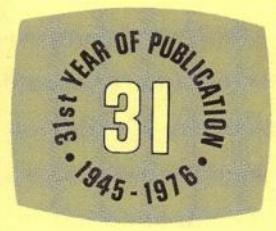


WEEKLY

Television Digest®

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The authoritative service for broadcasting, consumer electronics & allied fields

JULY 5, 1976

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 16, NO. 27

Broadcast

FLOOD OF MAJOR DECISIONS by Commission as Wiley takes advantage of Reid's last week. N.J. 'physical presence' requirement, study of cable pole attachment controversy, 'specialty' stations. (P. 1) KORK-TV loses license, WESH-TV renewed. (P. 5)

FV SUIT 'FRIVOLOUS', JD tells L.A. Court. Govt. & industry claim there was no coercion on First Amendment violation. Networks object to 'Family' move. (P. 2)

HOUSER CONFIRMED by Senate as OTP dir., takes over July 6. He supports independent FCC, 'hopes' White House is behind him. (P. 3)

NEB. PRESS GAG ORDER is struck down by unanimous Supreme Court. Majority opinion, signed by 5 justices, leaves open possibility of future restraints. In concurring opinions, 4 justices hint gag orders are never justifiable. (P. 4)

AMA DELEGATES urge doctors to 'actively oppose' violent TV programs & their sponsors. Will publish pamphlet to advise parents. (P. 5)

JUDICIARY SUBCOMMITTEE fails to complete work on copyright for lack of quorum; members & staff remain confident bill will be enacted into law this year. Railsback amendment modified. (P. 6)

FLOOD OF MAJOR FCC DECISIONS: Taking advantage of last time he'll have full 7-member FCC for several weeks (or even months), Chmn. Wiley worked agency overtime last week and several long-pending major actions resulted. They included refusal to renew KORK-TV Las Vegas—and also turndown of competing application—and 4-3 renewal of WESH-TV Dayton Beach-Orlando (see p. 5).

Ironically, while Comr. Reid was still on board (June 30 was her last day), commissioners decided to tell Rep. Moss (D-Cal.), chmn. of Investigations Subcommittee, that FCC could operate more efficiently as 5-member body and recommend that 2 seats be dropped. (There'll only be 5 commissioners at end of month when Robinson leaves.) However, 2 days later Comr. Washburn convinced his colleagues to change their position, and commissioners will take no position this week in written answers to questions submitted by Moss after oversight hearing in May (Vol. 16:20 p2). Among other FCC actions:

(1) Established "special service obligations" and "physical presence" guidelines for N.Y. & Philadelphia stations serving N.J. For affiliates, this would include "one or more news crews" and "fulltime N.J. correspondent." Commission said adequate service for N.J. "must depend to a large degree on the efforts of the area's mass-audience commercial stations," but warned UHF & ETV stations also must do their share. Agency said state "must endeavor" to provide funds to upgrade service of state-owned ETVs and that WNET N.Y.-Newark's role will be ex-

Consumer Electronics

COLOR LEADER PRICES indicate increases in many categories. Catalog houses offer sharpest pricing. Many domestic sets drop below imports. Comparative table of starting prices. (P. 7)

TV, CB IMPORTS continued to soar in May, color nearly tripling to all-time 192,600 record, b&w climbing 44%. Transceiver imports zoomed 213% to 1.5 million, led by 700% increase in car CB. Treasury complains ITC goes too far with Japan TV probe. (P. 8)

RCA'S NEW 25" TUBE will be 90° slot-mask with tri-potential gun, adding new confusion to race for self-converging big-screen sets. Sylvania may switch to 90°. (P. 9)

1975 ELECTRONICS factory sales are record \$36.4 billion, EIA reports, but consumer products shrink to \$4.8 billion, only 13.2% of total. New picture tube figures. (P. 10)

JAPAN'S APRIL EXPORTS to U.S. up for CB, audio. CB shipments rose 550%, total radios 224%, radio-phonos 99%, tape gear 41%. (P. 11)

JUNE SALES LAPSE in 4th week after 2 consecutive weeks of record color sales to dealers. Improvements seen resulting mainly from import surge. (P. 11)

amined in pending renewal proceeding.

FCC rejected Justice Dept. proposal that CATV rules be relaxed in N.J. to foster UHF as well as TV service to state and said hyphenated markets are neither "necessary nor appropriate." Question of whether commercial stations will be required to maintain N.J. studios was left undecided until after licensees have filed "physical commitment statements"—required in 60 days.

In joint dissent, Robinson & Hooks said FCC hadn't adequately faced N.J. problem, that stations should be required to maintain studios in state "as a means of guaranteeing their protestations of good faith." Reid (joined by Washburn) countered: "To require N.Y. & Philadelphia stations to maintain full studios in N.J. is...unrealistic, unwise and as outdated as the carbon microphone."

(2) Ordered "a wide-ranging staff study" (by OPP) of jurisdictional & economic issues in cable's continuing fight for attachments to telephone poles & conduits. At same time, Commission said it didn't have authority over "non-telephone" utility poles. NCTA had asked FCC to take immediate jurisdiction over utility pole rates; FCC dismissed that petition last week.

In separate statement, Wiley said CATV "may be left without an administrative forum" where state regulatory bodies disclaim jurisdiction over poles of electric & power companies. Therefore, "to ventilate the entire question," he plans to invite NARUC to meet informally on subject. In answer to question to be submitted to Rep. Moss (see above) this week, Robinson says: "In my view, we have the same jurisdiction over the rates which the power companies charge...as we do over the prices charged by Kennecott Copper for the copper used in coaxial cable." He said subject is more complicated for telephone poles, "but even there [rates] are no more subject to common-carrier jurisdiction than AT&T's service trucks." (Robinson & Cable Bureau Chief James Hobson engaged in heated, shouting exchange during Commission consideration of whether it has jurisdiction, with Hobson maintaining agency does have authority. Hobson apologized in FCC meeting next day.)

(3) Refused to reconsider rule permitting unrestricted coverage of "specialty" TV stations by cable systems (Vol. 16:9 p5), rejecting complaints of NAB, MST, Spanish network, others. Commission said it considered effect of new rule, concluded that "under ordinary circumstances most local broadcasters, regardless of the size of the market, would experience little if any economic impact." FCC listed 26 "specialty" stations under rule (up from 13 when adopted). In concurring statement, Hooks said specialty station can receive benefits from increased coverage in distant markets, added: "Cable has created another classic example of the 'love/hate' ambivalence that marks so many of our industry interrelationships. Every station loves to be carried on cable; every station hates cable when cable carries every station. The Commission, of course, gets love from nobody."

(4) Tentatively decided that Commission has no jurisdiction over re-runs. However, commissioners weren't happy with language in proposed order, sent it to staff for re-writing; it'll be back on agenda July 7.

* * * *

Wiley has prepared FCC schedule for rest of summer, featuring annual week of heavy meetings last July week—although subjects for 4 days of sessions haven't been determined. Commission has en banc meeting July 7, followed by special session on 1977 supplemental budget & re-runs. Next day, FCC takes up non-duplication viewability standards and equipment approvals. Future planning conference is July 12-13, followed by all-day oral argument July 14, special meeting July 15 on subscriber rate regulation and fiscal 1978 budget. Only regular agenda meeting is scheduled July 19 week (on 20th) and tentative meetings on "whatever pressing matters may arise" are planned Aug. 5, 10, 26, 31. FCC has formed "board" to rule on emergency matters during Aug. whenever quorum isn't available.

FV SUIT 'FRIVOLOUS'—JUSTICE: 'There can be no doubt from the testimony that the family hour represents an industry—not an FCC—plan adopted voluntarily by the NAB,' Justice Dept. (JD) told L.A. Dist. Court last week in asking Judge Warren Ferguson to declare suit "frivolous." Charging their First Amendment rights have been violated, Tandem Productions and

WGA-W have asked Court to declare family viewing (FV) "illegal government influence" on TV programming (Vol. 16:25 p2).

JD brief was filed on behalf of defendant FCC. Networks & NAB, also defendants, agreed with Justice that "no coercion, implicit or otherwise, has been nor can be demonstrated" on part of Chmn. Wiley and/or FCC, as claimed by plaintiffs. "The ultimate aim of plaintiffs' claims is not to vindicate the First Amendment but to garner unto themselves the right to determine program content and scheduling," networks told Court. "Rather than establishing that family viewing is the product of meetings and contacts between FCC representatives and broadcasters, the record here merely confirms that family viewing is an evolutionary step in a long history of broadcaster attempts to limit the presentation of violence on TV. [It] was a direct outgrowth of the work of [CBS Pres.] Arthur Taylor and not the result of pressure or suggestions by Chmn. Wiley."

It would make no difference "as a legal matter" whether NAB TV Code adopted Wiley proposals (made in fall 1974) "wholesale," JD told Court. "Mr. Wiley's suggestions were just that—suggestions"—and his activities "are not only constitutional and otherwise lawful, but eminently proper... There were no threats."

Broadcasters said "most novel and legally insupportable" of plaintiffs' arguments is request that defendants be ordered to pay legal fees. On Tandem's request for Court order that CBS schedule "All in the Family" between 8-9 p.m., networks said: "A more fundamental intrusion on the rights of the free press could hardly be imagined."

Final briefs were filed after lengthy trial last spring (Vol. 16:23 p2, et seq.). Argument before Ferguson is July 15-16. Also awaiting trial is Tandem & WGA-W charge that FV violates antitrust laws.

HOUSER CONFIRMED FOR OTP: Thomas Houser was confirmed as OTP dir. by Senate last week, following unanimous approval by Senate Commerce Committee. In approving Houser, Committee rejected charge by "an old personal friend" that nominee had swindled her in sale of 10 acres of N.M. real estate 12 years ago. New OTP dir. will be sworn in July 6.

In confirmation hearing last week, ex-FCC comr. told Senate panel he would respect Comission's independence, said he had "no doubt whatsoever" that OTP should continue to exist as independent office within White House. OTP "should be free to disagree with the FCC," Houser said, but isn't able to override agency decisions. "You have the power of the White House behind you," warned Pastore. "We hope we have the power of the White House behind us," Houser replied.

OTP role should be spectrum management & over-all policy formulation, Houser said. "I am rather skeptical about the FCC's ability to carry out over-all policy-making, though it does carry on policy-making through its decisions."

Senators expressed surprise that Houser was interested in post so close to 1976 presidential election which, if won by Democrat, would result in his replacement. "I was rather surprised that he accepted this job," Sen. Percy (R-Ill.) commented. "I still can't figure that out," Pastore said. Houser explained that although "I did not seek this job," when asked by White House to serve, "I felt it was important." To avoid possible conflict of interest, Houser has agreed to drop 5 corp. directorships paying between \$6,000-\$8,000 annually, will sell

certain stocks for which he said he'll earn "modest capital gain."

Other Houser views (in written answers to staff questions): (1) Cable regulation "has to be carefully weighed in its impact on the economy and free broadcasting, including UHF considerations." (2) "Possibly congressional action in copyright will help resolve the problem of the relationship between over-the-air broadcasting and future development of cable TV." (3) "The future of UHF is a major consideration" in judging OTP's VHF drop-in proposal, "as well as technical interference issues." (4) "Having served over 3 years as a trustee on the board of WTTW[ETV] in Chicago, I am very interested in the growth of public broadcasting," which should "enjoy freedom of expression and should be essentially free of programing regulations." (5) Federal govt., as major purchaser & user of communications, should "encourage innovation in the private sector, especially when such innovation would result in a conservation of valuable spectrum, improves quality of communications services and reduces cost."

Pastore criticized ex-OTP Dir. Clay Whitehead (though not by name) for misrepresenting his (Whitehead's) own views as those of President Nixon, praised Acting Dir. John Eger for his "able leadership," added: "As able and competent as it has been, it's no substitute for having had a permanent leader appointed directly by the President."

"Advertising is as vital to the preservation of freedom... as the free exercise of publishing a newspaper or the free exercise of building a church or the free exercise of the right of trial by jury"—BBDO Chmn. Thomas Dillon.

NEB. PRESS GAG UNCONSTITUTIONAL: Unanimous Supreme Court has ruled that gag order imposed on media by State Trial Judge Hugh Stuart in multiple-murder case tried in Neb. was unconstitutional prior restraint of press. Though not barring altogether ability of judges to impose gag orders, opinion—written by Chief Justice Burger and signed by White, Blackmun, Powell & Rehnquist—found that "prior restraints on speech and publication are the most serious and the least tolerable infringement on First Amendment rights," especially "as applied to reporting of criminal proceedings."

However, separate concurring opinion written by Justice Brennan and signed by Stewart & Marshall held that "resort to prior restraints on the freedom of the press is a constitutionally impermissible method for enforcing" right of defendant to fair trial because judges "have at their disposal a broad spectrum of devices for ensuring that a fundamental fairness is accorded the accused without necessitating so drastic an incursion" on First Amendment. Justice Stevens, in separate concurring opinion, while declining to endorse Brennan's words, suggested that, "if ever required to face the issue squarely, [I] may well accept his ultimate conclusion."

Burger's majority opinion contained plea to press to exercise responsible judgment, given its "extraordinary protections afforded by the First Amendment." Burger characterized press responsibility as "something in the nature of a fiduciary duty to exercise the protected rights responsibly—a duty widely acknowledged but not always observed by editors & publishers."

Opinion skirts issue of which takes precedence—right of free press or right of defendant to fair trial. "The authors of the Bill of Rights did not undertake to assign priorities as between First Amendment and Sixth Amendment Rights. In this case, the petitioners would have us declare the right of an accused subordinate to their right to publish in all circumstances. But if the authors of these guarantees, fully aware of the potential conflicts between them, were willing or unable to resolve the issue by assigning to one priority over the other, it is not for us to rewrite the Constitution by undertaking what they declined."

Indeed, opinion goes out of its way to leave door open to possibility of imposing prior restraint under other circumstances. "Reasonable minds can have few doubts about the gravity of the evil pretrial publicity can work," Burger writes, "but the probability that it would do so here was not demonstrated with the degree of certainty our cases on prior restraint require."

Decision received generally favorable comment. NBC Chmn. Julian Goodman called it "welcome news for those who cherish freedom of the press and value the public's right to know." CBS Pres. Arthur Taylor said ruling should "greatly hearten [those] concerned with the erosion of press freedoms during the past several years." ABC News Pres. William Sheehan "applauded" decision, said he was glad it was unanimous. Frank Fogarty, exec. vp of Neb. Bcstrs. Assn.—which spearheaded challenge of gag order—said Assn. was disappointed that ruling hadn't en-

acted "total ban on prior restraint," but called decision "a pretty tough barrier against such actions... I can't be too complimentary about the cooperation we got from the media in this fight." RTNDA Pres. John Salisbury called it "a magnificent reaffirmation of... First Amendment Freedoms."

* * * *

On same day as it ruled on Neb. gag order, Supreme Court refused to review contempt citations—and possible jail sentences—facing L.A. Herald-Examiner reporter William Farr and 4 Fresno (Cal.) Bee reporters for refusing to reveal news sources. Meanwhile, WBAL-TV-AM-FM Baltimore and area papers said they'll appeal gag order issued by Dist. Judge John Pratt in trial of Md. Gov. Marvin Mandel.

Tenn. & Ind. broadcasters were hit with slew of petitions to deny filed by community groups last week, including 3 Tenn. TVs, with 2 others involved in negotiations. WSM-TV-AM-FM Nashville is opposed by NAACP and other groups for displaying "shocking ignorance of, or indifference to...the black community." Same groups told FCC they're negotiating with WNGE and WTVF Nashville. Group of Memphis community organizations has petitioned to deny license of WMC-TV-AM-FM Memphis for alleged "extreme & undue" media concentration; stations are owned by Scripps-Howard Bcstg., which also owns morning & afternoon Memphis newspapers. Overlapping list of Memphis community groups opposes WREG-TV Memphis for alleged EEO violations. WDIA(AM) Memphis is opposed by N. Miss. Coalition for Better Bcstg. because station features "happy talk" news.

Broadcasters were given much more leeway in using remote pickups last week in amended FCC rules, effective Aug. 31. Among changes: All transmitters operated by station may be licensed as group rather than individually; number of available frequencies increased to 101 in 450-455 MHz band by subdividing wide-channel frequencies; 7 different bandwidths to provide for high-fidelity broadcasts; increase bands for wireless microphones; require type-acceptance for new equipment, grandfather existing equipment; permit networks to license auxiliary stations for first time; eliminated requirement that licensees obtain special authorization to use remote pickups outside normal coverage area; detailed logs no longer required; permit use of remotes for all program activities but retain prohibition on use for sales, paging, etc.

N. Y. Commission on Cable TV tax of up to 2% of cable systems' gross annual receipts is consistent with FCC rules so long as total paid to state & local authorities doesn't exceed 5% of gross subscriber revenues, FCC ruled last week. "Gross receipts" include subscriber revenues as well as fees paid for pay cable and other costs. In response to request by N. Y. Commission for declaratory ruling, FCC said that fees in excess of 5% of gross subscriber revenues are "an unreasonable interference" with development of nationwide cable industry.

Deadline for comments on circular polarization transmission by TV stations has been extended by FCC to Aug. 24, replies Sept. 6, at request of NAB.

KORK-TV LOSES; WESH-TV WINS: Two lengthy comparative renewal cases were finalized by FCC last week with WESH-TV (Ch. 2) Daytona Beach-Orlando winning renewal 4-3, while KORK-TV (Ch. 3) Las Vegas lost its license on 6-0 vote. In latter, Commission also denied CP to competitor Las Vegas Valley Bcstg. for not being financially qualified.

KORK-TV was told to go dark Oct. 1 unless it appeals (which station is sure to do), in which case it could remain on air until 30 days after final disposition of appeal. Owned by Donald Reynolds, KORK-TV lost its license when FCC found it guilty of network clipping, fraudulent billing, misrepresentation and false & misleading responses to Commission inquiries—"clearly designed to conceal its operating practices from the Commission."

Commission also denied KORK-TV's request that proceeding be suspended so FCC could conduct further investigations into "leaks" of Commission decision (Vol. 16:11 p2) and alleged unauthorized ex parte contacts. FCC said leaks had not prejudiced KORK-TV and that since newsmen aren't parties of interest, there had been no ex parte contacts. Noting that KORK-TV has filed 6 pleadings relating to leaks, Commission questioned whether they constituted delaying tactics, said any "further pleadings directed to the alleged ex parte violations will be summarily dismissed."

Comr. Quello, in explaining his non-participation, said: "Certain press reports have alleged that I inadvertently contributed to a premature release of information... My comments to the press were of a general, philosophical nature and... could not have contributed materially to an understanding of the specific action taken by the Commission... However, with a view toward avoiding even an appearance of impropriety, I have decided to abstain..."

FCC said it would invite new applications for Ch. 3 Las Vegas, waived 12-month rule to permit Valley to refile since it established qualifications "in all respects except financial."

In renewing Cowles Bcstg.'s WESH-TV, FCC denied competing application of Central Fla. Enterprises. Commission majority said Cowles' programming record had been "superior," that only blot was unauthorized studio move, but "this demerit did not diminish a distinct preference for Cowles."

