	3,531,877	+8.0
color	106,900	104,913	+1.9	102,023	2,238,624	1,979,652	+13.1
monochrome . . .	61,994	74,546	-16.8	62,998	1,577,394	1,552,225	+1.6
Total radio	457,119	498,551	-8.3	489,216	11,116,037	8,802,852	+26.3
home, portable . .	203,802	332,082	-38.6	232,191	6,666,336	5,787,042	+15.2
AM-only	57,081	99,387	-42.6	71,287	1,560,719	1,839,993	-15.2
FM & FM-AM . .	146,721	232,695	-37.0	160,904	5,105,617	3,947,049	+29.4
auto	253,317	166,469	+52.2	257,025	4,449,701	3,015,810	+47.5
Port.-comp. phono.	33,403	50,788	-34.2	23,417	761,745	1,023,292	-25.6

Color TV 5-week moving average: 1976—104,589; 1975—103,435 (up 1.1%).

NEW VERSION OF ZENITH TUBE STUDIED: Zenith is "looking into" new version of its color tube which could overcome some set makers' objection to bulk and at same time make possible further cost reduction in receiver manufacture.

In response to our inquiry, Engineering & Research Sr. Vp Karl Horn confirmed that Zenith is exploring possibility of building internal magnetic shield (IMS) into future versions—"but it won't be in the sets we introduce" in late July. IMS would eliminate need for metal shield around tube, thereby just about equalizing extra bulk of new tube (about 1-1/2" additional in diagonal measurement). In other words, new glass with internal shield could be mounted in about same space as conventional tube plus external shield.

New glass "lends itself admirably" to IMS, Horn told us. "It would require very simple tooling" and would further simplify set production. IMS has been used in few tubes in past—notably Motorola's old 21" and some export models. One tube maker said shield was difficult to build into tube in non-automated production but shouldn't pose problem under automation. Horn said another obstacle to IMS may have been overcome in Zenith design. In former attempts, IMS was attached to shadow mask and caused distortion of mask. Presumably, IMS in Zenith tube wouldn't be attached to mask but studded to faceplate.

Horn dismissed complaints that present tube is "too big" for existing cabinets as "baloney—the cabinets we used when we demonstrated the tube were no different in size from our regular 19-in. cabinets except that they were 2-1/2 inches shorter." He said tube is progressing on schedule—"we're in the start-up production phase, making hundreds of them a day. We'll be in 3-shift production and have a substantial quantity of sets for immediate shipment when we introduce them in July."

Responding to other tube makers' "hate-the-glass, love-the-gun" attitude, Horn said Zenith's "current predisposition is not to license the gun separately," but final decision wouldn't be made for couple of weeks.

RCA Tube Div. came out with statement on Zenith tube at last week's end, and as we forecast, its position is similar to Sylvania's (Vol. 16:20 p7, 16:21 p11). RCA said it "has advised its TV set manufacturing customers & TV glass sources that it has no plans to use the Mark IV TV bulb glass recently sampled by Corning." However, spokesman said it is "currently evaluating the tri-potential gun approach as used in the new Zenith tube."

Rockwell Consumer Products Pres. Charles Urban, meanwhile, said Admiral is adopting "wait-&-see attitude," but "we aren't sure what they're getting at—by the time you drive it, it's got to cost more." We've learned that Admiral has tested sample of tube and that engineers are concerned about size and need to redesign set for it. Admiral has discontinued use of "Super Solarcolor" (its name for Zenith Chromacolor), formerly in top end of its 25" line, substituted RCA negative matrix tube.

JAPAN SETS COLOR RECORDS IN APRIL: You name the record, and Japanese color exporters shattered it in April, 10th consecutive month of 100,000-plus shipments to U.S. and first ever to break 200,000 barrier. B&w exports also were strong, Finance Ministry reports.

April color exports to U.S. were unprecedented 221,500, up 235.6% from same month last year, double previous April high of 110,000 in 1973, and topping all-time monthly record of 194,900 last Sept. by 13.6%. B&w exports were up 151.1% from same 1975 month to 76,700, putting combined April total of color & b&w at 298,200, up 208.9%, 2nd best April ever.

In first 4 months, Japanese exported 628,300 color sets to U.S., up 198.7% from last year, setting new high for any 4-month period. Full-period b&w shipments were up 288.9% to just under 328,000, for combined total of 956,300, up 224.5%.