Chmn. Wiley, Hooks & Robinson dissented, issuing statements. Wiley said he agreed it "would be inequitable, and in many ways unfair, to remove Cowles' license on the basis of the record before us," that his dissent is based "upon a reluctant conviction that a grant of renewal would be inconsistent with the law as I understand it." He said FCC couldn't "remain faithful" to comparative criteria policy—not intended originally "as a guide for comparative cases involving a renewal applicant"—and grant WESH-TV renewal. He cited diversification and integration of ownership & management, along with studio demerit, as clearly favoring Central Fla., leaving Cowles a plus only on superior past programming.

"This brings me to a conclusion which I have

stated before—that the present comparative renewal process simply does not make sense and that a complete reform is urgently needed," Wiley said. "I believe that the comparative evaluation of a renewal applicant and a challenger should be eliminated and that all incumbents who do a good and faithful job of serving their communities should be renewed... Group owners, as a class, tend to have a built-in and unwarranted disadvantage."

Hooks said fault lies not with comparative standards. "The fault is that the majority—to reach its desired result—distorts the policy almost beyond recognition." Robinson also said Cowles' renewal couldn't be justified under comparative policy: "Down by a score of 4 to 0, Cowles comes forth at the last minute, scores once and wins... The process has nothing whatsoever to do with the outcome. Something has to be changed."

AMA House of Delegates endorsed series of recommendations opposing TV violence at Dallas convention, though it rejected resolution calling for boycott of violent programs and their sponsors. Delegates adopted report prepared by AMA board urging: (1) Networks to broadcast parental warnings for all programs containing "episodes of violence that may have an adverse effect on some children." (2) Further research by govt. to perfect violence indices. (3) Conference with NAB to outline problem areas in children's TV. (4) Publication of booklet for parents advising them on suitable children's programming. Instead of boycott, delegates adopted resolution urging doctors to "actively oppose" violent shows and their sponsors. Delegates also voted to ask film & TV industries to stop portraying cigarette smoking in all programming except when needed for dramatic effect.

FCC is overhauling spectrum management program to "protect existing use of the radio spectrum and the role of the private sector in meeting specific communication requirements." Monitoring station will be "significantly reduced" in Chicago, most personnel transferred to Washington. Responsibility for new land-mobile program will be placed in new office in Safety & Special Services Bureau. Mobile monitoring of actual land mobile frequency use will be increased, and feasibility of frequency sharing will be revisited on regional basis.

House-Senate conference has approved FCC funding for fiscal 1977 of \$54.696 million, \$3.248 million over amount requested and approved earlier by House. Additional funds are earmarked to fill about 75 existing vacancies approved by Congress but blocked by OMB, about 45 additional posts for processing CB radio license applications, and to cover pay raises, increased personnel costs & benefits. Report recommends Congress review "the entire area" of FCC fee policy (Vol. 16.25 p4).

WSAV-TV Savannah has been bought by News-Press & Gazette Co., St. Joseph, Mo., for \$5.25 million. Blackburn & J.C. Bradford & Co. (Nashville investment banking firm) were brokers. News-Press & Gazette Co. owns St. Joseph cable system (16,000 subscribers), 2 newspapers. WSAV(AM) wasn't involved in sale.

Personals

Legal Asst. **Michael Senkowski** promoted to admin. asst. to FCC Chmn. **Richard Wiley**, effective Aug. 1, succeeding **Lawrence Secret**, who will become Deputy Gen. Counsel (Vol. 16:16 p3); **John Sturm**, legal asst. to ex-Comr. **Charlotte Reid**, succeeds Senkowski; **Roderick Porter**, FCC Hearing Div. lawyer, named special asst. to Wiley, succeeding **Donald Wear**, resigning to move to Paris; **Charles Jackson**, engineering asst. to Comr. **Glen Robinson**, joins Common Carrier Bureau; OPP economist **Richard Emerine** joins OTP International Div.

FCC Chmn. **Richard Wiley** addresses Tex. Assn. of Bcstrs. July 9, Six Flags Inn, Arlington... **Richard Silberling** promoted to new post of dir., current prime-time comedy programs, ABC Entertainment; **Martin Kirschen**, ex-assoc. dir. of administration, promoted to financial planning dir., ABC-owned TV stations... **Harry Pappas** named pres., KMPH Tulare, Cal., succeeding **Mike Pappas**, appointed pres., KMUV-TV Sacramento; **Pete Pappas** elected KMPH vp and pres., KTRB(AM)-KHOP(FM) Modesto, Cal.

Paul Raymon, WAGA-TV Atlanta, elected pres., Ga. Assn. of Bcstrs., succeeding **Elmo Ellis**, WSB-AM-FM Atlanta; **John Radeck**, WJBF(TV) Augusta, named TV vp... **Philip Lombardo**, Corinthian Bcstg., appointed a TIO dir., succeeding **John Murphy**, Avco Bcstg.

Erik Bennorth promoted to special services dir., NBC-TV; **Lee Ann Kennedy** advanced to contract administration mgr.; **John Rose** appointed NBC senior attorney... **John Litvack** advanced to CBS-TV daytime programs dir., N. Y.... **Philip Levens** promoted to TV operations dir., ABC Bcst. Operations & Engineering Div.; **Jack Sharkey** advanced to ABC Entertainment program operations mgr.; **Joan Aceste**, ex-Patterson, Belknap & Webb, N. Y. law firm, joins ABC-TV contracts dept. as program attorney.

Chloe Aaron, ex-National Endowment for the Arts, joins PBS as senior vp-programming, new post... **Ken Koller** advanced to business mgr., WKBW-TV-AM Buffalo... **Peter Temple** named planning mgr., WBBM-TV Chicago.

Comparative hearing between 2 applicants—Vue-Metrics Inc. & Radio Bcstg. Co.—seeking pay-TV station on Ch. 57 Philadelphia has been ordered by FCC. Additional issue involves Radio Bcstg. ownership of Philadelphia MDS and whether grant of pay TV station would have "anti-competitive consequences" as result.

"Competitive conditions make it impractical" for networks to take self-regulatory action to restrict pre-release to Canada of U.S. programs, CBS said in comments to FCC on inquiry begun at request of ABC (Vol. 15:41 p4). CBS told Commission it has ample authority to bar pre-release.

Harte-Hanks Newspapers acquires 3rd TV, buying WFMY-TV Greensboro from Landmark Communications for about \$19 million. Tex. Telecasting (Michael & Daniel McKinnon) has purchased KBMT Beaumont from Liberty National Bank (Okla. City) for \$2.4 million; broker R. C. Crisler.

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with
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House Judiciary Subcommittee found itself unable to obtain quorum for what would have been final session on markup of copyright bill last week. However, members & staff remain confident that there is enough time left this session for Congress to enact revisions into law. Though members downplay it, bill is expected to face renewed intense lobbying at full Judiciary Committee level. Earlier in week, Subcommittee unanimously accepted revision of Railsback amendment approved in advance by Communications Subcommittee Chmn. Van Deerlin (D-Cal.). Revision—made necessary by Van Deerlin's threat to seek referral of bill to Commerce Committee (Vol. 16:24 p5)—drops requirement that Royalty Commission weigh impact on economics of broadcasting of cable carriage of additional distant signals if FCC changes rules. New version merely provides that Commission "shall consider, among other things, the economic impact [of FCC rules changes] on copyright owners and users." Language in accompanying report is expected to make clear that broadcasters are "owners & users," and that Royalty Commission isn't to be "viewed or used" as "court of appeals" or "forum to accomplish what [parties] were unable to accomplish before the FCC."

Licenses for KDTH(AM) & KFMD(FM) Dubuque, Ia. were renewed by FCC, despite objection from KDUB-TV Dubuque that stations and co-owned Telegraph Herald—Dubuque's only daily newspaper—used "highly sensational" coverage of KDUB-TV renewal proceedings "to damage KDUB-TV and destroy its ability to effectively compete for audience & advertisers."

Smith, Cooper Assoc. (Joel Smith & Frank Cooper)—cable TV management & consultant firm—becomes a div. of Assoc. Utility Services, Cherry Hill, N.J.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 18 (24th week of 1976):

	June 12-18	1975 week	% change	June 5-11	1976 to date	1975 to date	% change
Total TV.....	226,623	213,480	+6.2	206,781	4,871,132	4,532,760	+7.5
color	137,154	121,964	+12.5	121,351	2,864,141	2,546,085	+12.5
monochrome	89,469	91,516	-2.2	85,430	2,006,991	1,986,675	+1.0
Total radio	957,655	883,099	+8.4	690,476	14,529,883	12,231,951	+18.8
home, portable ..	718,973	727,984	-1.2	446,637	8,853,195	8,418,632	+5.2
AM-only	91,158	146,998	-38.0	70,169	1,969,312	2,640,268	-25.4
FM & FM-AM ..	627,815	580,986	+8.1	376,468	6,883,883	5,778,364	+19.1
auto.....	238,682	155,115	+53.9	243,839	5,676,688	3,813,319	+48.9
Port.-comp. phono.	51,772	87,380	-40.8	46,966	1,007,402	1,369,855	-26.5

Color TV 5-week moving average: 1976--125,103; 1975--113,287 (up 10.4%).

STARTING TV PRICES SHOW UPWARD TREND: Round of minor price hikes this spring generally drove median starting prices up on color TV, though important 19" size remains same at \$400 and 15" dropped \$9, our latest survey shows. Biggest changes since Sept. survey (Vol. 15:38 p8) were \$20 increases in 12", 21" & 25" floor consoles and \$20 decrease in 9-10"-category.

Catalog chains—particularly Sears & Penney—continue to offer sharpest leader pricing. Of screen sizes listed, Sears has lowest price in 13" (\$269), 15" (\$249), 23" (\$480) & 25" leg consoles (\$499), shares lowest price with Penney in 19" (\$299). Penney has lowest price in 9-10" (\$245), shares in 12" with Panasonic (\$300), and Ward has lowest 25" floor console (\$520).

Chain prices can be misleading, however. In past, our table listed only catalog prices of 3 major chains, but this year we decided to compare catalog and going in-store prices (supplied by stores themselves), then use lower of 2 to derive median. Though catalog prices are lower in some cases, lowball store prices in several key categories make significant difference in ranking of price leaders. In 25" floor console category, for example, 4 domestic producers (Magnavox, Philco, RCA & Sylvania) show prices lower than \$640 Sears catalog price. But if \$579 retail store price is used, Sears is 3rd lowest after Ward & Penney.

Excluding chains, survey shows almost total about-face from June 1975 survey (Vol. 15:24 p8), when Japanese brands had lowest leaders in almost every category where they compete. This time, domestic suppliers hit lowest price points in virtually every size where they market sets.

Lowest in SS 9-10" is Toshiba, 12" Panasonic, 13" Sylvania, 15" & 17" Philco, 19" Panasonic, 21" Sylvania, 23" console Zenith, 25" table Philco, 25" floor console Philco & Magnavox.

New survey marks significant milestone in history of color industry, with all but one hybrid set (GE's 10" Porta Color) finally gone. Five hybrid sets were listed in June 1975 survey, 4 in Sept.

Table below shows lowest suggested list price or equivalent price of each brand in each screen size. Prices in parentheses are estimated retail prices for open-list models. Zenith 17" & 25" sets are from 'G' line introduced last year; new models will be shown in late July. Sears, Penney & Ward prices are from catalog, except where indicated. RCA leader models

in all sizes are open-listed XL-100s. Manufacturers' suggested list, or guide, prices often differ sharply from actual selling prices.

COLOR TV STARTING PRICES

Brand	9-10"	12"	13"	15"	17"	19"	21"	23"	25" Console	25" Table	25" Leg Console	25" Floor Console
Admiral . . .	-	-	(350)	-	-	(400)	-	650	-	-	-	(700)
GE	260H	-	360	-	420	420	-	-	600	-	-	670
JVC	-	-	330	-	380	420	-	-	-	-	-	-
Hitachi . . .	340	320	360	420	410	420	-	-	-	-	-	-
Magnavox . . .	-	-	340	390	-	400	-	-	-	-	-	600
MGA.	-	-	330	390	440	470	-	-	-	-	-	-
Panasonic . . .	-	300	340	-	-	331 ¹	-	-	-	-	-	-
Penney	245	300	320	370	-	299 ¹	-	-	-	-	-	540 ¹
Philco.	-	-	-	320	350	360	-	-	500 ²	-	-	600
Quasar	-	330	350	370	400	(420)	-	-	600 ²	630	650	-
RCA	-	-	-	(350)	(380)	(400)	(570)	-	(630)	(600)	(620)	-
Sanyo	-	-	330 ¹	350 ¹	-	360	-	-	-	-	-	-
Sears	248	-	269 ¹	249 ¹	-	299 ¹	-	480	-	499 ¹	-	579 ¹
Sharp	-	-	320	370	-	360	-	-	-	-	-	-
Sony	430 ³	400	-	460	520	580	700	-	-	-	-	-
Sylvania . . .	-	-	300	-	380	420	550	-	590	600	620	-
Toshiba. . . .	300	-	330	380	-	(370)	-	-	-	-	-	-
Ward	-	-	340	370	-	320	-	-	-	-	-	-
Zenith.	-	-	360	-	420 ⁴	(460)	-	(630) ²	670 ⁴	(700) ⁴	-	520 ⁴
Median	280	320	335	370	410	400	570	630	600	600	600	620

H - Hybrid

1 - In-store price

2 - 23" tables start at \$600

3 - Also 5-AC-DC at \$460

4 - Last year's models

COLOR TV, CB IMPORTS SOAR IN MAY: Color TV imports shattered all monthly records in May, nearly tripling May 1975, while b&w posted solid though smaller increase, Commerce Dept. totals show. Figures also reveal continued strong growth for transceiver imports.

Total May TV imports of 435,300 were up 83.5% from 1975, as color hit 192,600, up 180.2%, erasing 185,000 record set in Oct. 1971. B&w shipments rose 44% to 242,700. Current color import boom kicked off in June last year, and over 12-month period 1.69 million were brought in, topping previous 1.45-million record of Feb. 1973—Jan. 1974. Indications are, however, that June imports exceed those of May, so new records aren't expected to stand for long. In year's first 5 months, 2.24 million TVs were imported, up 61.9%, with color up 159.8% to 775,800, b&w up 35.1% to 1.47 million.

Japan continued as biggest TV import supplier, providing 256,600 in May, up 213.4%, including record 179,500 color (up 232.1%) & 77,100 b&w (up 177.1%). Taiwan's total of 141,500 TVs was up 3.7%, percentage gain matched by its 12,000 color & 129,500 b&w shipments. Korea's total shipments rose 113.1% to 36,500, with color down 40.8% to 930, b&w up 128.6% to 35,600.

Jan.-May results by country: Japan, total 1.13 million (up 222.8%), color 705,400 (up 207%), b&w 421,400 (up 259.3%); Taiwan, total 960,100 (up 4.2%), color 54,500 (down 7.8%), b&w 905,600 (up 5.1%); Korea, total 153,400 (up 38.5%), color 15,100 (up 164.4%), b&w 138,300 (up 31.7%).

Domestic segment of TV industry is continuing effort to find way to stem flow of color imports. Critical point in effort comes July 8 when International Trade Commission Judge Myron

Renick is slated to hear arguments on motion to dismiss Sylvania's unfair import competition complaint against Japanese color manufacturers & importers. Japanese contend that issues in complaint—allegations of dumping, acceptance of Japanese govt. export subsidies, price-fixing and conspiracy to take over U.S. market—are not in ITC's jurisdiction.

Support of Japanese position is contained in strongly-worded letter from Peter Suchman, Treasury asst. secy. for Tariff affairs, to ITC Chmn. Will Leonard. In letter turning down ITC request for access to Treasury's Japan TV dumping case files, Suchman says his agency's lawyers feel that though ITC has authority to conduct broad overview investigation into U.S. business practices of foreign firms, anything touching on anti-dumping or countervailing-duty areas is exclusive Treasury territory. Suchman says it appears ITC is "acting beyond the authority conferred by Congress," suggests that if ITC disagrees with this view the matter be taken up with Justice Dept. It's understood FTC is considering sending similar letter to protest what it feels is ITC jurisdictional encroachment.

Practical politics may hold up combined industry-labor push for escape-clause action on TV imports (Vol. 16:26 p7) until 3rd or 4th quarter. Delay is to avoid dropping case into lap of possible new President right after he takes office. There's also good chance that by then ITC will be restructured in way that makes winning such import relief easier.

* * * *

Though CB imports are climbing even faster than color TV, that portion of domestic industry isn't objecting—at least not yet—because it relies on imports for 80% of units. May total transceiver imports were up 213.3% to 1.47 million units, paced by 703.6% jump in automotive CB models to 953,600. Non-CB auto transceivers rose 429.5% to 146,500, hand-held (all types) were up 2.8% to 199,600, others (including base stations) 31.6% to 168,900. In first 5 months, total transceivers were up 278.2% to 6.7 million, auto CB 928.2% to 3.97 million, non-CB auto 215.5% to 745,600, hand-held 48.7% to 1.05 million, others 114.7% to 964,300.

RCA PLANS 90° TRI-POTENTIAL TUBE: Just to make pandemonium complete in picture-tube industry, RCA is telling its set-making customers that its 25" tube of the future will be slot-mask type with tri-potential gun, but will retain current 90° deflection angle.

Planned for 4th-quarter 1977 production, new tube—like Zenith's "Able" and Sylvania's developmental 25"—will be narrow-neck, self-converging type with hybrid yoke. It will use conventional (Mark III) glass. Announcing demonstrations of tube to its set-making customers next month in Lancaster, Pa., RCA said 90° deflection "will provide significantly lower set costs, lower energy consumption and lower chassis temperature," while tri-potential gun will result in higher resolution & sharper focus. Unlike RCA 13"-19" PIL tubes, new tube won't have cemented-on yoke, but RCA said it would be in position to supply yokes.

"If variety is the spice of life, we've got a Hungarian goulash on our hands," said Roger Slinkman, senior vp of Sylvania Components Group, which recently demonstrated developmental 25" tri-potential tube with 100° deflection angle (Vol. 16:24 p9). He indicated that Sylvania would make whatever its customers wanted and added: "From a cost basis, we believe there is an advantage at 90°. Of course, we'd like to see it stay at 90. We haven't firmed up any plans—we have no hard & fast line. Our main program is full speed ahead to get the gun ready."

Tri-potential gun, of course, is feature of Zenith's new "Able" tube which tube-making competitors like most—virtually only feature they like, at least on basis of public statements. Sylvania & RCA have rejected Corning's new Mark IV glass outright, while Westinghouse & GE, although uncommitted, seem dubious.

Despite apparent cold shoulder from competitors, Zenith is "going right ahead" with plans to introduce tube in 19" sets later this month, Pres. John Nevin told us. "A lot of people don't agree" with design, he conceded, "but it's not unusual for people not to be impressed with a design and later adopt it. They pooh-poohed Chromacolor for 3 years and then they all came out with copies of it."

"We wouldn't have spent \$5 million [to change over production line to new tube after \$10 million in development costs] unless we thought the product was viable," Nevin continued. "We are

getting from this design what we hoped to get from it. We're not one iota less enthusiastic than we were in Feb. I think you can make a case in this industry that companies that failed to make a decision have gotten in more trouble than those that have. We'd rather take some risk moving ahead than take the risk of standing still." He reiterated that he believes new tube "will continue to keep our receivers more than competitive." Tube won't be offered to other set makers before year end, "when we could be in a position to be much more aggressive, if we've been planning right."