International Trade Commission, meanwhile, is pressing probe into whether Japan's success in U.S. TV market is attributable in any way to unfair business practices (Vol. 16:14 p7 et seq.). Agency has sent questionnaire to present & former U.S. TV producers—including Teledyne Packard Bell, Cortron & TMA—seeking information in such detail that company attorneys will be hard-pressed to meet late-June deadline.

Japanese industry has filed motion with ITC to have whole investigation shelved on grounds that areas being looked into—covering, among other things, possible antitrust violations, dumping & unfair govt. export incentives—are outside agency's authority. In separate filing, Japanese claim ITC has acted improperly because it opened probe, sent out subpoenas & queries before May 27, when ITC practice & procedure rules became effective.

CPSC REJECTS TV ACCIDENT DATA STUDY: There will be no restudy of TV accident data, and no extension of June 22 deadline for submission of proposal for mandatory TV safety standard, Consumer Product Safety Commission is expected to tell UL this week.

Subject to final approval by incoming CPSC Chmn. John Byington, CPSC will reject UL suggestion that planned survey take just over 9 weeks, be conducted by group drawn from CPSC, UL & latter's TV standard development committee, and that results be used to modify UL's standard proposal—which then would require later deadline. UL was responding to CPSC proposal for 8-month study with only UL & CPSC participating and requiring standard be submitted on time.

UL's original call for detailed analysis of data, compiled from TV manufacturer & other statistics, came in wake of development committee's statement that no mandatory TV safety standard was necessary. At March convention, EIA Consumer Electronics Group voted \$25,000 to fund study (Vol. 16:13 p12). CPSC spokesman told us agency & UL are too far apart on objectives & methodology, said UL & committee would have chance to explain anti-standard position when CPSC holds hearing on standard proposal.

ADMIRAL ENTERS ROCKWELL 'ERA II': Brand new Admiral showed strikingly innovative products & revamped marketing philosophy to distributors & key dealers at Chicago meetings last week. TV line features 3 new chassis, including solid-state modular M50 used in high-end Era II series which is obviously product of parent Rockwell's aerospace technology.

Among changes shown by Admiral: (1) New chassis for portable color & 19" & 22" b&w. (2) Digital touchbutton on-set electronic tuning with industry's first consumer-installed remote-control option. (3) Sharply higher pricing—cheapest 25" is more expensive than last year's top-of-line. (4) Return to 23" color consoles. (5) Use of negative matrix tubes in all consoles except leader 23". (6) Consolidation of production—all b&w & portable color sets & chassis made in Taiwan, Era II sets assembled at Harvard, Ill. plant from U.S. & Mexican-made

modules. (8) Prepaid freight on carload shipments to distributors, who get option to mix appliances with consumer electronics.

Restructured TV line is result of \$5-million 2-year joint Rockwell-Admiral effort, marks first time "Rockwell will step up and be counted," said Rockwell Consumer Operations Pres. Charles Urban. New color models regain for Admiral "the posture of an industry innovator." Company "has gained parity in performance & picture quality with the leader of the industry," he stated.

Unique ERA II chassis has 7 modules plus tube-mounted convergence board. Power supply & deflection modules plug onto sides of frame. Remaining modules are plugged edge-wise on sliding mounts, then slipped into place. Chassis assembly or disassembly is 60-sec. project. Special Era II Ltd. models have Admiral-developed 82-channel electronic touchbutton tuners, electronic digital channel indicators, room light-sensing brightness compensators.

Remote option on 5 of 6 Era II Ltd. models consists of 1-x-1-x-2" module plus hand-held calculator-like control. To install, customer simply removes decorative plug from front of set, slides module in. Remote provides digital channel selection, on-off, infinite volume control. Remote carries \$100 list, but price to dealer is low enough to make it highly promotable, according to Mktg. Vp George Simkowski.

Sweeping line change makes comparison of 1977-model pricing with 1976 virtually impossible. Simkowski said retails are up average of 5% on comparable-model basis, but carryover 19" sets—to be replaced later—are down \$30-\$60, while 25" consoles, all Era II, start at about \$700, where top 25" last year was \$670. For 1977-model pricing see p. 11.

Admiral's ad budget will be up substantially, but much of increase will go into dealer-level programs. Special promotion for limited-distribution Era II Ltd. series, starting this month, will be consumer offer of \$25 savings bond with each purchase. Admiral also is amending travel incentive program, will offer 3 classes of trips so virtually every dealer will have opportunity to qualify for one.

Admiral isn't through with this year's innovations. Press demonstration of Videospond interactive TV device (Vol. 16:19 p9) is slated for Chicago during Consumer Electronics Show, and in fall company promises to show prototype of TV projector, which is understood to use Schmidt optics, provide high brightness. Due in Aug. is console stereo line, and plans are currently being made for possible introduction of high-end component stereo which could be offered under either Admiral or Rockwell brands, Simkowski said; components are being developed with cooperation of Collins Radio, another Rockwell subsidiary. Last March, Admiral said it was dropping compacts & portable electronics, but might introduce new quality audio products in 1977 (Vol. 16:10 p12).

In taking space-age approach with Era II, Admiral has proven what most of industry already believed—that you can make a lot better set for a lot more money. What remains to be seen is whether consumer is ready for so high a cost-to-benefit ratio, and—just as important—whether Admiral has necessary brand image. Admiral has hedged bets though, new non-Era II 13", 17" & soon-to-come 19" portables designed to keep company competitive while it shoots for moon in big screen.

MCA POISED TO START V-DISC PRODUCTION: Some time this month, MCA Disco-Vision's plant in Torrance, Cal. is scheduled to start pouring out production quantities of such Universal movies as "Jaws" & "The Sting" and other programming on videodiscs to support planned 1977 Philips/MCA player introduction by Magnavox.

"We could start stockpiling right now," we were told by Disco-Vision Engineering Vp Kent Broadbent as we watched discs come off injection-molding machine at rate of 4 a minute in compact 26,000-sq.-ft. mastering & replication plant.

MCA/Philips philosophy appears to be mirror image of RCA's, whose videodisc plant was described here last March (Vol. 16:12 p8). While RCA's SelectaVision capacitance-type players are built largely from off-the-shelf parts, its discs are turned out by extremely specialized custom-built equipment. Philips/MCA optical players require specially developed parts & produc-

tion gear, but its discs are made on modified standard production equipment. According to Broadbent, reflective disc mastering & replication plant could be built from scratch for about \$333,000—less than 1/4 cost of RCA's giant autocoating machine alone.

"There's no way we can do it all by ourselves," said Broadbent. "We want many other people in the business." MCA hopes to license others to master & replicate discs, supply special equipment or help licensees build it.

MCA's Torrance plant, which employs 65 technical personnel, is now capable of mastering 6-7 hours of discs in one shift, or "hundreds of movies a year," and replicating million one-sided discs per year on 3-shift basis (vs. nearly 6 million 2-sided discs in 2 shifts for RCA). Only about 10 production workers will be required for MCA plant.

Although much has been made in past of MCA's proprietary method of producing thin flexible discs on web press, company initially is turning out thick (1.1-mil) discs by injection-molding. It's also exploring other systems, including simple stamping technique which could use modified audio disc stampers, permitting record companies to convert easily to video.

MCA masters from 2-in. IVC tapes, which it receives from production houses equipped with its own black box to insert cueing material. Output is fed through electronic encoder and standard modulator to off-shelf 2-watt argon laser, which melts holes in metal layer bonded to 1/4-in.-thick plate-glass master. Mastering is done in real time and master is monitored on TV screen as it is recorded, with delay of about microsecond. Through photoresist method, pulses on master are transferred to 3-dimensional nickel-surfaced stamper.

Discs themselves are produced in injection-molding machine from new non-vinyl plastic. High-speed sputtering machine adds reflective backing which is then coated with plastic. Material in thick disc costs about 12¢. MCA is experimenting with chemical reproduction process for thin discs (about 6¢ each), has "already made good records, but we don't know where this will fit."

Special source of pride is computerized inspection system, which can play masters, stampers or finished discs, immediately give go-no-go verdict on acceptability, and which will be part of production license package.

Optical discs can be turned out faster than audio discs, Broadbent says, and he feels that they'll be more rugged and less susceptible to damage. They may be packaged in standard record sleeve without any special protective material.

"Our top priority has been to develop a production line to support the player introduction," said Broadbent. "All manual operations eventually will be automated. Our reaction time is fast—we could set up a 2nd line in a few months. With new stamper production facilities we're building, we'll have 6 plating stations to process several hundred different albums per month."

There's considerable activity at MCA on future generations of product. One of most intriguing is clear plastic disc costing about 30¢, metallized on one side, designed for home disc recording with future generation of recorder-player decks. After recording, consumer would spray disc with protective plastic coating, end with permanent home-movie videodisc. Broadbent concedes this is "far-future situation."