Corning, which developed Mark IV glass to Zenith specs, says "the verdict's still not in," to quote TV Products Business Mgr. John Gailey. "If the others can compete on a price-quality basis [using conventional glass], that's okay, but we don't know how to make less expensive glass" than Mark IV. Corning has guaranteed Mark IV glass price will be about \$4 below conventional glass for next 2 years. Can this price differential continue if other manufacturers don't join Zenith in using it? "It certainly wouldn't be as cost-effective long-range, but any speculation would be premature," Gailey said.

One factor in RCA's decision to stay at 90° undoubtedly was its ownership of glass plant in Circleville, O. Conversion to 100°, even using conventional glass, would be expensive proposition, considering the benefits. There have been some suggestions in industry—completely unverifiable—that RCA's move is holding action until it comes out with totally-new color tube.

1975 ELECTRONICS RECORD: U.S. electronic equipment sales hit record \$36.4 billion last year, but consumer products' share dropped to 13.2% of total, lowest percentage in history. EIA's new 1976 Electronic Market Data Book (\$10 to members, \$20 non-members), gives this factory-sales breakdown (consumer products include imports): Communications & industrial products \$18.7 billion (51.4% of total), govt. \$12.1 billion (33.2%), consumer \$4.8 billion (13.2%), replacement components \$791 million (2.2%). For breakdown of consumer electronics factory dollar sales, see Vol. 16:16 p8.

Data Book's section on picture tubes gives these facts, in addition to totals already reported (Vol. 16:16 p11): Color tube unit sales (6,775,300) were lowest since 1970 and down 17.2% from 1974, although last year was 2nd best year in history for color tube exports. Total dollar value of color tube factory sales was \$463,332,000, down 18.6% from 1974. Average price of color tube declined from \$69.50 to \$68.39, lowest in history.

Monochrome tube sales collapsed to 1,735,600 units, down 37% from 1974 and lowest number recorded since EIA began keeping track in 1949. Monochrome tube dollar volume dropped to \$29.3 million from \$42.1 million in 1974 and average price of \$16.88 (vs. \$15.28 in 1974) was highest since 1967.

Zenith lost appeal against federal court judgment that it infringed 2 CBS color-tube patents (Vol. 15:37 p12), but Chicago Appeals Court reduced original \$3.8-million judgment by \$898,420, eliminating interest charge.

CB Scene: FCC will be able to hire additional 45 people to handle processing of CB radio license applications under fiscal 1977 budget approved last week by House-Senate conference...Grant of \$20,-882.44 has been awarded by FCC to Data Industries, Paramus, N.J. to study development of high-speed CB license application-processing system...FCC sets Oct. 1 deadline for certification applications on low-power walkie-talkies in 27-MHz CB band. Under Feb. ruling, walkie-talkies are being shifted to 49 MHz and final production date is March 18, 1977 (Vol. 16:8 p10)...Masco's Electra Div. charged RCA, Sanyo & Teaberry in court suit with infringing patents covering public-service scanners. RCA & Teaberry units apparently are made in Japan by Sanyo. Masco has asked other scanner suppliers to sign licensing agreements...Hong Kong Trade Development Council says Atlas Electronics plans production of 25,000 CB units by year end, Soundic Electronics will produce 5,000-10,000 by Sept. Other Hong Kong electronics firms, including Asia International, are studying CB industry, with U.S. as prime market...Second meeting of Personal Use Radio Advisory Committee (PURAC) will be July 29 at FCC's Laurel, Md. labs, open to public.

Quality certification program for electronic components sold internationally was approved by International Electrotechnical Commission. IEC program, with participation of EIA, was launched 3 years ago to improve such trade by creating worldwide standards combined with inspection system in each participating country of origin. Still to be established is certifying agency in U.S. Program is slated to be operational 2nd half 1977.

JAPAN'S APRIL: CB continued to set growth pace for Japanese consumer electronics exporters in April, outdistancing soaring color TV shipments (Vol. 16:22 p8), Finance Ministry totals show.

Japanese shipments of over-100-mw CB transceivers to U.S. in month leaped 547.5% over April 1975, bringing 4-month total to more than 3.56 million, up 514.6%. Exports of all other major products also were up in April. Total radio shipments rose 223.6%, led by 6-fold jump for auto radios. Home radios rose 47.2% to 244,900; bulk of increase coming in FM radios & tuners. Radio-phono exports were up 99.1%. In audio tape hardware, total shipments rose 41.3% to 1.1 million, with home units up 38% to 918,200, auto players 60.6% to 184,100. Strongest unit increases in home recorders were logged by cassette & cartridge models & hi-fi decks. Here are details:

JAPANESE EXPORTS TO U.S.

	April 1976		April 1975	
	Units	Value(\$)	Units	Value(\$)
Total TV	307,549	46,686,219	96,537	14,770,926
color	221,496	41,323,525	65,993	12,825,973
b&w.	76,705	4,768,521	30,544	1,944,953
chassis & kits	9,348	594,173	—	—
Radio-phono, mono.	29,638	1,707,311	10,980	109,065
Radio-phono, stereo.	2,000	192,772	4,909	802,939
Radio-rccrdrs. & other comb.	275,408	11,365,541	327,060	13,904,322
Auto radios.	639,289	23,919,946	106,928	2,773,676
Clock radios.	29,848	672,234	47,469	1,035,175
Radios, AM	18,331	350,377	8,382	63,957
Radios, FM	89,708	2,934,906	110,497	9,442,537
FM hi-fi rccrtrs. & tuners*.	107,042	13,538,759	—	—
CB trcvs., under 100mw.	32,734	159,983	55,332	183,460
CB trcvs., other	1,168,894	62,049,819	213,514	11,511,119
Phonos.	68,890	3,951,127	—	—
Tape players, auto, cart.	127,581	2,122,648	114,577	2,233,513
Tape players, auto, other*.	56,481	1,090,836	—	—
Tape rccrdrs., reel.	10,470	634,809	1,745	262,949
Tape rccrdrs., cass.	361,357	10,585,698	227,528	6,445,538
Tape rccrdrs., cart.	147,974	2,791,140	45,768	896,063
Tape decks, audio	122,937	7,554,040	63,129	4,699,301
VTR*.	8,010	5,416,665	—	—

*Not reported separately in 1975.

'National Home Video' videocassette recorder, which will be offered by Quasar (Vol. 16:2 p7), is single-head machine using in-cassette scanning principle. When book-sized cassette is inserted into deck and lever pulled, it's lowered onto head drum which enters hole in cassette case. Cassette contains continuous loop of 1/2-in. tape moving at 2 ips (head-to-tape speed 357 ips), provides full field picture. In terms of tape economy, NHV ranks in top 3: Sanyo's V-Cord II, operated in skip-field mode, stores hour of TV on 18.2 sq. ft. of tape (36.5 sq. ft. for full-field operation), Sony Betamax 20.6 sq. ft., NHV 25 sq. ft. In contrast, U-Matic requires 70.3 sq. ft. for hour recording. NHV deck weighs 44 lb., measures approximately 22x-16x8.5 in. Cassettes (100 min.) cost \$25 in Japan; accessory timer is \$30, b&w camera \$275. Sony, meanwhile, said Betamax sales increased sharply in May, attributed to viewers' desire to record Bi-centennial events, Olympics & political conventions.

JUNE SALES LAPSE: After 2 consecutive record weeks (Vol. 16:26 p7), 4th week of 5-week June showed color TV sales to dealers at 148,000 sets, down 12.2% from 1975 week and lowest figure for year's 25th week since 1973. Although color sales continue to show general uptrend, it now appears that June sales won't fulfill early promise of setting record for that month. Even those good sales of June's first 3 weeks are taken as reflecting inroads of imports on color market rather than return of good business for all.

Domestic TV manufacturers have been reporting improved business but no surge comparable to EIA sales-to-dealer reports. This fact, plus record-breaking import figures (see p. 8), indicates most of increase is in dealer buying of imports—particularly in 19" area where Japanese & U.S. sets compete head-to-head. For year's first 9 months, 19" sets represented 62% of increase in U.S. color TV imports from Japan—393,000 sets vs. 290,000 in same 1975 period.

Much of increase can be attributed to selective, rather than general, gains for color TV imports. Among major factors: (1) Panasonic, which was virtually frozen out of U.S. market in last year's first half because of X-ray recall, has again become factor. (2) Sanyo, with fat new contract to supply 19" sets to Sears, didn't start shipping until 4th quarter 1975 (Sanyo says it expects to ship 500,000 color sets to U.S. in mid-May-to-mid-Sept. period). (3) C. Itoh, making strong success of Teknika (General Corp.) color line offered as private-label alternative to large retailers, but which wasn't active in last year's first half. Own-brand sales of Hitachi, Sanyo, Sharp & Toshiba are believed to have improved, but increases are understood to be more along lines of industry's 15% average than the 200% rise in color imports.

U.K. color sales dropped 40% in first 4 months of 1976 to 392,000, as domestic factory shipments slipped 39% to 341,000, imports slumped 45% to 51,000, BREMA reports. In b&w, total market rose 11% to 329,000, as U.K.-made sales dropped 27% to 142,000, imports climbed 83% to 187,000. Imports took 13% share of color market, down from 14% in 1975, while b&w share climbed to 57% from 34%. U.K. total market for other products: Audio systems 182,000 (down 30%), phonos 44,000 (down 39%), radio-phonos 14,000 (down 38%), radios 1.3 million (down 13%).

FCC has started accepting new applications for registration of telephone gadgets meeting standards which permit their direct connection to phone lines. Move follows partial lifting of order blocking implementation of registration program. Go-ahead for telephone answerers, dialers & most other devices was given by U.S. Appeals Court in Richmond, which temporarily left standing ban against such direct connection of customer-owned telephones & switchboards.

Panasonic has contracted to sell more than 1,000 VTRs (3/4") to Holiday Inn chain for its Vid-net management training program.

Trade Personals

James Alic promoted at RCA Consumer Electronics Div. to operations vp, new post, with responsibility for mfg. operations, engineering, export sales and RCA Canada Consumer Electronics & Appliance Div.; Robert Smith, financial operations dir., promoted to CED finance vp, succeeding Alic... Steve Lowman, ex-Admiral PR mgr., reassigned to financial PR staff of parent Rockwell, Admiral duties assumed on interim basis by Mktg. Services Dir. Eric Peterson... Alfred Zuckerman, ex-Benjamin Electronics engineering vp, joins Radio Shack as chief engineer... Bruce Carlson, one-time Sprague pres., elected finance vp & treas. of Mostek, succeeding Vin Prothro, now operations exec. vp.

William Petersen, ex-mktg. dir., promoted to new post of vp for new products & development, Breaker Corp., in charge of new CBs, amateur products & accessories... Gene Cabot, ex-Bruno-N.Y., named sales mgr. of Solitron Devices' new Consumer Products Div. (CB).

Jerry Copeland, E. F. Johnson Communications pres., named gen. mgr. of parent's new Land Mobile Radio Div.; Hugh Barnes appointed Personal Communications Div. engineering vp; Ralph Schenk named mfg. vp... In Teaberry restructuring: John Tally promoted to exec. vp responsible for mktg. & product development; Ken Greiwe, ex-Channel Master International Div. vp, named operations vp; John Brown advanced from chief engineer to production vp; John Filson promoted to national sales mgr.; Ron Dambeck named asst. sales mgr.; Jim Ennis mdsg. services mgr.

Kenneth Fesler advanced at Unitrex from SW mgr. to national sales mgr. for new Special Electronics Div., formed to handle non-calculator products... John Seacord resigns as Plessey Components mktg. & planning vp to become Lorlin Industries national sales mgr... Brooks Van Dyke, Craig product design coordinator, adds post of product planning mgr.; Larry Tinkler advanced to national service dir... Donald Potts, ex-IU International, joins Tenna as corp. development vp.

Al Stein joins Motorola Semiconductor as IC Div. gen. mgr.; Hal Moyers succeeds Stein as Texas Instruments Electronic Device Div. mgr... Fran Dowd, Raytheon Semiconductor vp-gen. mgr., adds interim post of mktg. dir., replacing Gene Selven, who forms consulting firm... Clarence Betten, ex-AV Industries, named Utah Electronics special accounts national sales mgr... James McFarland, Telex Home Entertainment Products Group mfg. dir. & Rochester, Minn. plant mgr., named vp with added responsibility for product design & sales.

David Everett appointed JVC Industries midwest mgr.; Charles Bocan named for east north central, Stephen Martin for east... Louis Horner advanced at CTS to gen. mgr. of Brownsville, Tex. speaker & resistor plant, replacing Berle Grant, now asst. to Exec. Vp-Treas. Norman Weldon; Charles Buckley, ex-Paducah, Ky. speaker plant vp, shifts to Brownsville as asst. gen. mgr.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Cablecom-General 1976-6 mo. to May 31	12,117,659	1,375,879 ^a	.54
1975-6 mo. to May 31	10,911,856	1,071,097	.42
1976-qtr. to May 31	6,302,544	730,786 ^a	.29
1975-qtr. to May 31	5,883,775	700,435	.28
Capehart 1976-year to March 31 ^b	45,665,000	(3,239,000) ^a	--
1976-qtr. to March 31	7,812,000	(2,548,000)	--
1975-qtr. to March 31	9,264,000	(3,725,000)	--
Filmways 1976-qtr. to May 31	27,122,000	425,000	.18
1975-qtr. to May 31	22,034,000	220,000	.09 ^c
General Instrument 1976-qtr. to May 30 ^d	107,198,283	3,216,408	.39
1975-qtr. to June 1 ^d	86,449,599	1,091,101	.10 ^c
Kansas State Network 1976-9 mo. to May 31 ^d	10,468,000	820,000	.48
1975-9 mo. to May 31 ^d	8,311,000	746,000	.44
1976-qtr. to May 31 ^d	3,727,000	266,000	.16
1975-qtr. to May 31 ^d	2,811,000	218,000	.13

Notes: ^aIncludes special credit. ^bNo comparable figures available. ^cAdjusted. ^dRestated.

"Largest number of TV sets ever assembled for one purpose" is claim of RCA Ltd. (Canada), which has loaned 3,500 color sets to 1976 summer olympics in Montreal for use on closed-circuit system to permit viewers to monitor up to 10 different events as they occur. Valued at \$1.5 million, sets will be stationed at more than 25 locations in Montreal, others in Quebec & Ontario, as aid to media and for general public. Some 1,800 portable 15" sets have been installed in booths for TV & radio commentators, while 1,700 ColorTrak 19" sets will be placed in press rooms, Olympic Village, dressing rooms, athletes' lounges, etc.

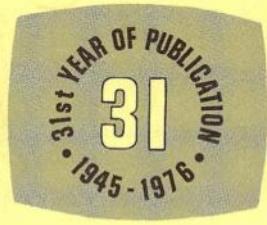
Admiral posted increased sales, lower loss, in fiscal half to March 31, parent Rockwell reports in preliminary prospectus for \$200-million bond & note issue. Admiral is shown with sales of \$242 million in period, up from \$219 million in same 1975 months, while loss was \$10.8 million, down from \$14.4 million. Rockwell also reported sales of calculators & parts rose to \$77 million from \$73 million, but loss increased to \$6 million from \$5.5 million. Rockwell said it has substantially discontinued calculator manufacture, will concentrate on development & marketing, blamed weak market conditions and plant closing costs for results.

TV & stands rank 11th on Consumer Product Safety Commission's draft of top-50 priority list of products for which mandatory or voluntary safety standards are needed. Prepared at request of Sen. Proxmire (D-Wis.), list shows CPSC staff feels suitable standard would reduce amount of damage caused by TV-related hazard incidents by \$11 million. On economic-benefit basis, TV would rank 33rd, tied with liniments & rubbing compounds.

WEEKLY

Television Digest®

with
**consumer
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Broadcast

FCC RESPONSES TO MOSS QUIZ: On composition of Commission, personnel, cable, copyright consumer participation, satellites, community ascertainment, EEO, UHF, etc. (P. 1)

WHY FCC WON'T BAN RE-RUNS: Beyond FCC authority; First Amendment implications; wiser to let marketplace handle economics; wouldn't improve programs; not FCC's job to further employment. (P. 2)

SENATE CONFEREES 'STILL REVIEWING' report on impact of sports anti-blackout law, according to Senate aide, aren't yet ready to sign new bill. Frey: 'I don't believe it.' (P. 3)

FV GETS DENVER AIRING: Van Deerlin says broadcasters' First Amendment rights are 'uppermost,' while Wirth mulls congressional guidelines on sex & violence for FCC at renewal time. (P. 4)

TPT HOT ON FIBERS: Puts 800 ft. to use carrying HBO in Manhattan. Bresnan sees common use by end of decade. Some predict 60-70% savings over coaxial. Rediffusion enthused over Netherlands results. (P. 4)

FCC RESPONDS TO MOSS QUIZ: Rep. Moss (D-Cal.) left FCC with pile of written questions after his Oversight Subcommittee hearings (Vol. 16:20 p2), and Commission has responded with some 40 pages of answers, to wit:

Makeup of Commission: (1) Moss's statistics are wrong. Average commissioner serves 6.8 years, median 5.1 years—instead of 4.33 median Moss found. (2) Turnover isn't excessive, and there's adequate continuity because of staggered terms. (3) There are adequate controls over employment of commissioners & staffers leaving FCC. Further restrictions would hamper recruiting. (4) Seven members is good number, though Lee & Robinson favor 5. (5) Single administrator is bad idea—would have too much power, particularly over political broadcasting, and isn't necessarily more efficient. (6) Commission shouldn't be split into groups, because it's best that all members have "broad overview" of all communications in order to understand their inter-relations.

Personnel: (1) More economists? Have added quite a few—could use more. (2) Commissioners' personal staffs? More help "would be welcomed." (3) Why did Wiley concentrate hiring lawyers in gen. counsel office when he was GC? He didn't. It was done before—and it's good system. (4) Why does chairman select top personnel? They're approved by full Commission. (Answer didn't explain that Commission almost always rubber-stamps chairman's choices.)

Cable TV: (1) FCC "tilts" toward broadcasting—how come? It doesn't. We don't treat cable as "supplementary stepsister." (2) FCC hasn't recommended CATV legislation because task is "far more difficult than initially envisaged"—and, besides, there's "imminent change in

the composition of the Commission." (3) "Maintenance of over-the-air broadcasting and the growth of cable are not contradictory goals and the Commission will continue to pursue them both." (4) Rand study projecting growth of TV has been "misunderstood," and even Rand admitted it doesn't have "much to go on in estimating the effect of continued cable growth." Report "is not, and was not intended to be, a blueprint for Commission rulemaking."

Copyright: 'Matters of communications policy, and specifically cable TV policy, should not be written into substantive law in a copyright bill, but rather can be more effectively handled through the flexible approach afforded by the administrative process."

Consumer participation: (1) It's "extremely doubtful" that FCC can force all lawyers to do "pro bono" work. (2) FCBA has set up voluntary legal aid program—and some 50 lawyers have volunteered. (3) "To ensure compatibility with the statutory plan devised by the Congress, the Commission was compelled to reject any general policy of absolutely binding citizen-broadcaster agreements." (4) Petition filed by National Black Media Coalition Nov. 1973, which included request that parties be reimbursed for expenses, will be before FCC in next several weeks. (5) It's doubtful FCC would be permitted to use its funds to provide an "Office of Public Counsel."