WHITE HOUSE CB SESSION: Suddenly getting into CB act, Administration called for "fact-finding, information-exchange" meeting at White House 3-5 p.m. June 1. Examining licensing & spectrum problems, group will include representatives of manufacturers, users, retailers, trade association, plus FCC (as "observer"), OTP, OMB, Domestic Council, etc. And—in a move that shouldn't hurt President Ford's campaign—"photo opportunity" will be offered, viz., "First Mama" Betty Ford.

Backlog of CB units waiting for type acceptance has climbed to 40-60 days due to new 100% sampling policy being followed by FCC. Tighter control pro-

cedure was prompted by raft of CB imports which didn't live up to type-acceptance data submitted by firms, and because much information submitted was incomplete or "not reasonable," FCC spokesman said. In past, FCC labs used random spot-check method to police CB transmitters, often tested them several months after they were on market.

Meanwhile, FCC has formed "Personal Radio Planning Group" to study all problems of CB and similar services, come up with recommendations in a year. It will include representatives of Safety & Special Bureau, Chief Engineer, Field Operations, Office of Plans & Policy.

GE'S THRUST—'PC': Personal communications—CB, portable tape products, radio—is GE Audio's sole thrust this year, keyed by 20 new products introduced last week, following 9 premiered in Jan. Audio systems (compacts) & car stereo are on "back burners"—meaning no product introductions for at least a year—so GE can concentrate on its 3 major products, according to Audio Electronics Sales & Distribution Mgr. Charles Fabso. Deal under which GE distributed Clarion auto stereo is over, and if company re-enters field it will be under own name.

GE won't participate in Summer CES, but finds winter show "excellent," will return, said Mktg. Mgr. Walt Williams. He said radio business is up 20% from 1975 so far this year, company has tripled its audio ad budget this year over last, has doubled share of tape instrument market in 5 years.

Company estimated CB business at \$550 million wholesale this year, up 44.7% from \$380 million in 1975, rising to \$1 billion in 1980. CB line, shown earlier (Vol. 16:13 p15), consists of mobile units at \$125, \$150 & \$210 (latter with "priority channel"), base at \$225, 2-watt hand-held at \$50, 100-mw hand-held at \$25—deliveries in June.

CB also is prominently featured in radio line, included on multi-band portables at \$42 & \$77. Six-band portable is \$73. Electronic digital clock radio is \$68. Continuing in line are 4 TV-sound radios & TV-sound unit with cassette recorder. New "big-sound" tape portables are 8-track "Blaster" at \$43 and "Music Machine" cassette at \$60, with other tape units at \$30-\$90.

* * * *

Admiral color line (see p. 8) includes four 19" carry-over portables starting open (about \$400), with steps at \$420, \$430 & \$470, latter with electronic digital channel readout, prices down \$30-\$60. New color portables with new chassis start with open-list 13" (about \$350, up \$20 from last year's leader) with \$360 step-up; 17" is open (about \$380, down \$20 from comparable 1976 model). Planned for later introduction are 17" at \$400, 19" trio priced open, \$450, \$470. Era II, all floor consoles, start with non-matrix tube 23" at \$650, 23" matrix in double-sided cabinet is \$680. In 25", line starts open (about \$700), has 3 models at \$730, steps to 4 with electronic digital readout at \$790. Era II Ltd. offerings, all with 82-channel touchbutton tuner, start with 19" tables at \$660 (only non-removable set in series), \$720 & \$740; three 25" consoles \$1,060. B&w line, relatively unchanged in price except for \$30 boost for 22", starts with open-list 9" (about \$90), open list 12" (about \$100), 3 step-ups at \$115, high end at \$120; 19" starts open (about \$160), steps to \$180 & \$220, latter with stand; two 22" consoles are \$280.

Consent agreements are in works to settle year-old FTC ad-claim complaints against GE & Panasonic (Vol. 15:33 p7, 15:39 p11). FTC spokesman told us administrative law judge has certified staff agreement with GE for presentation to full Commission. Panasonic agreement with FTC staff also is awaiting action. Both complaints are based on serviceability & reliability claims—Panasonic's on NEA tests, GE's on Trendex survey.

FCC GAME APPROVALS: Atari & toy producer Entex won approval from FCC last week to market video games, but spokesman said 2 more probably will be added to reject list this week. Atari game (CT 180) is 4-player, 4-game unit, joins \$99 Pong as 2nd Atari home game approved by FCC. Another Atari game was rejected recently. Entex game (Tele-Pong, 3 games, 2 players, \$50) was first shown at Feb. American Toy Fair (Vol. 16:8 p9). FCC lab spokesman said several more games are nearing approval, wouldn't identify firms submitting 4 models rejected 2 weeks ago (Vol. 16:21 p10) or 2 facing rejection this week. One will be allowed on market if portion of game which failed tests is removed before it is sold. Additional applications are beginning to flood in, and FCC lab waiting room "looks like a doctor's office," spokesman said.

RCA unit (Vol. 16:21 p12) will offer 7 games—table tennis, bowling, "exotic games"—source who saw lab version told us. Game allows user to draw pictures on display screen, is played by pressing 5 touch buttons. Source described game as well-designed using programming cards. First Dimension, already entrenched in game field, will add 4 new units: Two 2-player, 4-game units under name "Video Sports" at \$70 & \$79 (both pending at FCC); Video Sports IV, color, 2-player 4-game model, \$79; unnamed 6-game, 2-player unit, price not available.

Tele-Match, new Interstate Industries subsidiary, will show 2 games at CES—Tele-Match 4400 (\$70) & 7700 (\$80), both 2-player, 4-game models using GI chip. Games have been submitted to FCC. Interstate is private-label supplier to Sears, Radio Shack, other retailers, recently purchased tooling for phonos phased out by GE.

Industry has been humming with rumors over position Texas Instruments will take in game market, but hum turned to buzz last week with frequent reports of game carrying \$45 wholesale, \$70 retail tag. TI is known to have called FCC several months ago asking for information on application forms, testing, etc. TI says it's "looking into it," won't comment further. Source within TI says it's unlikely game will be shown at CES, but giant semiconductor maker has history of dramatically taking wraps off top-secret projects at trade shows—including \$19.95 digital watch unveiled at Jan. CES (Vol. 16:2 p7).

National Semiconductor will join GI as chip supplier in July. TV & Games IC Mktg. Mgr. Steven Fields says samples of new 3-game chip will go out in week or two, that deliveries in quantity will begin at end of July. Firm will be producing at capacity by Sept., will introduce new game chip in Feb.

FTC has proposed warranty rule to permit warrantors of consumer products with "full warranty" to deduct reasonable depreciation when fulfilling duty to make refunds under Warranty Act. Under proposed rule, warrantor divides period product has been used by estimated useful life and multiplies result by actual purchase price to determine deduction for depreciation. In order to deduct for depreciation, warrantor must disclose: (1) Fact that charge for use of product will be deducted. (2) Explanation of method by which refund is calculated. Comments are due Aug. 2, hearing Aug. 9.

JAPAN'S QUARTER: Japan's audio equipment exports to U.S. in first quarter generally joined TV (Vol. 16:17 p7) in substantially topping results in same 1975 period, Finance Ministry reports.

Total radio shipments of 2.1 million were up 235.7%, due mainly to sixfold leap for auto radios, as home radios climbed 45.4% to 595,200. In audio tape equipment, total shipments rose 28.1% to 2.63 million, while 50.8% jump in home recorders & players to 2.29 million offset 36.7% decline in auto players. Radio-phono exports rose 32% to 69,000. Export growth pace continued to be set by CB transceivers, with total shipments up 269.9% to just under 2.5 million units. While exports of walkie-talkies dropped 47.3%, decline was more than offset by 400% increase shown for higher-powered equipment. Here are details:

JAPANESE EXPORTS TO U.S.

	1st Quarter 1976		1st Quarter 1975	
	Units	Value(\$)	Units	Value(\$)
Total TV	678,421	91,055,812	198,120	31,205,947
color	406,807	74,486,401	144,335	27,688,763
b&w	251,265	15,261,744	53,785	3,517,184
chassis, kits	20,349	1,307,667	—	—
Radio-phono, stereo .	11,113	1,027,179	21,823	2,237,420
Radio-phono, mono . .	57,894	3,526,548	30,472	555,208
Radio-recrds. & other comb.	698,575	28,398,843	712,297	31,888,645
Clock radios	98,935	2,350,910	77,956	2,015,618
Tr. radios, AM	70,796	815,365	15,472	130,333
Tr. radios, FM	163,332	5,645,305	315,995	24,694,850
Auto radios	1,516,310	52,977,867	219,457	5,562,538
Hi-fi rcvrs.*	262,097	33,389,458	—	—
Phonos	149,499	8,255,132	—	—
CB trcvrs., under 100mw	103,680	446,318	196,576	660,868
CB trcvrs., other . .	2,395,757	130,819,787	479,197	27,252,190
Tape players, auto, cart.	336,230	5,608,495	530,913	9,649,618
Tape players, other* .	181,696	3,807,853	—	—
Tape recdr., reel . .	21,206	969,219	8,343	858,222
Tape recdr., cass. . .	792,983	20,354,146	447,908	14,104,187
Tape recdr., cart. . .	222,524	4,299,202	110,959	2,382,625
Tape decks, audio . .	375,381	23,956,083	240,908	17,179,725
VTR*	20,547	13,986,544	—	—

*Not reported separately in 1975.