Satellites: (1) How about direct-to-home? We don't need it, except perhaps for Alaska. Even Canada is split about concept, and Japanese are having trouble developing low-cost receiving setups. "There appear to be a number of economic and operational disadvantages to DBS, including the cost to homeowners of a satellite receiving antenna, which may preclude its widespread use." In "very near future," we'll consider recommendations that we "keep open our options to use DBS when & if the need develops." (2) While orbital slots are limited, "We do not anticipate any inability to accommodate new satellites in the foreseeable future."

Community ascertainment: (1) How come exemption of cities under 10,000? We think broadcasters are likely to know small towns better. (2) Why exempt smaller stations from EEO? We're concentrating resources on the 3,908 stations employing 86% of total.

UHF broadcasting: (1) We don't have statutory authority over receiving antennas; we don't know whether courts would sustain us if we tried to regulate them. (2) Tuner design changes to reduce number of "taboos" could "have an adverse impact on other tuner parameters, including receiver noise. Industry comments...indicated that too little is...known about the critical relationship between these vital tuner parameters for regulatory action at this time." (3) How about that "ideal receiver" contract? "All industry proposals have been unresponsive. However, the Commission has just completed a survey of prospective bidders to determine what changes need to be made to begin a worthwhile study." (4) We've proposed a rule about attaching UHF antenna to receiver in carton.

* * * *

Comr. Robinson had separate comments, mostly about cable. He said Commission has "not simply a pro-broadcast bias, but also a pro-regulation bias which cannot abide anything going uncontrolled." He thinks that rate regulation should be left to states; that Congress should reduce "regulatory fetters" imposed by FCC; that Commission is "too protectionist" of broadcasters; that UHF isn't in danger; that some FCC rules are "copyright rules in disguise."

Robinson said FCC "ignores one very significant way in which UHF reception can be improved. This is by increasing the power of UHF transmitters." However, he said, UHF broadcasters want to shift cost of UHF improvement to receiver manufacturers.

WHY FCC WON'T BAN RE-RUNS: Reasons FCC declined to prohibit or limit network re-runs were given by Commission last week, following its tentative vote (Vol. 16:27 p2):

(1) It's "wiser to permit these essentially economic relationships to work themselves out in the open market rather than subject them to governmental control."

(2) FCC limitations probably wouldn't increase number of new shows "of the same type & quality now being offered... The increased production costs to the networks would be enormous and would affect the profitability of each network and lead to consideration by each network of alternate means to reduce the costs."

(3) "Power to regulate the type & quality of programming is clearly beyond the authority of the FCC." Also, limitations "would be a restraint on the permissible behavior of individuals in a legitimate business..." and have "serious implications of a First Amendment nature..."

(4) "It is not the FCC's province to engage in regulatory action with the purpose of furthering employment or economic conditions in a particular industry or a particular part of the country."

(5) Announcements that programs are re-runs (request in petition) might save time for some viewers, but would add to "clutter". Furthermore, newspapers and viewing guides advise public about re-runs.

Comr. Hooks concurred but said "there is some flaky dicta floating around this document with respect to the First Amendment." Saying he deplores censorship, he also stated that FCC has "said too little." "I have no doubt," he said, "that neither Sec. 326 nor the First Amendment would handcuff us in taking corrective measure if—to take an extreme example—a TV station ran the same movie, end-on-end, day-after-day for an extended period. Any exaggerated degree of waste or redundancy clearly impacts on the efficiency of use of the limited spectrum."

CIA assured National News Council that it wouldn't hire "for any purpose" American news reporters, execs., stringers for American news organizations, foreign nationals working as newsmen for American news organizations and free-lance writers "who could be interpreted in any manner as being journalists." Assurances followed 3-hour meeting of Council & CIA representatives. Council had sought clarification of CIA policy on employing journalists, as well as explanation of statement in Senate CIA report that "of the approximately 50 journalists or personnel of U.S. media organizations who were employed by the CIA or maintained some other covert relationship with it [as of Feb. 1976], fewer than one-half will be terminated under the new CIA guidelines." CIA Dir. George Bush also declared that agency would continue to withhold names of journalists it employed in past, though Council said it didn't seek names.

"**As a personal matter**," FTC Chmn. Calvin Collier doesn't "find it helpful" to meet with groups involved in FTC rulemakings after record has closed but before Commission has acted. He told press briefing he would prefer that such groups present views to full Commission in sessions open to press & public. Collier said he isn't logging all contacts with industry, but keeps "notes," has refused to meet—"except for shaking hands"—with all parties with adjudicatory matters pending.

"**Sears did not sponsor**" study cited by Editor & Publisher claiming that "a Sears study shows item ads bomb on TV," according to Robert Kissel, Sears, Roebuck national retail ad mgr. "We use item advertising on TV because we're thoroughly satisfied with the results and will continue to do so in the future." Study was shown at NAB marketing workshops by Newspaper Advertising Bureau, but hasn't been released to either Sears or public.

Local CATV rate regulation is on FCC agenda for July, and guessing at Commission is that local authorities will be given option of regulating or not. For authorities which do regulate, it's considered probable Commission will specify some minimum due-process procedures—such as requiring action on rate-increase requests within reasonable time.

Senate conferees on sports anti-blackout bill haven't yet signed conference report because Senate "still is reviewing" FCC's report to Congress on bill's impact (Vol. 16:24 p3), according to Senate Communications Subcommittee aide. When will review be completed? "I would think it would be resolved by fall," according to aide. Rep. Frey (R-Fla.), House conferee, commented: "I don't believe it [aide's statement], because Sens. Pastore [D-R.I.] and Magnuson [D-Wash.] have always been men of their word, and the understanding we had at the conference [Vol. 16:21 p6] was that if there weren't any wrinkles in the last FCC report, that we'd move on it. There is nothing new in the report."

President Ford is expected to fill 5 CPB board vacancies following current congressional recess: Charles Crutchfield, Jefferson-Pilot Bcstg.; Leslie Shaw, black Cal. Democrat; Paul Stevens, Southern Baptist TV-Radio Commission; Clyde Reed, Parsons (Kan.) Sun; Charles Roll, Gallup Institute. Hearing on Louis Terrazas, Gold Bond Mfg., who was nominated in March, was delayed by Sen. Pastore (D-R.I.) to be combined with others, but Pastore aide said last week that if other nominations weren't forthcoming, Senate Commerce Committee would go ahead and consider single nomination.

Cable satellites: Teleprompter this week starts feeding San Francisco Bay area systems (excluding Oakland), adds Lompoc & Santa Maria, Cal. in Aug., Danbury, Conn. in Sept., San Bernardino, Cal. in Oct. Applications filed with FCC by various operators: Jonesboro, Ark.; Danbury; Savannah; Roanoke; Charleston, W. Va. (for details, see CATV Addenda).

Cable hearing by House Communications Subcommittee has been scheduled as follows: Distant signals, July 20; sports, July 22; pay cable, July 27; federal-state relationships, July 28; industry structure, July 29; cross-ownership, minority ownership & EEO, Aug. 3; FCC, Aug. 4; rural telecommunications, conclusions, Aug. 5.

Arbitron has completed nighttime radio listening study under FCC contract, results available for study at Commission.

FV GETS DENVER AIRING: House Communications Subcommittee took family viewing (FV) on the road last week, holding one-day hearing in Denver chaired by Rep. Van Deerlin (D-Cal.) with Rep. Wirth (D-Colo.) only other member attending. While Van Deerlin stressed broadcasters' First Amendment rights, Wirth hinted he was considering seeking congressionally set guidelines on TV sex & violence to be used by FCC at renewal time. Most Colo. broadcasters expressed view that family viewing (FV) concept hasn't been effective yet as self-regulatory action, placing blame on networks & program producers, but stated that FV is more desirable than govt. controls, which would constitute censorship.

"Uppermost in my mind," Van Deerlin said at beginning of hearing, are broadcasters' First Amendment rights. "This is a controversial issue, an appropriate one for reasoned discussion in a forum such as this... At the same time, however, I believe that we all realize that there is no question—and absolutely no chance—of government censorship or control of broadcasting. And I say that not only as a member of Congress but as a former journalist and broadcaster myself." Govt. control of media "is probably further away now than at any time in the history of the United States," Van Deerlin said.

Wirth took different tack, asserting that "the issue is not censorship... Censorship is just a wet umbrella that hangs over this issue... The subject is more complicated." He criticized "enormous amounts of violence on TV," said that—at least so far—"self-regulation has failed to work effectively," concluded that he would support Congress coming up with guidelines for FCC to impose on stations at renewal time. Wirth hinted he'd pursue matter at House hearing on renewal legislation scheduled for Sept. 14-16.

Harold Mendelsohn, member of Surgeon-General's Committee on TV & Social Behavior (he dissented from Committee's finding that there's causal relationship between TV violence & violent behavior) called FV "nearly totally dysfunctional in raising the quality of TV fare during early prime time hours." Though he's "very critical of TV," it would be "a waste of the taxpayers' money" to concentrate on curbing TV violence as means of ending societal violence. Compared to other factors, "the effects of TV are very minor. TV has become a whipping boy." Van Deerlin called Mendelsohn's criticism "most unfair," attributed low quality of TV fare in 7-8 p.m. slot to FCC's prime time access rule.

Several Colo. broadcasters criticized FV for being hour earlier in Central & Rocky Mountain zones than on East & West Coasts. "Do kids in Chicago and Denver really go to bed an hour earlier than they do in Los Angeles or New York?" asked Combined Communications Bcst. Div. Pres. Alvin Flanagan. "Of course they don't, but the FCC thinks they do. The family viewing concept is a complete bust and is nothing more than another example of the government telling private enterprise how to run a business." Commented Colo. Bcstrs. Assn. Pres. Al Perry, KOSI-AM-FM Aurora: "I believe it hasn't been very effective. It has enabled the kids to stay up an hour later." He said govt.

control, if imposed at all, should be confined to network and program-producer level. However, he added, "we can keep our house in order with self-regulation." On other hand, Richard Schafbuch, KOA-TV Denver vp-gen. mgr., called FV concept "on the whole... effective and well-received."

* * * *

NCCB has begun compiling quarterly reports comparing prime-time network TV sponsors with amount of violence contained in programs they sponsor. Each report will rank sponsors over 6-week viewing period, with first report to be released July 29. U. of Pa. Annenberg School of Communications, which prepares TV violence index for Congress, is lending technical assistance and computer time. Group hopes to get foundation support for effort, continue reporting indefinitely.

TPT HOT ON FIBERS: Teleprompter put 800 ft. of optical fiber (OF) to work last week—feeding Home Box Office programs to its Manhattan cable system—pronounced it successful, looked to great future.

TPT cable chief William Bresnan said he expects OF to be used in cable trunks "very soon," in common operation generally by end of decade. He declined to estimate cost savings but said: "Some people expect to build systems with OF at \$2,000 a mile, compared with \$6,500-\$7,000 now."

TPT's OF has loss of 16 db per mile, can go to 3, compared with coaxial's 62 db. Bresnan said this means one amplifier every 1.5 mile with OF (eventually 7 miles), vs. 2.5-3 amplifiers per mile with co-ax.

OF currently has capacity of 167 video channels per fiber. TPT is using piece with 6 fibers—doing other experiments with the 5 not used for HBO. Project is in cooperation with Fiber Communications Inc., Orange, N.J., and Belden Corp., Geneva, Ill.

Overseas, OF has been in use for some time in Netherlands, at Rediffusion system. Rediffusion's Ralph Gabriel is extremely bullish about it, tells us he expects OF to be in very widespread use within 5 years.

"A User's Manual for Optical Waveguide Communications" has been issued by Commerce Dept. Office of Telecommunications, available from NTIS, Springfield, Va. at \$9.25—OT Report 76-83, accession number PB 252901/AS.

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Correction: CBS believes "without doubt" that FCC has jurisdiction to forbid retransmission by American cable systems of programs pre-released in Canada, but expressed opinion in comments to FCC that Commission lacks authority to bar pre-release of U.S. programs to Canadian stations (Vol. 16:27 p6).

ATC won't appeal court decision, has paid \$2,141,637 to United Telecommunications following 10th Circuit Appeals Court ruling that ATC hadn't used best efforts to register ATC shares issued to United when ATC acquired latter's cable systems. Sum includes interest and court costs.

Personals

John Richardson, acting dir. of Commerce Dept. Office of Telecommunications since June 1972, named dir... FCC Chmn. **Richard Wiley** appointed by President Ford to U.S. Administrative Conference Council for 3-year term... **George Nicholaw**, CBS, elected pres., Hollywood RTS, succeeding **John Mitchell**, Columbia Pictures TV... **Thomas Swafford** resigns as CBS-TV vp-program practices, succeeded by **Van Gordon Sauter**, CBS News Paris bureau chief.

Lynn Eppel advanced to ABC financial control dir., new post; **Leonard Feldman**, ABC-TV affiliate research dir., promoted to Spot Sales research & sales promotion dir.; **Philip Sweenie**, Spot Sales eastern sales mgr., advanced to Detroit sales mgr.

James Warner, WFLD-TV San Francisco gen. mgr., elected Kaiser Bcstg. vp... **Bonny Dore** promoted from mgr. to dir., ABC Entertainment children's programs, west coast.

Ann Berk, WNBC-TV N. Y. station operations dir., assumes additional post of program dir... **Charlotte Beales** advanced to research dir., WBBM-TV Chicago... **Steve Kimatian**, WJZ-TV Baltimore exec. administrator, appointed gen. mgr., succeeding **Joel Segall**, named sales development & planning dir., Group W TV Station Group, new post; **Tom Boyd**, ex-WAGA-TV Atlanta, named sports dir., WJZ-TV... **Nick Charles**, ex-WJZ-TV Baltimore, appointed sports dir., WRC-TV Washington.

Ralph Alexander, NARB exec. dir., appointed acting chmn. pending selection of successor to **James Parton** who resigned in May... **Ed Borne**, KTBS-TV Shreveport elected pres., La. AP Bcstrs. Assn... **David Michael**, ex-KOTV Tulsa, joins TvB as vp-midwestern sales, Chicago.

J. Oliver Crom, Dale Carnegie & Assoc. exec. vp-gen. mgr., elected pres., WLIW (ETV) Garden City, N. Y... **Harry Ebbesen** advanced to gen. sales mgr., KOOL-TV Phoenix; **F. Randall Cantrell**, ex-KTAR-TV Phoenix, succeeds him as local sales mgr... **Charles Hitchins**, WTVM Columbus, Ga. gen. sales mgr., joins Blair TV ABC sales team, Chicago; **Kevin Hale**, ex-Petry TV, joins Blair TV L.A. sales staff.

Stanley Solson, ex-Trans-World Communications pres., appointed pay-TV & feature film mktg. dir., Warner Bros. TV; Network Relations Mgr. **Cathy Wyler** assumes additional responsibilities of liaison with networks for Warner Bros. movie exhibition; **Adriana Perovich**, ex-Paramount, named pay-TV mktg. administrator; **Stu Samuels** advanced to program development dir.

Vivian Goodier, ex-Grocery Mfrs. of America, named NCTA asst. govt. relations dir... **Allan Behr** advanced to Orrox exec. vp... **A.J. Myrdek** assumes responsibilities for all mfg. operations in consolidation of Magnavox CATV Div.

Martin Moran, ex-Gilbert Engineering, appointed national sales mgr., Toner Cable Equipment CATV Div... **Warren Wright** promoted to Conrac Div. contracts administration mgr... **Seth Kittay** promoted to

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HBO N. Y. mgr... **George Andrews** promoted to asst. to pres., Optical Systems... **Robert Towe**, Mont. Video, elected pres., Mont. Cable TV Assn.

Frank Leiter, Alert Cable TV vp-mgr., named operations mgr., parent Wometco Communications... **Thomas Green** promoted to GTE Satellite administration dir.

Thomas Houser was sworn in as OTP dir. by Supreme Court Justice John Paul Stevens in brief ceremony. Houser told guests & govt. officials he thinks "it is imperative" that President have OTP to advise him, said OTP's twin goals will be to "try to anticipate telecommunications problems" to solve them before they occur and to "stimulate" industry. His philosophy for working with govt. agencies such as FCC & State Dept. will be "good contact, and—where possible—accommodation, while reserving the right to differ in opinion."

Remote CATV production center for N. Y. will be opened by Manhattan Cable with "alternative" coverage of Democratic National Convention. Facility will be located at Automation House, hq of American Federation on Automation & Employment, will be made available to community groups, city govt., etc.

Two Guys Dept. Store salesmen are subject of first "theft of services" complaint filed under new Cal. law which applies to cable. Criminal complaint, filed by San Diego City Attorney John Witt, alleged that Two Guys salesmen illegally intercepted and demonstrated Channel 100 pay-cable programs.

Magnavox CATV Div., whose parent is subsidiary of North American Philips, will market cable gear in Europe through N. V. Philips.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 25 (25th week of 1976):

	June 19-25	1975 week	% change	June 12-18	1976 to date	1975 to date	% change
Total TV.....	283,517	290,824	-2.5	226,623	5,154,649	4,823,584	+6.9
color	147,991	168,477	-12.2	137,154	3,012,132	2,714,562	+11.0
monochrome . .	135,526	122,347	+10.8	89,469	2,142,517	2,109,022	+1.6
Total radio	1,149,532	1,406,012	-18.2	957,655	15,679,415	13,637,963	+15.0
home, portable .	903,361	1,255,766	-28.1	718,973	9,756,556	9,674,398	+0.8
AM-only	134,396	263,799	-49.1	91,158	2,103,708	2,904,067	-27.6
FM & FM-AM .	768,965	991,967	-22.5	627,815	7,652,848	6,770,331	+13.0
auto	246,171	150,246	+63.8	238,682	5,922,859	3,963,565	+49.4
Port.-comp. phono.	54,559	131,038	-58.4	51,772	1,061,961	1,500,893	-29.2

Color TV 5-week moving average: 1976—131,806; 1975—124,205 (up 6.1%).

2ND-QUARTER COLOR NEAR 1.6 MILLION: Year's biggest week in color sales to dealers—about 181,000—wrapped up first half, bringing June sales to respectable 689,500, some 11.6% ahead of June 1975 and making it 3rd best June in history, EIA figures are expected to show next week. Record June was in 1974, with sales of 784,644.

Final week of 5-week June saw sales up about 46% from poor showing of comparable 1975 week, but far from a record for year's 26th week. June sales were at seasonally adjusted annual rate of about 7.9 million sets (based on trends of last 5 years), down slightly from May's 8.1-million pace.

First-half color sales to dealers totaled about 3,193,000 sets, up 12.7% from 2,834,500 in 1975 period and representing annualized rate of 7.4 million sets. Second-quarter sales of 1,581,600 were at annual rate of 7.7 million vs. 7.2 million in first quarter, indicating that 7.8-8 million sales for full year might be within reach, given continued recovery.

There are continued strong indications—as evidenced by import figures and background comments of domestic manufacturers—that substantial part of this year's increase is in foreign-made sets (Vol. 16:27 p11).

* * * *

Note: Error in our color TV starting price table (Vol. 16:27 p9) for critical 19" size resulted in drastic understatement of Panasonic's leader price, which should have been listed as \$420. Correction leaves Sanyo, Sharp & Philco, with \$360 sets, as lowest-priced among national-brand marketers in that screen size. Median 19" price remains \$400.