Consumer buying plans for color TV took sharp drop in April as confidence in economy plummeted, according to latest Conference Board survey. Some 5.5% of 10,000 households surveyed planned to buy color set in next 6 months, down from 6.5% in Feb. and 6.1% in April 1975. B&w buying plans were indicated by 1.4% vs. 1.7% in Feb., 1.6% in April 1975. Plans to buy homes, cars, major appliances also dipped, and Confidence Index fell 11 points from Feb. to 82.2. Noting "first significant faltering in consumer spirits since late 1974," Research Dir. Fabian Linden said "dimensions of disenchantment shown in this latest survey are both puzzling & disconcerting."

Mesa record-changer line debut, already 7 months late, has been delayed indefinitely because of problems at Mexican-owned production facility, Mesa (U.S.) Pres. Mark Goldberg told dealers & reps in letter. He said company is now taking active part in production but wouldn't make any more delivery promises for twice-postponed line until it's certain of dates.

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
Comcast			
1976-qtr. to March 31	2,431,820	141,583	.08
1975-qtr. to March 31	2,006,955	71,897	.04
Downe Communications			
1976-qtr. to March 31	32,535,000 ^a	321,000 ^b	.06
1975-qtr. to March 31	26,209,000 ^a	1,250,000 ^b	.23
International Video			
1976-9 mo. to April 30	19,747,000	488,000 ^b	.18
1975-9 mo. to April 30	19,385,000	(2,153,000)	--
1976-qtr. to April 30	6,773,000	212,000 ^b	.08
1975-qtr. to April 30	6,411,000	(569,000)	--
Tele-Communications			
1976-qtr. to March 31	10,879,000	178,000 ^b	.02
1975-qtr. to March 31	9,574,000	(576,000)	--
Tenna			
1976-qtr. to April 30	13,586,772	526,681 ^b	.17
1975-qtr. to April 30 ^c	8,622,010	222,992 ^b	.08

Notes: ^aFrom continuing operation. ^bIncludes special credit. ^cRestated.

Trade Personals

John Kelly, ex-Magnavox & Westinghouse, named Sony national service gen. mgr. & asst. vp; **William Sharkey**, ex-Sylvania region sales mgr., appointed region mgr. for new Sony Wellesley Hills, Mass. branch. . . **Jon Winters** advanced at Sharp Consumer Electronics Div. from national accounts mgr. to national field sales mgr. . . **William Hutcheson**, ex-Kraco & MGA, joins Pioneer Electronics as sales promotion mgr. . . **Arthur Fromer**, ex-E.F. Houghton, appointed Elpa Mktg. treas.

Charles Barnes advanced at P. R. Mallory from vice chmn. to chmn., succeeding **Joseph Riley**, who becomes honorary chmn., exec. committee chmn. & chmn. of subsidiary Radio Materials Co. . . **Steven Trittman**, ex-Texas Instruments, named Sprague Semiconductor Div. gen. mgr. . . **Colin Crook** named Microproducts Group operations mgr. in realignment of Motorola Semiconductors IC Div.; **Bill Toon** appointed product mktg. mgr.; **Kenneth Wolf** named dir. of IC Advanced Research Labs.

Howard Wilson, ex-Rockwell Microelectronics Div., appointed Unitrex southeast region mgr., succeeding **John Bowden**, now special mktg. dir. . . **Raymond Mallen** appointed Bowman Industries eastern sales mgr. . . **Robert Scalise**, Sylvania Parts Div. gen. mktg. mgr., adds interim duties as Connector Products Operation mktg. mgr., succeeding **Joseph Tosta**, resigned.

Motorola enters automotive cassette player market with 2 open-list in-dash units with AM-FM stereo. Model for domestic cars will retail at about \$230; for imports about \$170.

Federal Energy Administration last week postponed until June 8 hearing on proposed energy efficiency goals for TV (Vol. 16:20 p11).