JULY CB EXPANSION IN DOUBT: Torrent of conflicting comments & proposals on complex CB channel-expansion issue may force FCC to postpone long-awaited decision until after Aug. recess. Chmn. Wiley & Chief Engineer Raymond Spence said at CES they hoped for expansion decision in July (Vol. 16:25 p11). Delay inevitably would push back timetable for implementing new channels, keep expanded channel CBs off market until well into 1977.

Basic problem confronting staffers putting together proposal is lack of consensus among trade groups, broadcasters, hobbyists, etc., in comments on controversial plan to expand Class D service from current 23 channels to 40 or 45 (Vol. 16:24 p7). Among latest is reply comment from EIA Consumer Electronics Group warning that expansion above 27.325 MHz (Ch. 32 if 10-

kHz channel spacing is used) would extend spurious harmonic radiation problem—already major cause of interference on TV Ch. 2 & 5—to Ch. 6. "That would take us into whole new geographic areas," CEG spokesman said, "because where you have Ch. 5, you usually don't have Ch. 6."

Decision could be reached during July, Amateur & Citizens Div. Asst. Chief Richard Everett said, but because of lack of consensus, heavy volume of comments & replies and number of different bureaus involved, "I must express reservation that we'll have it done in time."

Final meeting of full Commission before adjournment is set for week of July 26, and spokesman for Wiley said staff recommendation would have to be in Commission's hands some time this week if normal procedures are followed. If issue is put on special agenda, however, proposal could come in as late as July 23. Commissioners will "do whatever they can to see it is decided by the end of July," he said, "and it may or may not get done. It's going to be a close call."

Meanwhile, comments on proposal continue flooding into FCC. EIA CEG reply notes that Field Operations Bureau is now conducting interference survey, urges FCC to consider findings before deciding. Commerce Dept. Office of Telecommunications says ionospheric skip in 27-MHz CB band may be cause of growing interference as sunspot activity increases over next few years. OT states: (1) Probability of skip interference above 40 MHz is "extremely low." (2) CB skip signals may reach all of North & Central America, and northern parts of South America with enough strength to interfere with communications in 27-MHz band. (3) Normal range of Class D mobile CB may be reduced from 14 to 10 kilometers in urban areas, 21 to 17 in rural areas, if 10 interfering skip signals are present.

DIRECTORY OF HOME PROJECTION TV: Like it or not, recognize it or not, there's a budding new industry in projection TV, dominated by small companies not in conventional TV production. We can identify 25 firms in field now—they and their products are summarized in our directory on p. 9—but we're sure there are more, particularly local & regional entrepreneurs, which we haven't unearthed yet.

Field is bound to get larger before attrition sets in. Acquisition of Muntz assets by Sega subsidiary of Gulf & Western (Vol. 16:25 p14) and Admiral's announcement it will enter field, together with financial revitalization of Advent, are indications that larger companies and financial interests are beginning to take notice.

Projection is as old as TV itself—first b&w sets of 1930s & '40s used projection—but credit for modern "home" set revival goes to Advent and particularly its technical dir. & founder Henry Kloss. Credit for development of single-tube simple projection set, which uses lens system in front of modified conventional small-screen color TV, goes to Sony, which has been showing diminished enthusiasm for home projection since field became so crowded.

If you take all statements at face value, current production of projection TV totals about 6,000 monthly and is increasing each month. We think this figure may be a little high, but the 72,000-100,000 a year this represents would be less than one week's production of direct-view sets.

There are 3 principal types of projection-TV sets which conceivably could qualify as "home" units: (1) Those with Schmidt optics, using 3 projection CRTs with complex lens-mirror arrangements, such as Advent's original Model 1000 and Projection Systems Inc. (PSI) unit at \$4,995. (2) Those using 3 tubes with diffraction optics (lens in front of tube). Advent's 750 is only one currently on market, but PSI plans one at \$1,200-\$1,300 by next summer, and undoubtedly there'll be others. (3) Simple TV-set-plus-optics-plus-screen, constituting majority of units.

In directory, we've loosely construed "home" set as potentially anything under \$5,000. Therefore, it doesn't include Eidophor units which sell upwards of \$100,000, GE's Light-Valve at about \$50,000 or Image Magnification Inc.'s widely accepted Schmidt unit at \$16,000. It's believed about 50% of under-\$5,000 units go to homes, with bars & taverns as No. 2 class of customer and discotheques coming up fast as result of syndication of disco videocassettes.

Leader in projection TV in terms of dollar sales probably is Advent. But Worldwide Entertainment Systems (WWES), Rockville, Md., claims to be largest, and probably is in unit sales.

WWES is headed by Allen Markoff, former Muntz dealer (who now has "fraudulent misrepresentation" suit against Muntz) and Lee Girson, as result of merger of Markoff's Theatervision with Girson's WWES. Company offers single-tube units in standard 50" diagonal (32-x-40") and 6-ft. diagonal screens, plans 3-tube Schmidt system at \$3,495 in Aug. WWES, claiming production of 1,000 units monthly, has started national ad campaign with full-page color ads in *Holiday & Sat. Eve. Post*. Company says its research shows customers for projection sets "either are in the over-\$50,000 or less-than-\$10,000 economic brackets." Projection TV has "as big a future in the American home as TV did in 1948," enthuses Chmn. Girson.

Some others in field agree. "What competition," asked Tele-Theatre's Kenneth Davis, who claims to be producing 300 sets weekly, about 1/3rd for export, at \$1,695-\$3,495, and plans new unit with 70" screen in couple months. Global Video, with rear-screen single-piece unit (using 3M lens-screen system), is selling 600 monthly, increasing production and hiring reps, according to Sales Dir. William Davidson. GV is subsidiary of Global Productions, fight-booking & promotional firm which sponsored Evel Knievel's canyon jump. Like some other projection-TV firms, Global offers videocassette recorders & video games as accessories. Even at \$4,995, PSI has backlog of 800-900 orders, is shipping 30 a week, including exports to Europe, according to company officials.

Not all single-tube systems are alike. Among variations are Global's rear-projection unit and 2-piece system being offered by Cygnus Video Systems, offshoot of Audiophile Systems, Indianapolis importer of hi-fi components. Cygnus unit uses 3-element 7-1/4" fresnel lens with f 1.5 speed (vs. f 2.8-3.5 used in most simple systems), in combination with 17" Sony receiver, producing added brightness. Sales Mgr. Gary Warzin says production will reach 100 monthly by mid-Aug.; unit is sold through hi-fi dealers.

But young projection-TV business has plenty of problems. One is that anybody can make simple single-tube system—in fact, many existing "manufacturers" started out as Muntz dealers or distributors, then decided to roll their own. Duane Plonte of Melody Music (Cine Vision), turning out 35 sets monthly and planning to increase to 100 in Sept., calls business "nothing fantastic" and laments: "You set them up in business and they build their own." William Spellman, whose Miami Projection TV sells complete units, kits & components, echoes Plonte's complaint and sees current business as little more than holding operation until there's important technical breakthrough.

Projection's other problems are largely technical: (1) Brightness of single-tube sets is marginal at best, and there's scramble to develop better lens systems. Keyser Video Pres. Robert Keyser claims new 7" lens increases brightness 225%. (2) High-gain Ektalite screens are subject to damage from fingermarks, etc. Advent, Tele-Theatre, Video-1 & others now have new plastic screens which overcome this problem. (3) Conventional small-screen sets used as projection sources (Sony & Toshiba are most popular) often are doctored to invert picture, prevent keystoning and even increase picture-tube voltage, which voids warranty & UL listing and makes assembler subject to FDA (X-radiation), FCC & other regulations as TV manufacturers.

Infant home projection-TV industry is in chaotic state. Product quality is variable—many are barely viewable except in total darkness. It still needs couple of good inventions and plenty of leadership. Judging from excitement that's been stirred up already, both will come along.

Only minor changes are evident in new Sears catalog from spring book, most significant being \$15 increase in 19" color portable leader price to \$310. Leader 9" is up \$2 to \$247, step-up at \$275 is added. Prices on 13" & 15" remain at \$325 & \$340, two 19" step-ups are up \$10 to \$380 & \$400. New in line are 19" (\$550) & 23" (\$480) consoles. Leader 25" console is up \$30 to \$530, step-up \$20 to \$580. B&W line (\$78-\$158) is same, Pong video game (Atari) down \$20 to \$79. Under-dash FM-CB (\$169) is added to line, lone SSB unit is up \$20 to \$300.

Allied Leisure says its 2- & 4-player games may use new MOS Technology game chip (Vol. 16:23 p9). Firm expects to receive samples in Aug., volume deliveries in Sept. Spokesman said Allied probably would turn to GI if MOS is unable to deliver on schedule.

General Instrument is threatening suit against Japanese auto radio exporters, says they're violating FM-AM tuner patent. Patent covers "5-by-10" pushbutton system that has 5 buttons, permits pre-setting of 5 FM & 5 AM stations.

DIRECTORY OF HOME PROJECTION-TV SYSTEMS

Company	Model	Pieces	Screen Size (in.)	Picture Source	Retail	Comments
Advent Corp. 195 Albany St. Cambridge, Mass. 02139 (617) 661-9500	VideoBeam 1000A VideoBeam 750	2 2	52x69 41x60	3 tubes, Schmidt optics 3 tubes, diffraction op.	\$3,995 up 2,495	5,000 sold remote control
Brown's Music Store 308 N. Minn. St. New Ulm, Minn. 56073 (507) 354-3010	Video-Master	1	32x40	13" Toshiba	1,495	Wired remote
Creative Optics 6733 Variel Ave. Canoga Park, Cal. 91303 (213) 883-0761	Tele-D Theatre	1	32x40	15" Sony remote	2,950	"Teledimension" depth effect
Cygnus Video Systems 5750 Rymark Court Indianapolis, Ind. 42650 (317) 849-7103	—	2	32x40	17" Sony	1,399	100 monthly by mid-Aug.
Electrohome Ltd. 809 Wellington St. N. Kitchener, Ont., Canada (705) 744-7111	VideoBeam 750	2	41x60	3 tubes, diffraction op.	3,500	Same set as Advent
General Equipment Corp. 1401 N. Kraemer Blvd. Anaheim, Cal. 92806 (714) 630-2022	—	1 1	32x40 41x60	17" Zenith 17" Zenith	1,995 2,595	500 monthly, 1,000 in July
Global Video Ind. 1818 Westlake Ave. N. Seattle, Wash. 98109 (206) 329-6300	—	1	30x40	17" Zenith remote	1,995- 2,295	rear projection, 600 monthly
Keyser Video Inc. 2537 Wilmington Pk. Dayton, O. 45419 (513) 294-2787	Eye-Beam KVI-1 Eye-Beam KVI-2 Eye-Beam KVI-3 — —	2 1 1 — —	32x40 32x40 32x40 40x54 60x80	13" Toshiba 13" Toshiba 13" Toshiba — —	1,495 1,595 3,495 — —	ceiling mount console includes VTR optional screen planned
Melody Music Co. 2286 Fowler St. Ft. Myers, Fla. 33901 (813) 332-3904	Cine Vision	1 1 1	32x40 32x40 32x40	15" Sharp or MGA 15" Sony remote none	1,195 1,295 895	35 monthly kit
Miami Projection TV 304 N.E. 79 St. Miami, Fla. 33138 (305) 759-3124	—	2 2 2	32x40 32x40 60x84	none 13" Toshiba 3 tubes & lenses	325 725 —	kit planned
Muntz Electronics Van Nuys, Cal. 91406	Earl Muntz Signature	1	32x40	15" Sony remote	—	planned
Projection Systems Inc. 517 Van Houten Ave. Passaic, N.J. 07055 (201) 473-0180	PSI Cinevision	2 2	75x100 —	3 tubes, Schmidt 3 tubes, diffraction	4,995 1,200- 1,300	30 weekly planned
PM Systems Corp. 3303 Harbor Blvd. Costa Mesa, Cal. 92626 (714) 549-2900	Cinema IV Cinema IV Mod. CR	1 1	27x36 32x40	13" Toshiba 13" Toshiba	1,795 1,995	
Quadcon Int'l. Mountain View, Cal.	Tri-Cops	2	52x69	3 tubes, Schmidt	4,500	planned
Sega of America 2550 Santa Fe Ave. Redondo Beach, Cal. 90278 (213) 772-0883	Muntz Theatre	2 1 1	32x40 32x40 32x40	15" Sony remote 15" Sony remote 15" Sony remote	895 1,393 1,995	tambour doors
Shannon Communications 49 E. 68th St. New York, N.Y. 10021 (212) 226-7378	—	2	52x69	TV set	—	planned
Sony Corp. of America 9 W. 57th St. New York, N.Y. 10019 (212) 371-5800	KP-4000	1	24x32	special 12" Sony	2,500	"modest" produc- tion
Spectra-Vue 2214 Crosswind Dr. Kalamazoo, Mich. 49008 (616) 382-5112	—	1	32x40	TV set	n.a.	
Superscreen TV Inc. 101 Park Ave. New York, N.Y. 10017 (212) 679-2299	—	1 2	32x40 32x40	TV set TV set	n.a. n.a.	details unavailable

Company	Model	Pieces	Screen Size (in.)	Picture Source	Retail	Comments
Tandom Enterprises 2323 Bluemound Rd. Waukesha, Wisc. 53186 (414) 786-6797	VP-2	2	32x40	13" Quasar	1,595	30 weekly
		2	32x40	13" Quasar	1,795	video input; planned Aug.
Tape Head Co. 665 S. State St. Salt Lake City, Utah 84111 (801) 521-3838	Tele-Pro-Sys	2	n.a.	none	400	kit
Tele-Theatre Lawrenceburg, Ind. 47025 (812) 537-0880		1	30x40	12" Sony	1,695-3,495	300 weekly
		2	42x56	n.a.	n.a.	planned Aug.
Video-1 Inc. 1401 Brickell Ave. Miami, Fla. 33131 (305) 374-1373	Magna-Vision	1	32x40	13" Toshiba	2,000-2,500	Capacity
		2	52x69	13" Toshiba	2,600	2,000 monthly
Worldwide Entertainment Systems 1148 Taft St. Rockville, Md. 20850 (301) 424-6256	WES-76, 77	1	32x40	15" Sony	1,295-1,995	1,000 monthly
	Stereovision	1	32x40	15" Sony	2,495	stereo sound
	Megavision	2	41x60	15" Sony	2,695	
		2	8-ft. diag.	3-tube Schmidt	3,495	planned Aug.
Zygma Communications 301 Park Ave. New York, N.Y. 10022 (212) 972-1220	Zygma-Vision	2	52x69	3-tube Schmidt	n.a.	British import; planned

Gross margins of appliance-TV retailers dipped from 30.6% in 1974 to 27.6% last year, according to NARDA costs-of-doing-business survey. Before-tax profits slipped from nearly 7% to slightly more than 2.5% "with rising operating expenses continuing to chew away at profits," Exec Vp Jules Steinberg said. Survey covered sales operations only. Gross margins of 141 audio specialty dealers included in new CDBS survey were above 38%, with before-tax profits of 4.25% and sales volume increase of 14%. NARDA exec. committee backed off ambitious private-label program, voted to remove all white goods, TV & audio from Traffic-Builders Div. Move halts plan announced at April convention to offer members private-label speakers (Vol. 16:14 p12). Though dropping program, NARDA hopes "our major suppliers will get the message and clean up their own distribution policies," Pres. Hardy Rickbeil said. Committee also voted to: (1) Explore possibility of establishing West Coast Institute of Management. (2) Strengthen representation in Washington, possibly through tie-in with American Retail Federation. (3) Develop ways to increase membership. Address: Suite 222, 2 Northside Plaza, Chicago, Ill. 60606.

Decision on motion by Japanese TV manufacturers to have International Trade Commission drop unfair import competition investigation is expected from ITC Judge Myron Renick within 2 weeks. At hearing last week, Japanese argued that dumping export prices and export subsidies alleged in Sylvania's complaint are beyond ITC's jurisdiction. In separate argument, Mitsubishi Corp. & Mitsubishi International asked they be dropped as defendants since they no longer market in U.S. TV produced by affiliate Mitsubishi Electric. ME now sells here through subsidiary Melco Sales. Also pending is ruling of U.S. Philadelphia Dist. Court Judge Leon Higginbotham on whether ITC is entitled, as part of TV probe, to copies of non-confidential filings of all parties in \$900-million antitrust suit Zenith & National Union Electric are pressing against Japanese.

Game Plans: Fairchild VES (Vol. 16:25 p13) was submitted to FCC labs last week, probably will undergo first type-approval tests this week. VES is first cartridge-based game to face stiff tests under FCC Class I TV device regulations. FCC approved Enterprex Apollo 2-player, 4-game under-\$100 unit... Match Point cartridge game by Game Masters (subsidiary of Glick Enterprises, Minneapolis) will be submitted to FCC by end of July. Eight-game cartridges resemble camera flash-cubes, house ROM devices, will sell for \$30. Microprocessor-driven system will sell for under \$200, be on market in early Oct. System will come with one paddle-&-ball games cartridge, others featuring tic-tac-toe, maze, shooting games, will be added on one-a-month basis... Allied Leisure says its 2- & 4-player games may use new MOS Technology game chip (Vol. 16:23 p9). Firm expects to receive samples in Aug., volume deliveries in Sept. Spokesman said Allied probably will turn to GI if MOS is unable to deliver on schedule.

RCA is offering 600,000-sq.-ft. former receiving tube plant in Harrison, N.J. for sale or lease. Historic building was once Thomas Edison's light-bulb factory. In Wall St. Journal ad, RCA offers for sale all remaining production & testing equipment. Sylvania bought tooling & equipment to produce some receiving tube types; RCA production ended in April (Vol. 16:13 p15).

It's not formal factory sale, but Magnavox is clearing TV pipelines by urging 9 regional divs. to stage close-out sales on 1976 models. Market-by-market promotion involves full line, ad mats, other material supplied by Magnavox. Newspaper ads in N.Y. offer 19" color set for \$359, 25" console for \$499.

Mergers & acquisitions: Teledyne said a subsidiary purchased about 2.4 million Litton shares, increasing Teledyne's holdings to some 4.2 million shares, or about 12% of Litton. Teledyne said purchase was for investment purposes only.

RCA TRADE-IN DRIVE: RCA's "Trades Fantastic," first nationwide color-TV trade-in program (Vol. 16:21 p10) will have "highest level of dealer participation of any RCA promotion," RCA Consumer Electronics Mktg. Vp Jack Sauter forecast last week in N.Y. In 5-week campaign starting Aug. 5, dealers will offer special allowances for old color sets on 1977 ColorTrak consoles—\$50 toward \$670 & \$750 sets, \$75 toward \$825 & \$925 sets, \$100 toward \$825-\$1,095 remotes—with trade-ins increased further on basis of condition, type, age & brand of old set (premium is paid for RCA sets traded).

RCA & distributors will invest about \$2 million in advertising & promotion, and RCA will pay 30-40% of net cost of every trade-in (after subtracting old set's wholesale value), distributor & dealer splitting rest. Sauter called drive TV industry's "first totally researched promotion" on basis of test campaigns last year in Atlanta & Wichita areas. RCA Atlanta factory branch reported that participating dealers there increased their color console business 25-54% last fall.

RCA has made arrangements in 75 markets—and is seeking them in 3 more—with used-set wholesalers to buy traded-in sets at guaranteed minimum. Figure is believed to be around \$20 in most markets, but Sauter expects many participating dealers to go into used-set business themselves or keep trade-ins for loaners, rental sets, etc. He indicated that many Atlanta & Wichita dealers last year made additional profits on used & reconditioned sets.

Pump-priming trade-in program is designed to capitalize on & accelerate replacement business and to get fall selling season off to early start, Sauter said. Mktg. Research Mgr. David McCarty analyzed Trendex 1975 study of 1,662 color TV replacement sales, showing that 70.4% of customers replaced old console with new console, while 25.9% replaced portable with console, 25.8% replaced table model with console. Because of large amount of consoles being replaced, 54.6% of all replacement customers bought consoles last year.

Preliminary RCA study of 153 color & 255 monochrome sets scrapped indicates that greatest percentage of color sets scrapped (17%) were 7 years old, followed by 8 years (15.7%) & 6 years (11.7%). Biggest bulge in b&w scrappage (11.8%) came at 10 years, followed by 12 years (8.6%) and 8 & 9 years (both 8.2%). McCarty estimates 5.45 million sets will be scrapped this year, 6 million in 1977, 6.38 million in 1978. Replacements should comprise 40% of color TV sales by year's end, RCA believes.

Ad notes: Philips Canada shifts \$2-million consumer electronics account from BCP Advtg. to Bonney Edwards Smit/NCK, Toronto...**Superelex** appoints Lesly Assoc., replacing Taube/Voilante... **Audio Magnetics** launches 30%-discount promotion for Tracs cassettes.

Tandy reserves \$3 million for expansion of Radio Shack U.S. manufacturing. Wire & Cable Div. will be given capability to draw wire from copper rods, while Tandy Magnetics will add tape cartridge & cassette housing production equipment.

TV SAFETY COST: UL presented its proposal for TV safety standard to Consumer Product Safety Commission last week, along with economic data showing implementation of standard could cost consumers 100 times what's being lost in TV-related accidents—plus strong recommendation from development committee against mandatory standard.

Total 2-1/2-lb. package containing proposed standard and explanatory material includes cost-benefit analysis of U. of Ill. Prof. Joseph Engel indicating standard would result in 17-20% increase in retail TV prices in 1977. Without standard, Engel says, 1977 average color set price will be in \$430-\$460 range, with b&w at \$70-\$93, down from \$445-\$468 & \$87-\$101 in 1975. Mandatory standard would add \$73-\$92 to color, \$12-\$19 to b&w in 1977, he claims. Assuming sale of 10 million color & 4 million b&w, report indicates consumers would pay in some \$1 billion extra for sets that year, while value of damage caused by TV in 1977 should range \$1.2-\$9.7 million. If mandatory standard were restricted to sections designed to prevent fires (which account for 87% of damage in terms of cost), price hike would be held to 12-13%, or \$52-\$58 for color & \$8.50-\$12 for b&w. Engel says he developed figures from data supplied by 8 TV manufacturers.

Transmittal letter from UL includes poll of standards development committee showing 25 of 27 voting members in favor of submitting all or part of proposal to CPSC (one consumer and one TV manufacturer voted against), while all voting members (4 abstained) backed resolution stating there's "no need for a federal mandatory standard for TV receivers at this time," urging CPSC to increase consumer education instead. In poll by sections, all voting members agreed there was no need for mandatory fire-related standard, all but 4 were against shock standard, and all but 2 opposed one for mechanical hazards. UL said bulk of proposed standard could be made effective immediately upon adoption by CPSC, though some specific sections should be phased in over 3 years.

By statute, CPSC has until Sept. 7 to complete analysis of UL submission, hold hearing and issue final standard. But agency, under new Chmn. S. John Byington, is in middle of developing new policies & organization, so adoption of standard, if it comes at all, should be delayed month or more. CPSC is expected to announce procedural schedule for TV standard within 2 weeks.

Worldwide semiconductor sales of U.S. companies totaled \$1.48 billion in year's first 4 months, including just over \$1 billion for ICs, \$443 million for discrete devices, according to WEMA. Orders booked in period totaled \$1.77 billion, including \$1.26 billion for ICs, \$512 million for discretes. WEMA monthly totals show sales & bookings peaked in March, though April totals were higher than those of Jan. & Feb. WEMA started semiconductor statistical program at end of last year, so no 1975 totals are available. EIA stopped reporting in 1972 after Fairchild & Texas Instruments left organization, refused to supply data. TI is only major not in WEMA program.

Trade Personals

Karl Buikema promoted at Hitachi from Midwest region mgr. to sales vp... **Fred Goldstein** resigns Sept. 1 as Advent mktg. vp to become dir. of Longy School of Music, Cambridge, Mass., continuing as Advent consultant... **Benson Lamp**, ex-Ford Tractor Div., appointed Aeronutronic Ford mktg. vp, succeeding **William Henry**, now D.C. operations vp; **Robert Beach** advanced from international mktg. mgr. to world mktg. dir.

Charles Hoffman, Admiral, to receive EIA Distinguished Service Award at L.A. fall conference Sept. 27-30. Other awards: **C.H. Zierdt**, Bell Labs, engineering excellence; **Frank Mansfield**, Sylvania (retired), mktg. services excellence... **Thomas Gilder** named mktg. services mgr., Sylvania Parts Div. Precision Materials Group, succeeding **William Wind**, now Connector Products operations mgr.

Robert Wayne, ex-Corning, joins Sylvania Parts Div. as Warren, Pa. plastics plant mgr., succeeding **Charles Seekings**, plastics, tooling & equipment operations mgr., who held post on interim basis... **C. Boardman Thompson** resigns as Burndy Components Group mktg. vp, duties assumed by **Joseph Bradley**, corporate mktg. dir... **Peter Turnbull**, ex-BASF Canada, named Audio Magnetics Canada mkt. development mgr... **Glenn Hersh**, former auto importer & ad agency exec. and **Richard Kinne**, ex-Theatervision sales mgr., form Hersh-Kinne Entertainment Systems, L.A., to distribute TV projectors & other home video devices in 6 western states.

Jack Schaefer advanced at Texas Instruments Time Products Dept. from strategic mgr. to mktg. mgr., succeeding **Edward Dawson**, now head of new corporate Office of Consumer Objectives... **Arthur Fury**, ex-Fairchild Digital IC Div. mktg. mgr., joins Siliconix as mktg. mgr., new post; **Jamie Echols**, ex-Motorola Semiconductor, appointed mfg. mgr... **Friedrich Schroeder** promoted from Hewlett-Packard European sales dir. to corporate development dir., succeeding **John Doyle**, now personnel dir... **J. Leland Seely**, ex-Fairchild, named Rockwell Microelectronic Device Div. process, product & test engineering mgr... **Joseph Miller**, Motorola Communications Group, advanced from vp to senior vp.

John McNamara advanced at Dialight to Mid-America region sales mgr... **Robert Meade**, ex-ITT, named Arco Electronics midwest mktg. mgr., assuming duties held on interim basis by **Peter Hegg**, who continues as operations mgr... **Herbert Johnson**, retired Sylvania public affairs vp, appointed Vassar College PR dir.

Leslie Chapin promoted at Beckman from Helipot Div. mgr. to Electro-Products Group mgr., responsible for U.S. & Canadian Helipot plus European component operations, succeeding **David McNeely**, now asst. to Exec. Vp **G. Howard Teeter**... **Paul Whittaker** advanced at Sylvania to Electronic Components Group safety engineer; **Peter Swoger** promoted at Parts Div. to data processing mgr., succeeding **David Snyder**, now head of Plastics Operation data processing 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
Chris-Craft Industries 1976-9 mo. to May 31	50,483,000	1,030,000 ^a	.05
1975-9 mo. to May 31	44,832,000	191,000	--
1976-qtr. to May 31	20,465,000	1,416,000	.26
1975-qtr. to May 31	16,861,000	613,000	.08
GE 1976-6 mo. to June 30 ^a	6,910,000,000 ^b	316,200,000 ^b	1.71
1975-6 mo. to June 30	6,350,000,000 ^b	204,000,000 ^b	1.12
1976-qtr. to June 30 ^a	3,640,000,000 ^b	180,800,000	.98
1975-qtr. to June 30	3,370,000,000	129,600,000	.71
MGM			
1976-9 mo. to May 31	196,471,000	17,526,000	1.34
1975-9 mo. to May 31	190,230,000	24,537,000 ^a	1.90
1976-qtr. to May 31	61,996,000	6,014,000	.46
1975-qtr. to May 31	60,942,000	7,368,000	.56
Raytheon			
1976-6 mo. to June 30	1,171,167,000	40,908,000	2.69
1975-6 mo. to June 30	1,101,977,000	34,872,000	2.32
1976-qtr. to June 30 ^b	598,751,000	23,008,000	1.51
1975-qtr. to June 30	572,028,000	18,971,000	1.26

Notes: ^aIncludes special credit. ^bRecord. ^cAdjusted.

National Semiconductor is shifting assembly of low-end calculators to Malaysia and considering giving some of work to subcontractors in Far East. Unlike Rockwell, which earlier this year decided to quit production in favor of dealing with Asian assemblers, NS said it will continue output of higher-priced models at West Jordan, Utah plant which now turns out 500,000 units monthly. Part of plant will be converted to IC wafer fabrication. Company blamed move on new tariff rules which grant duty-free entry to calculators made in underdeveloped countries. NS has petitioned to have exception revoked (Vol. 16:19 p. 12)... **Litronix** says it will report substantial 2nd-quarter loss stemming from inventory adjustments to eliminate unprofitable & marginally profitable calculator & watch models from line.

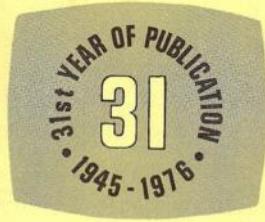
CB Scene: June could be first month Japanese CB exports to world exceeded total color TV exports in value. Though official Finance Ministry totals won't be available until end of month, CB exports—90% to U.S.—have been jumping by \$10-million-plus increments in past months and May total was \$74.3 million, compared with color exports of \$79.4 million... **Figures** reflect continuing expansion by Japan's CB makers. **Cybernet** has disclosed deal to supply GE & RCA with monthly total of 200,000 units this year, 250,000 beginning in Jan. Firm is buying new hq plant & main CB factory for about \$10 million... **Uniden** has purchased Japan Waller plant from Chicago-based Waller Corp for \$550,000 for monthly production of 20,000 in-dash CB-radio combinations beginning Oct. 1.

Labor Dept. has opened import adjustment assistance eligibility probe to determine whether jobs producing tape head parts at Ampex's Redwood City, Cal. plant are being jeopardized by increased foreign competition.

WEEKLY

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JULY 19, 1976

VOL. 16, NO. 29

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CARTER, MONDALE & INDUSTRY: Democratic candidate pleased with his broadcast coverage; Mondale has pro-industry voting record. Convention coverage scored for dullness, gets low ratings against entertainment, causing second thoughts on gavel-to-gavel coverage. (P. 1)

FORD TAPS WHITE, FOGARTY awaits completion of FBI check for FCC appointment; Fogarty agrees to 2-year term. Mead quits as Ford TV advisor. (P. 3)

FCC 'NEW ETHIC' STRIKES as 3 radios lose licenses for double billing. Commission refuses to permit sale of Gary AM to black group until misrepresentation charge settled. (P. 4)

NAB CHMN. WEARN HITS GOVT. attempts to 'intervene in programs,' charges FCC can't oversee fairness 'without censoring.' (P. 4)

CBS & NBC UPWARD BOUND as revenues & earnings set records; CBS 2nd-quarter net income jumps 40%. Taft TV-radio profit up 47%. (P. 5)

KEVN-TV & SATELLITE go on air in S.D., raising operating TV stations to 964 (704 commercial, 260 non-commercial). (P. 5)

CARTER, MONDALE & TV-RADIO INDUSTRY: There's little to go on in speculating about a Carter-Mondale Administration attitude toward broadcast industry, but indications so far are rather favorable. Certainly, Carter has shown powerful appreciation, and skillful use, of TV-radio—and his aides say he has no complaint about their treatment of him. Furthermore, Mondale's voting record is highly encouraging to broadcasters. Despite his "liberal" tag, he has supported industry positions, in fact favors longer licenses.

According to Barry Jagoda, Carter's TV-radio coordinator, Democratic nominee "has a lot of respect for journalists. He has no problems whatsoever" with either broadcast or print coverage of campaign. Asked if Carter has any views on fairness doctrine, etc., Jagoda said: "I have not heard him express any thoughts on these matters. But I am trying to get him to read Fred Friendly's book," which advocates abolition of fairness doctrine.

Because of Carter's frank pursuit of black vote, there's increased speculation that he'd elevate Comr. Hooks to FCC chairmanship. Hooks doesn't hide fact he'll probably resign if not made chmn. under Democratic President.

Carter's Media Dir. Gerald Rafshoon said he'll spend \$8-\$10 million on campaign ads by Nov., mainly on 5-min. TV spots, with some radio in major markets, some print. Goal of spots, said Rafshoon, "is to get the American people to look at Carter as a potential President and motivate them into accepting his vision of America." He said he prefers longer spots so that Carter "will be able to articulate his views." As for TV's coverage of convention:

Consumer Electronics

JAPAN LOSES BID to quash International Trade Commission probe of TV sales practices in U.S. as ITC judge rules agency has jurisdiction to investigate all aspects of Sylvania complaint. (P. 7)

CB EXPANSION APPROVAL EXPECTED next week by FCC. Staff expected to recommend 40-45 channels. Wiley & FCC staffers upset by 'obsolescence' publicity, flatly deny expansion will diminish usefulness of current sets. (P. 7)

FIRST-HALF COLOR SALES up 12.5% from 1975 to 3,193,660, official EIA figures show. (P. 8)

MORSE'S \$36-MILLION LOSS, Lloyd's-Capehart merger agreement, seen starting scramble for position in mid-fi industry. Bulk of Morse 4th-quarter loss seen caused by write-offs, accounting. (P. 9)

RCA POSTS RECORD sales & profit in first half. Warwick operating loss cut in 2nd half, but non-recurring charges boost net loss. (P. 10)

ADMIRAL CUTS BACK, trimming personnel in Chicago-area hq & electronics engineering by 15% in month, aiming to shrink asset value by half, sells big Cortland Rd. plant. (P. 11)

"It's not as exciting or magnetic as it might have been. There's no horse-race. We know who the winner is. But it's an event, and it's good that the networks are covering it so thoroughly." So commented Democratic convention TV-radio consultant Al Vecchione in response to criticism that networks had overcommitted themselves to coverage of convention in N. Y.

At same time, poor ratings earned by NBC & CBS full-time coverage—in comparison with ABC's "edited" coverage and independent stations' entertainment programs—were causing second thoughts on wisdom of gavel-to-gavel coverage in future. Noting that ABC—in contrast to CBS & NBC—has presented limited coverage of conventions since 1968, ABC News Pres. William Sheehan told us he was "very decidedly" satisfied with his network's coverage. "This convention particularly"—with its lack of surprises and controversies—"has demonstrated the validity of our approach. Four years from now, the other networks will be looking to our model for their own coverage."

NBC—which scheduled most hours—stuck with original schedule, declining to cut coverage. "I think it was not full of tensions," commented News Pres. Richard Wald, "but it was a fascinating example of the transfer of political power. It was a bit too slow at times... If the criterion is whether it was too dull, then too much time might have been spent. But if the criterion is whether it is of value or whether it is interesting and useful, then it was time well-spent." As for possibility of cutbacks in future, "we'll re-examine the policy 3 years from now." However, another NBC exec. differed: "It's like showing a movie with no picture. Never again."

"Gavel-to-gavel coverage has disadvantages, but these must be balanced against the advantages," CBS News Pres. Richard Salant told us. "We need some perspective, and I'm not going to comment now on what we'll do 4 years from now. This would be precisely the wrong time to make a decision."

Networks are spending estimated \$25 million (combined) to cover both conventions, though some have put figure for N. Y. alone at closer to \$18 million. Yet, ratings were dismal. July 13, ABC estimated that 40 million viewers watched its All-Star baseball game in average minute, while only 20 million watched combined CBS & NBC convention coverage, giving All-Star game its largest audience in 5 years. Sen. Humphrey (D-Minn.), who addressed convention during game, began speech by thanking DNC Chmn. Robert Strauss, "that scheduling genius, for placing me opposite Catfish Hunter and Pete Rose and the rest of the All-Stars." On convention's opening night, ABC outdrew other networks' combined audience in both ratings & share with entertainment programs. When ABC switched to convention at 9:30 p. m. WPIX N. Y. captured 31 share with 34-year old film "Casablanca," leaving networks with combined share of 32; WGN-TV Chicago gained 47 share with "Journey to the Center of the Earth" vs. combined share of 39 for 3 network stations.

Most important technological innovation was switch by CBS & NBC to all-electronic reporting. CBS producers had choice of 9 live feeds at any moment, used "not one frame of film," according to CBS News. "All-electronic gives us quicker reporting and was quite satisfactory," Wald commented. ABC News continued to use film because "it still has a good deal of flexibility," according to exec.

Fact that convention had few controversies was marked change from other years. Steps of nearby U. S. Post Office were designated by convention organizers as official "demonstration" area, and were bathed in TV lights throughout all sessions, yet demonstrations were small in size, intensity and number, and were rarely covered. Perhaps most severe "floor fight" inside Madison Sq. Garden was near-fist-fight between newsmen Ed Bradley (CBS) & Tom Pettit (NBC) over interview with Rosalynn Carter. Pettit attempted to outshout Bradley, who retaliated by standing in front of NBC minicam. TV audience heard CBS's Dan Rather exhorting Bradley to "bring her up to the booth."

Aisles of convention hall were so flooded with newsmen that many delegates complained they were unable to carry out their business. "When Bob Strauss said to 'clear the aisles,' those weren't delegates—they were all TV reporters," one Washington state delegate commented. Pennsylvania caucus, noting that press outnumbered delegates by 2- or 3-to-one, passed resolution suggesting that in future "only members of the press shall be seated as official delegates."

FORD TAPS WHITE, FOGARTY WAITS: White House has confirmed its intention to nominate Communications Dir. & Deputy Press Aide Margita White to FCC, as expected (Vol. 16:26 p3), and Senate Communications Subcommittee Counsel Joseph Fogarty reportedly was awaiting only completion of FBI check at week end. Republican White gets full 7-year term being vacated by Democrat Glen Robinson while Democrat Fogarty gets remaining 2 years of Republican Charlotte Reid's term—a stipulation to which Fogarty reportedly agreed 3 weeks ago.

No confirmation hearings have been scheduled; Fogarty and Sen. Pastore (D-R.I.), of Communications Subcommittee, were vacationing in R.I. last week and unavailable for comment. Democratic Senate historically has held up such regulatory agency appointments by incumbent GOP President in election year, but Pastore can be expected to push for confirmation since he backed Fogarty.

President Ford's TV advisor Robert Mead resigned last week after White House Press Secy. Ron Nessen reportedly openly criticized Mead. Former CBS-TV producer Mead said he quit because he had felt frozen out of a meaningful role at White House for last 6 months. No successor has been named.

David Gergen, special counsel to President, succeeds White as communications dir. Nessen said office will be expanded and assigned additional duties. William Rhatican, special asst. to Secy. of Treasury, was named deputy dir. Gergen, 34, was on White House staff under Nixon in several capacities, including stint as speechwriter. New duties of office will include coordinating "news events" at White House and serving as liaison with Administration spokesmen in other agencies.

"False allure" of VHF drop-ins and proposals "to sell UHF's birthright" to land mobile must not be allowed to cripple important role UHF will play in growth of TV, FCC Comr. Lee warned last week. In stinging attack on VHF drop-in proposals, before N.Y. State Bcstrs. Assn., he said approval would be "tantamount to [FCC] saying 'UHF is not good enough'... Authorizing even a few would surely open the flood-gates and we would be deluged with requests for drop-ins... Every drop-in would cause massive new interference to existing VHF service." Speaking to IEEE later in week, Lee said: "I expect UHF to play an important role in service to the public in years to come—unless its potential is undermined either by short-sighted, short-spacing of VHF channels or by ill-considered reallocation of UHF channels to other services."

Wichita's AirCapital Cablevision was given go-ahead to start service when 10th Circuit Appeals Court upheld FCC certificate of compliance. KAKE-TV had appealed FCC action, charging that Commission's rules were violated by KARD-TV's 35% ownership of AirCapital and that latter's franchise didn't comply with FCC standards. Commission had noted that its cross-ownership divestiture action was suspended indefinitely and had concluded that AirCapital's franchise was in "substantial compliance."

Tanner Electronics is suing General Instrument in L.A. Federal Dist. Court, claiming GI is damaging its business to tune of \$3 million by circulating information on how to circumvent Tanner's pay-cable decoders. GI said it will contest suit, Gen. Counsel Robert Shapiro stating: "Our people think their product can be circumvented and there's nothing wrong with telling customers that."

Earth station applications: Minier, Ill., United Video; Pharr, Tex., Southwest CATV. (For details, see CATV Addenda.)

Judging reporters on how they score before test audience on "galvanic skin reactions" is condemned in resolution adopted by AFTRA at national convention in Minneapolis. AFTRA charged that recent tests conducted by Entertainment Research Assn., San Francisco, resulted in spate of firings of reporters at KNXT L.A. KNXT spokesman said tests were used only on one reporter and 2 anchorpeople, all 3 of whom subsequently were fired. Tests measure reactions of test audience to picture of news person along with question such as: "Would you trust this man alone with your wife?"

Experiments with optical fibers in Atlanta "have met or exceeded initial expectations," according to Bell Labs. Company is testing 2,100-ft. of 1/2-in. cable containing 144 fibers. It said first applications are likely to be between metropolitan switching centers. Average loss is 6 db per km. Fibers were made by Corning. Meanwhile, Corning is suing ITT in Roanoke Federal Dist. Court, charging it with infringing optical waveguide patents; in Washington Court of Claims, Corning seeks compensation from govt. for its use of ITT devices.

House Investigations Subcommittee apparently is satisfied with FCC's decision to close conglomerate inquiry without rulemaking (Vol. 15:24 p5). After obtaining Commission documents (Vol. 15:51 p6), staff prepared memo for Moss concluding that decision was justified. "We just thought there wasn't much to it," staffer told us. "Even the worst abuses were simply not too startling."

Trade press ad campaign by RCA Broadcast Systems for TK-76 portable camera won top award in annual "Advertising to Business & Industry" competition sponsored by American Business Press and Business/Professional Advertising Assn. Herman Henken and Miles Moon headed project.

FCC 'NEW ETHIC' STRIKES: Double billing caused 3 radio stations to lose licenses last week in continuing FCC crackdown against broadcasters with smirched character. Commission revoked license of WSIB(AM) Beaufort, S.C. and refused renewals to commonly-owned WMOU(AM) & WXLQ(FM) Berlin, N.H.

FCC said WSIB "has shown a classic pattern of making deliberate misrepresentations and other misleading and deceptive statements to us when it believed it could effectively conceal suspected wrongdoing." Agency refused to allow owner Charles Bell to sell station at what FCC said would be "substantial profit," upholding recommendation of Chief FCC Judge Naumowicz that license be revoked. Naumowicz found that "numerous [WSIB] invoices contained false information" in 1971-73. Bell also owns WDOG(AM) Allendale, S.C.

Judge Tierney had recommended year renewal, \$10,000 fine and "restitution of all amounts unjustly acquired" for WMOU-WXLQ, but FCC said that wasn't punishment enough since "undisputed facts... clearly demonstrate this is one of the most egregious cases" of double billing to come before agency. Also, FCC said, stations sent false invoices from 1969-74 and no records are available except for last 18 months—when stations collected \$7,800 fraudulently—therefore full restitution couldn't be made.

In another case, FCC refused to let WLTH(AM) Gary sell (without profit) to black group because it would "permit escape of a suspected wrongdoer... without resolving misrepresentation issues." FCC ordered expedited hearing on charges, with initial decision "no later than Sept. 20." Gary Human Relations Commission (HRC) has charged WLTH failed to live up to 1970 agreement, and FCC has questioned alleged misrepresentations in 1973 renewal application. HRC now supports proposed sale, as does city of Gary. In blistering dissent, Comr. Hooks said refusal to permit sale to black group "is one of those infuriating, arbitrary injustices for which the government is increasingly famous." He said case gives FCC perfect opportunity to increase minority ownership, establish black station in majority black city and to get out of broadcasting a licensee whose character has been questioned.

Rep. Wirth (D-Colo.) doesn't advocate further governmental controls on TV sex & violence, according to aides. Though Wirth was correctly quoted as saying at recent Denver hearing on family viewing (Vol. 16:28 p5) that "self-regulation—so far—has failed to work effectively," he added: "But on the other [hand], I am loathe to advocate governmental regulation. The Constitution and the Communications Act are very clear on the subject of government censorship."

Testimony via satellite is planned by NCTA for opening of July 20 cable hearing before House Communications Subcommittee. Don Williams, of Cox's San Diego system, is due to testify from L.A., assuming Western Union test plans work out. Portable dish would be set up near Rayburn Bldg.

ABC-TV plans 74 hours of Olympic coverage July 17-Aug. 1, most live and in prime time.

"Since 1922 when broadcasting began, the government has, without surcease, tried to intervene in programs, tried to substitute its judgment for that of the licensee," NAB Chmn. Wilson Wearn told S.C. Bcstrs. Assn. Citing slew of FCC fairness rulings and other govt. actions which he claimed violate First Amendment, Wearn said broadcasting's rights are "being nibbled away bit by bit—an FCC decision here, a court decision there, a little White House squeeze here, a little congressional pressure there... The basic problem is that the government...cannot administer fairness. It cannot oversee without censoring." He said Nixon Administration efforts against news media were "little different from what previous Administrations and the Congress itself have tried in varying degrees to do over & over again."

FCC approved Hugo Cablevision, Hugo, Okla., certificate of compliance, subject to antitrust suit brought by Cablecom-General. Cablecom had operated system some 20 years, lost franchise to Hugo Cablevision. Commission stated: "Without an adjudication of misconduct, the facts concerning alleged conflicts of interest do not in themselves establish that a conspiracy took place or that the franchising process was corrupted. Accordingly...because Hugo Cablevision's application is consistent with FCC rules," certificate is granted.

International Industrial TV Assn. (ITVA) voted to hold convention concurrently with NAB next 3 years. Equipment needs of industrial & commercial TV "are coming closer & closer together" and joint conventions will make for good exchange of ideas & information, ITVA said. Meanwhile, NAB formed committee of exhibitors "to provide input on site selection and other exhibitor problems." Move follows exhibitor uproar after March convention in Chicago's McCormick Place (Vol. 16:13 p7).

FCC will substantially modify question in radio renewal form requiring licensees to report all litigation involving any stockholder, officer or dir. Renewal & Transfer Chief Richard Shiben said agency will act on several petitions for reconsideration (Vol. 16:25 p8) this fall and changes will be made then. Commission on Federal Paperwork and Govt. Accounting Office have joined broadcasters in objecting to question as too broad & burdensome.

"**On advice of counsel**" ABC-TV didn't show President Ford during playing of baseball All-Star game July 13, according to network official. Ford was shown throwing out first ball (twice, once left-handed, once right-handed), but camera never again returned to Presidential box—where many other VIPs were seated—as would be normal custom. "We did lay off those shots" because of fear Reagan would seek equal time, ABC spokesman said.

Repco drops out of cable equipment business (buried plant devices), phasing out by Aug. 1. Said Senior Vp Walter Wisniewski: "No longer can we see a reasonable CATV growth potential for Repco in relationship to its established corporate goals."

Exchange of children's programs with communist bloc countries—Poland, Yugoslavia, Hungary—is being negotiated by Meredith Bcstg.

CBS & NBC UPWARD BOUND: Citing "particularly outstanding gains" in Bcst. Group, CBS last week reported record 2nd-quarter and 6-month sales & earnings. Net income of \$47.5 million for April-June jumped 40% over \$33.9 million in 1975, and net sales were up 15% (Bcstg. Group up 19%) to \$529.9 million, compared with \$460.7 million year ago.

For first half 1976, CBS had estimated net income of \$75.3 million (up 30%) on sales of \$1.05 billion (up 16%). Speaking to N.Y. security analysts last week, CBS Pres. Arthur Taylor projected 28% growth for local TV advertising this year, 16% for both national spot & network. In 1977, he predicted 12-14% increase for local, "at least" 11% for network and 10-11% for national.

NBC earnings for the 2nd quarter were the highest for any quarter in its history, propelled by unprecedent advertiser demanded for TV time, according to RCA statement (see p. 10). Sales for fall season are markedly above year ago levels at substantially higher prices.

Taft said its Bcstg. Group is "still the largest profit center" for company, that Group had record profit for fiscal 1976 and that revenues were up 27%, profit 47%, for fiscal 1977 quarter ended June 30 (see financial table).

Any Commission pronouncement on whether expanded network news might endanger PTAR would be "premature," FCC Chmn. Wiley wrote NAITPD counsel Katrina Renouf. She had sought Commission reaffirmation of its intent to preserve prime-time access rule "against any further erosion through general waivers." Wiley said different possible ways of expanding news might call for differing FCC responses. For example, expansion of news before 7 p.m. "would involve no conflict with PTAR at all," while expanding news after 7 "would clearly require either change in or waiver of the rule."

UPI has begun series of meetings with CATV equipment makers, discussing display of UPI news service. Said Roy Mehlman, dir. of UPI CATV services: "With current technology, what is blue sky this year can be a full-blown service next year so long as manufacturers can provide the equipment to handle it."

RCA satellite station in Lake Geneva, Wis. will begin operating this summer, tieing in with Midwestern Relay's microwave system to feed area TV stations and cable systems and connecting with RCA's Chicago operations center.

Spanish-language KDTV San Francisco must be carried by 27 area cable systems, FCC ruled, acting on station's petition citing Commission's "must carry" rules. Systems were given 30 days to comply.

Rep appointments: WIBW-TV Topeka (ex-Avery-Knodel) and KXJB-TV Fargo, N.D. to Katz TV Continental; WLOS-TV Asheville, N.C. to MMT.

"**IEE Transactions on Cable TV**" is new publication issued quarterly starting in Oct., at \$5, available from Box 2665, Arlington, Va. 22202.

Impact of TV on voters is "much less than people think," according to Syracuse U. political scientist Thomas Patterson. He and Syracuse's Robert McClure have completed 3-year study of 1972 election which concludes that TV is "an information-poor medium" because it places "so much emphasis on good visuals... Issues and character get slighted because they don't film well." They found that TV viewers retain more information on political candidates from ads than from news. They've published findings in book "The Unseeing Eye: The Myth of TV Power in National Elections."

International cable organization, little known in U.S., is Alliance International de la Distribution Par Fil (AID), comprising national cable associations. Active primarily in copyright, AID's members are associations of Argentina, Belgium, France, Luxembourg, Netherlands, U.K., Switzerland—with "correspondent members" in Canada and NCTA in U.S. Pres. is Sir Fitzroy Maclean, U.K. Secy. Gen. is M. Moreau, AID, President F. D. Rooseveltlaan 1, 9000 Gent, Belgium.

One-year relief from FCC cable nonduplication rules has been granted WNEP-TV Scranton, but has been refused WBRE-TV Wilkes-Barre. Stations sought relief because many local cable systems are able to carry up to 4 affiliates of same network on grandfathered basis. FCC stressed that WNEP-TV's "limited relief" was granted "primarily due to [station's] uncertain financial situation." Comr. Robinson, dissenting in part, stated that station's "basic fiscal well-being... is hardly open to doubt."

KEVN-TV (Ch. 7) Rapid City and satellite KIVV-TV (Ch. 5) Lead, S.D. went on air July 11 as ABC affiliates, raising operating TV stations to 964 (704 commercial, 260 non-commercial). Stations are owned by Dakota Bcstg. (Sherwood Corner, pres.-47.5%; Gilbert Moyle, secy.-treas.-47.5%; Peter Sieler, station mgr.-5%). Jerry Condra is gen. mgr.-film buyer; rep Avery-Knodel.

Life of NIAC, first formed in 1958 to advise FCC on emergency broadcast matters, has been extended through July 25, 1978. NIAC will concentrate in following areas during next 2 years: Use of EBS at state & local levels; integration of CATV into EBS; incorporate CB into emergency planning; improve effectiveness of amateur radio during emergencies.

Copyright bill "in its present form... should be unacceptable to broadcasters," ABC Washington Vp Eugene Cowen told Ohio Assn. of Bcstrs. during Washington dinner with members of Congress. "It is attempting—in 1976—to deal with a 1955 problem," ignoring 1976 issues.

Southern Cable TV Assn. convention Sept. 12-14, Fairmont Hotel, Atlanta, includes speakers Rep. Van Deerlin (D-Cal.), FCC Cable Bureau Chief James Hobson, NCTA Chmn. Burt Harris.

"**TV Season**," first edition of guide to all programs presented on TV each year, has been published for 1974-75 season. It's available at \$13.95 from Oryx Press, 3930 E. Camelback Rd., Phoenix 85018.

Personals

Annual IRTS luncheon speech by FCC Chmn. **Richard Wiley** is Sept. 9, Americana Hotel, N. Y.; Wiley and Common Carrier Bureau Chief **Walter Hinchman** are in London this week for Transatlantic Telecommunications Conference.

Elected ABC-TV vps: **George Keramidas**, audience research; **Joseph Morris**, east coast business affairs; **Murray Resnick** elected vp-financial controls, ABC-TV & ABC Entertainment; **Mary Alice Dwyer** advanced to east coast children's programs dir.

In reorganization of CBS-TV finance dept.: Vp-Controller **Louis Rauchenberger** named vp-finance & planning; **Donn O'Brien** advanced to controller; **Jean Guest**, ex-theatrical agent and Theatre Communications Group assoc. dir., joins CBS as talent dir., N. Y., new post; **Robert Martin** promoted to casting dir., N. Y.

Thomas Houser, OTP dir., is holding off comment on major issues, schedules first news conference Aug. 23; **Robert Ross** is expected to be promoted to OTP gen. counsel; **Sidney Goldman**, FCC Common Carrier Bureau asst. chief/international, will join OTP in research capacity.

Robert Sevey, KGMB-TV Honolulu news dir., advanced to pres. & chief officer, replacing **Cecil Heftel**, Democratic candidate for House of Representatives (Vol. 16:24 p5)... **Neil Armstrong**, ex-astronaut, elected a dir., Taft Bcstg... **Burke Liburt** promoted to local sales mgr., WABC-TV N. Y., replacing **Lee Cannon**, named national sales mgr. for WXYZ-TV Detroit; **Ed Samson**, ex-ABC Spot Sales, N. Y., succeeds Liburt as national sales mgr.

Paul Freas elected vp-treas., Evening Star Bcstg.; **Ernest Fears** named vp-personnel & community relations... **Kevin O'Brien**, WTCN-TV Minneapolis gen. sales mgr., appointed vp... **Joseph Matthews**, ex-CBS-TV Chicago, joins WFLD-TV Chicago as sales mgr... **Phil Nye**, ex-KABC(AM) L. A., appointed news dir., WXYZ-TV Detroit... **Vivian Hunt**, ex-KMOX-TV St. Louis, appointed ad & promotion mgr., WNBC-TV N. Y.

Robert Fairbanks, ex-KABC(AM) L. A. and one-time CBS-TV Stations Div., appointed TvB vp-Western Div., replacing **Jack O'Mara**, retired... **Robert Glazier**, ex-KETC(ETV) St. Louis, named pres. Southern Educational Communications Assn., Columbia, S. C.

Terry Keegan promoted to senior vp-creative affairs, Paramount TV; **Art Frankel** advanced to senior vp-business affairs... **Ken Weldon** appointed Midwest Div. sales rep, National Telefilm Assoc., Winterset, Ia.

Felix Bonvouloir, ex-Visual Electronics Chicago mgr., named IVC broadcast sales midwest mgr... **Richard Colino**, Comsat, elected Intelsat chmn.; **Jose Martinez-Villarejo**, National Telephone Co. of Spain, vice chmn.

Jonathan Dolgen named asst. gen. counsel, Columbia Pictures... **Edward DeMarco** promoted to vp-gen. mgr. of newly-formed Warner Cable New Eng-

land Div... **Donald Lefebvre** promoted to managing dir., TeleMation Ltd., London, also assumes duties as TeleMation sales dir. for Europe & Middle East... **Joseph Gibbs** promoted to coaxial cable communications products national industrial sales mgr., Magnavox CATV; **Joseph Ostuni**, Magnavox CATV Div. engineering dir., named dir. of newly-formed pay-TV equipment operations unit.

Proposed amendment to copyright bill covering carriage of foreign stations (Vol. 16:21 p5) was protested by NCTA & CATA in joint letters to Rep. Kastenmeier (D-Wis.) & FCC Chmn. Wiley. Associations claim "the practical effect of such an amendment would be to halt the carriage of foreign signals in all but a few border stations [and] in effect, remove the Commission from this important area of communications policy determination." FCC officials agree that amendment would intrude on communications policy-making, expect to act on request soon.

More FCC openness, increased citizen participation in Commission proceedings, reimbursement to citizens & public interest groups of costs of agency participation are supported by Comr. Hooks in separate statement to Rep. Moss' (D-Cal.) Investigations Subcommittee (Vol. 16:28 p1). Hooks also said he wants to see commissioners hire additional personal staffers, added that economists "are particularly needed."

Employment & portrayal of women in media are subjects of 26 recommendations in final report of International Women's Year Commission. Group was established by executive order, comprised 35 members appointed by President Ford, 2 each by House & Senate. Presiding officer was Jill Ruckelshaus. For copies: Room 1004, Dept. of State Bldg., Washington 20520.

"Games channel" on CATV is envisioned by NCTA Chmn. Burt Harris who said: "Playing games against a computer or watching games played by others could be an important contribution in developing added subscriber interest, particularly in marginal areas and urban markets."

Network ad purchases in May totaled \$245 million, up 18.4% from year ago, according to TvB & BAR. For 5 months, total is \$1.2 billion, up 17.6%. May figures by network: ABC, \$73,058,800; CBS, \$91,275,400; NBC, \$80,640,600.

Subscription TV applications by WDCA-TV Washington and Channel 50 Inc. have been set for hearing, also with application for transfer of CP for WGSP-TV to Channel 50 Inc.

"Accounting for the Broadcasting Industry" is 19-page brochure available from Price Waterhouse.

Obituary

Louis Baltimore, 78, founder of WBRE-TV-AM-FM Wilkes-Barre, died July 10 after 9-week illness. He started with unlicensed 10-watter in 1923, has been NBC affiliate since 1938. Survivors include wife, son David (WBRE pres. -gen. mgr.).

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 2 (26th week of 1976):

	June 26- July 2	1975 week	% change	June 19-25	1st Half 1976	1st Half 1975	% change
Total TV.....	281,840	231,631	+21.7	283,517	5,436,489	5,055,215	+7.5
color	181,528	123,952	+46.5	147,991	3,193,660	2,838,514	+12.5
monochrome ..	100,312	107,679	-6.8	135,526	2,242,829	2,216,701	+1.2
Total radio	787,620	417,713	+88.6	1,149,532	16,467,035	14,055,676	+17.2
home, portable .	576,747	274,296	+110.3	903,361	10,333,303	9,948,694	+3.9
AM-only	52,940	62,915	-15.9	134,396	2,156,648	2,966,982	-27.3
FM & FM-AM .	523,807	211,381	+147.8	768,965	8,176,655	6,981,712	+17.1
auto.....	210,873	143,417	+47.0	246,171	6,133,732	4,106,982	+49.3
Port.-comp. phono.	88,886	47,738	+86.2	54,559	1,150,847	1,548,631	-25.7

Color TV 5-week moving average: 1976—138,005; 1975—123,587 (up 11.7%).

JAPAN LOSES BID TO QUASH TV PROBE: All Japanese motions to halt International Trade Commission's investigation into Sylvania's allegations of unfair TV business competition were denied last week by ITC Judge Myron Renick. Decision, which actually is recommendation subject to Commission approval, was released in memorandum form. Renick said he would issue full opinion by July 26 after giving consideration to July 8 oral argument (Vol. 16:28 p10).

Japanese have indicated they will file request for Commission review of decision. In effect, Renick's ruling indicates he found: (1) Complaint contained sufficient grounds to justify probe. (2) ITC has jurisdiction in case even though unfair acts may involve dumping and acceptance of countervailable export subsidies normally investigated only by Treasury. He also rejected request that Mitsubishi Corp. & Mitsubishi International, which no longer market Mitsubishi Electric's TV here, be deleted from list of defendants. Others cited in Sylvania complaint are U.S. sales arms & Japanese parents of Hitachi, Sanyo, Sharp & Toshiba.

FCC ACTION ON CB NEXT WEEK: FCC "definitely" plans to act on expansion of CB in 27 MHz band next week, according to Chmn. Wiley. At same time, Wiley and top staffers angrily denied published report that expansion would obsolete existing transceivers or that Commission had advised public not to buy models now on market.

There's some opposition on staff to expansion—from current 23 channels to either 40 or 45—but majority of commissioners are expected to go for it. Commission official said public should see new sets with expanded channel capacity in stores by Jan. 1, that Aug.-Dec. period will be used by Commission technicians to type-accept new models.

We met with Wiley and top FCC staff officials—Chief Engineer Raymond Spence, Office of Plans & Policy (OPP) Chief Dale Hatfield, Safety & Special Bureau Chief Charles Higginbotham, Wiley's engineering asst. Robert Luff—who answered all questions freely. Wiley cited "tremendous pressures" for expansion, added: "The industry & the public need a decision and I will push very hard for a decision one way or another." Staff recommendation is nearly completed, said Luff, and will be delivered to commissioners in time for action next week.

FCC was upset by July 11 Chicago Tribune story (and reaction to it) headlined: "Buying a CB Set? The FCC Says Wait." Credited to N.Y. Times News Service, article apparently was rewrite of July 10 N.Y. Times p. 1 roundup, but Trib's headline and lead changed meanings, stating that many CBs on dealer shelves may be made "unsaleable" by channel expansion and

"millions of CB fans may find their present equipment unsatisfactory..." Same issue of Tribune carried UPI story leading off with incomplete quotation from Commerce Dept. Office of Tele-communication comments on sunspot activity (Vol. 16:28 p6) that CB radios will be "nearly useless" starting about 1978.

"No present CB sets will in any way be made obsolete" by channel expansion, Wiley told us. "FCC is very disturbed by suggestions to the contrary." Current 23-channel sets, Spence added, will be "good buy," because there'll be much less congestion on current channels after expansion. He used analogy of UHF, pointing out that opening new TV band didn't obsolete VHF sets. Spence called Tribune's version of UPI sunspot story "gross overstatement," said all users in band are affected equally. Other points made in interview:

After expansion, Commission will require much tighter technical specs to reduce interference potential, in addition to 100% sampling for type acceptance (Vol. 16:22 p10, 16:25 p11). FCC staffers said they don't discriminate in any way against imports in type-acceptance procedures, denying reports that they considered imported sets inferior.

FCC still is trying to catch up on licensing, now has staff of 40 sending out 500,000 monthly vs. 7 people and 30,000 a month 2 years ago. "We'll either have to get more resources or develop a new system of licensing," said Wiley, noting that Program Review Analysis Team will complete its licensing study in fall—but he strongly denied channel expansion will be stalled to await its report.

Wiley & staff reviewed other significant CB activities now in progress: (1) OPP under Hatfield is making long-range study of CB's eventual future home in spectrum and how much space will be required; report is due next summer. (2) OTP is studying possible reallocation of govt. spectrum space to accommodate future personal communications needs (Vol. 16:22 p10). (3) Field Engineering Bureau, now devoting 70% of time & resources to CB, is continuing its enforcement study.

"Consumer education has to be our first line of enforcement," said Luff, and Wiley outlined Commission's plans: (1) Easily understood point-of-sale booklet. (2) Slide presentation for public. (3) Appearances by FCC staffers, particularly field men, before civic clubs, etc. (4) Heavy stress on effectiveness of self-policing.

FCC is dead serious about CB. As Hatfield put it, it's "a lot more significant to the public" than many people think—it's not just a toy, but has become important in reversing trend toward de-personalization. "It's got people talking to each other again."

FIRST-HALF COLOR SALES—3,193,660: First-half color sales to dealers were up 12.5% from 1975 to 3,193,660, official EIA figures show (see State of the Industry). Figure is 20.5% below record 1973 period which saw sales of over 4 million sets, also trails 1974 & 1972.

Inventories are up, too. Total factory-plus-distributor stocks exceeded year-earlier figure for first time since Feb. 1975, at least partly result of record imports. Factory-distributor inventories at half totaled about 2,266,000, up 14.7% from 1975's halfway point, sudden turnaround during June from end-of-May's decline of 3.2% compared with year earlier. At end of June, factory inventories (1,249,000) were up 8.3%, distributor (1,017,000) up 23.7% from year earlier. During June, factory-distributor inventories rose 6.3%.

Second-quarter sales of about 1.6 million (Vol. 16:28 p6) were forecast correctly several months ago by James Magid, security analyst for Drexel Burnham & Co. We asked Magid his outlook for rest of year. He takes issue with our seasonally adjusted estimates of sales to date—7.7 million rate for 2nd quarter, 7.2 million for first. His seasonal analysis shows 2nd quarter actually at 9.1-million annual rate. "My seasonal adjustments are based on figures since the mid-1960s, with corrections for the highly erratic performance of the last 3 years." Magid forecasts 1976 color sales at about 8.3 million, with imports representing some 25% of total. Based on 8.3-million-set year, Magid says current factory-distributor inventories represent less than 13-week supply, not excessive for this time of year.

June color sales were up 11.7% from year earlier, monochrome up just 2.4%. Stereo & radio sales showed declines for month. Here are EIA's total-market figures for June:

Product	June 1976	June 1975	% change	June 1974
Total TV	1,171,454	1,088,107	+7.7	1,377,838
color	690,027	617,937	+11.7	784,644
monochrome	481,427	470,170	+2.4	593,194
Total radio	3,957,740	4,298,490	-7.9	4,840,178
home, portable	2,798,827	3,532,106	-20.8	4,010,547
AM-only	385,168	956,936	-59.8	1,501,561
FM & FM-AM	2,413,659	2,575,170	-6.3	2,508,986
auto	1,158,913	766,384	+51.2	829,631
Port.-comp. phono	270,928	369,071	-26.6	527,251

Foreign-brand sets now are carried by substantially all TV dealers, regardless of type of outlet, geographical location or community characteristic (rural vs. urban). This was made clear last week when we queried our EWR dealer panel on percentage of foreign-branded color sets in their inventories. Some 87% of dealers on panel carried import brands; of those foreign brands represented median 21.5% of inventory, with percentages varying from 2% to 75%.

No longer are discounters and east & west coast urban areas only major import havens. Of dealers carrying foreign brands, these brands constituted median of 20% (low 2%, high 65%) of dept. store inventories, 25% (15-40%) of discount store inventories, 29% (10-75%) of traditional TV-appliance & brown-goods dealer inventories. Regionally, west coast dealers reported median 40% of their color inventories in foreign brands, midwest 23%, eastern 20%, south & southwest 20%. Survey didn't include private-label imports as foreign brand.

MID-FI AUDIO INDUSTRY REVAMPING: Morse's massive 4th-quarter loss and Lloyd's-Capehart merger agreement appear to be first steps in what could turn out to be wholesale restructuring of mid-fi segment of audio industry.

Morse rocked industry last week with year-end statement showing \$38.8-million pre-tax loss for fiscal 1976—\$31 million of it in closing quarter. Figures are all the more shocking since firm seemed to have virtually completed drastic streamlining program started last year and was showing signs of turnaround; indicated 4th-quarter sales of \$26.2 million were up 16% from same 1975 period, first such gain in over year. Analysts say Morse was expected to show \$1-\$2 million loss in quarter, \$7-\$8 million for year.

Immediate halt to trading in Morse shares was ordered by N. Y. Stock Exchange pending completion by company of analysis of results. Report is expected this week or next. Meanwhile, Morse says it's received assurances of default waivers on \$24 million in bank loans, \$23 million in long-term debt to Prudential Insurance. Morse indicated plan to convert bank loans to long-term debt.

We've tried vainly to reach Morse officials for explanation, have put together basic picture from other sources. Bulk of loss appears to stem from asset & inventory writedowns and other changes ordered by outside auditors sent in by lenders. We've been told lenders became concerned over reports of inventory shortages and too-liberal accounting procedures—Morse currently has \$9.6-million suit pending in N. Y. Supreme Court charging Soundesign with making defamatory statements to suppliers & customers, theft of trade secrets and unfair competition.

With most of loss coming from charges rather than operations, company should survive, providing lenders continue support. Loss leaves Morse with \$3.9-million negative net worth, which could, under certain circumstances, cost its stock exchange listing. However, it seems certain lenders will insist on some top management changes, perhaps move for board seats.

News of Morse loss caused only minor fluctuation in prices of related industry shares in U.S., impacted more strongly in volatile London market where stock of BSR—industry's last major OEM record changer supplier—is traded. Investor concern there prompted BSR to issue statement that: (1) It has no equity interest in Morse. (2) Morse owes BSR only about \$2 million, has always paid its bills. (3) BSR has no production cutback plans. BSR also said it's keeping in close contact with Morse, noted that while Morse has always been important customer, it's not necessarily largest in U.S. at this time. Soundesign is believed to be biggest now, but may not have actually passed Morse in terms of unit sales.

Less of surprise was announcement of long-rumored Lloyd's-Capehart merger agreement. Preliminary terms call for Lloyd's to acquire Capehart in 1-for-7.5 stock swap, putting value of about \$2.6 million on deal at Lloyd's present share price, about \$1 million less than Capehart's net worth. Capehart is expected to be operated by present management as Lloyd's subsidiary, continue with current product line, possibly supply Lloyd's with Monte Verde console line being marketed through independent RCA distributors—or perhaps take that operation over. If deal gets necessary approvals and goes through in fall as planned, it will make new Lloyd's industry's biggest mid-fi marketer with sales of about \$146.5 million (in last fiscal year), compared with Morse's \$121 million & Soundesign's \$103.7 million. Superscope, with \$157 million, is biggest, but much of its volume comes from high-end Marantz line. In addition to size, there's economy of operation as Lloyd's gets Capehart's production capability, Capehart gets access to Lloyd's extensive Far East sourcing operation.

Justice Dept. could move to block combination of 3rd & 4th largest firms in field. Spokesman told us agency hadn't received advance notice, wasn't even aware of agreement until we called, but would look at situation. Spate of recent acquisitions in TV business—Matsushita-Quasar, Rockwell-Admiral, Philips-Magnavox and pending Sanyo-Warwick—has made Justice super-sensitive to consumer electronics mergers.

Morse's problems should set off new round of position-jockeying among both domestic & Japanese audio suppliers which survived shakeout of last 18 months. There already are reports of key Morse customers sounding out other suppliers' abilities to meet their fall & Christmas stereo requirements if Morse situation gets worse.

RCA RECORD RESULTS: RCA set 2nd-quarter earnings record, hit new sales & profit records in first half (see financial table), as electronics business, including consumer products & components, shifted from loss of year earlier, due to improved operations & substantially stronger sales.

Warwick's loss from operations in 2nd quarter was \$299,000, compared with \$1.46 million in opening quarter, rest of losses representing \$5.3-million provision (\$4.6 million in 2nd quarter) for severance pay and other cost-reduction expenses. Company said loss brought negative net worth to \$12.25 million. Warwick said it expects increased sale of color consoles (to Sears) in 2nd half to offset income drop stemming from discontinuing output of portable-table models.

Whirlpool, which has agreed to sell its 57% interest in Warwick TV business to Sanyo for about \$11 million, said it lost some \$14.1 million on Warwick in 2nd half, including \$3.2 million from operations, \$5.3 million from cost-reduction program. Remaining \$5.3 million represents difference between value of Warwick TV business on Whirlpool books & Sanyo's purchase price. At end of 1975, Whirlpool valued investment in Warwick at \$19.5 million, had additional \$26.8 million in loans & loan guarantees to Warwick. Indications are Whirlpool & Sanyo plan to sign definitive sale agreement by end of Aug.

— ■ —

Dutch Philips is trimming back some European operations. U.K. subsidiary is quitting TV retail sales & rental business, selling 155 Lloyds Retailers outlets & rental contracts for about \$16 million. Company said sales slump resulted in \$5.3 million Lloyds loss in first half this year. In W. Germany, Philips is closing Herborn ceramic capacitor plant, shifting production and most of its 300 workers to nearby facilities.

Matsushita reports parent-company record sales of just under \$2.1 billion for 6 months ended May 20, up 23.6% from last year, with net up 28.9% to \$67.8 million. Matsushita attributed much of improvement to better consumer demand, noted sales of wireless equipment (including consumer electronics) rose 29.2% to \$945.5 million...Sony expects income of about \$100 million this fiscal year, topping record \$84 million of 1973. Sales are seen rising about 18% to record \$1.6 billion, company told analysts in San Francisco last week. Sony said Betamax home VTRs currently account for 3-4% of sales, should provide 10% of total within a year, put 1976 production at 100,000 units, up from 25,000 last year, said output is expected to double in each of next two years...GE reports record sales & earnings for 2nd quarter & first half, said earnings from consumer products "substantially increased." Sale of interest in Telefunken for about \$60 million added \$20.7 million to net in quarter.

Paramount may test home market for videocassette movies in Betamax format. It's known there have been discussions with Sony on possible project. Joint Sony-Paramount news conference had been planned for last week, was postponed to end of month. Charles Bluhdorn, chmn. of Paramount parent Gulf & Western, is known to be Betamax enthusiast, even has one in his plane. Another Betamax programming venture, involving rental of movies & other programs—by Teletronics International & MGS Services (Vol. 16:8 p8)—should be operative by Sept., we were told by Teletronics Pres. George Gould. Time-Life Multimedia is renting Dick Cavett speedreading course in Betamax format.

Sylvania introduces GT-Matic 17" & 19" hotel-motel sets with only on-off, volume & channel selection accessible to user. Sets have connection for theft alarm, tamper-proof cover for controls in back.

ADMIRAL CUTS BACK: Admiral is trimming costs to "irreducible minimum," shrinking value of physical assets by about half, and has just completed cutback in personnel. Last week it terminated about 40 employes, mostly in electronics engineering, after severing similar number week before, mainly in middle management. Charles Urban, pres. of parent Rockwell International's Consumer Operations, said realignments were being made to "achieve a more proper balance between costs & revenue."

Since last month, Admiral said it has reduced personnel in Chicago-area hq & electronics engineering facilities by about 15%. It has sold 440,000-sq.-ft. Cortland St. (Chicago) plant which once served as hq, will write off \$1-million loss on real estate. Admiral has had excess plant facilities in U.S., has subassembly plant in Mexico, started up 13" & 17" color TV production in Taiwan, begins producing 19" there this month. Admiral Group lost \$10.8 million in 6 months ended March 31 vs. \$14.4 million in same year-earlier period (Vol. 16:27 p 12), and Urban told us group is finally "over the hump."

Complete list of personnel changes hasn't been made public. Urban said that Alonzo Kight, Rockwell vp, international, is working with him at Admiral as representative of Rockwell Pres. Robert Anderson. In development unrelated to wave of economy firings, Robert Herms resigned as private-label sales vp to become exec. vp of west coast laundry equipment distributor. Others who have left in last 2 weeks include Product Planning Dir. James Tann, Mktg. Services Dir. Eric Peterson & Microwave Oven Mktg. Mgr. Jack Terrillion. As reported here earlier, Wesley Wood has resigned as special projects vp and Steve Lowman, former PR vp, was reassigned to parent Rockwell. James Ezell continues as Admiral pres.

Japanese aren't dumping AC adaptors in U.S., Treasury said in final determination of case brought last year by Power Conversion Products Council International, a U.S. trade association. Last April, Treasury issued positive tentative determination, ordered appraisement withholding, after preliminary investigation indicated units imported from DC-Pack of Tokyo, supplier of 82% of adaptors from Japan, had average dumping margins of 7%, running as high as 18% (Vol. 16:15 p11). Treasury now says full probe shows DC-Pack dumped only single model which accounted for 0.7% of sales, and margin was just 5%. Investigation excluded built-in adaptors or separate adaptors packaged with complete products.

GE color console sales to dealers were at record high for May-June introductory period, 26% over same months last year, TV Business Dept. Gen. Mgr. Fred Wellner said last week. He attributed much of increase to VIR feature, adding that GE has substantially increased planned production of its 4 VIR consoles because dealer demand "has far exceeded our expectations."

Olympic's plan to come out of Chapter XI has been approved by Judge C. Albert Parente. Terms call for payment of \$855,000 to creditors over 5 years, about a 23% settlement, plus anything realized from Olympic's \$2-million suit against former parent Lear Siegler.

Trade Personals

G. Denton Clark, pres.-chief exec. of RCA Ltd. (Canada), adds post of chmn... **Frank Huber** promoted to national accounts mgr., Sharp Consumer Electronics Div., succeeding Jon Winters, now national field sales mgr. (Vol. 16:22 p12).

Arthur Blackburn, ex-J.C. Penney home & auto product mdse. mgr., named Lafayette Radio pres., succeeding **Leonard Pearlman**, who shifts to new post as chmn., continues as chief exec... **Francis Reed** advanced at Advent to mktg. dir., assuming duties of **Fred Goldstein**, who resigns as mktg. vp effective Sept. 1; **Richard Railston** promoted from sales training dir. to national sales mgr. -audio, succeeding Reed; **Virginia Fried** named mktg. services mgr... **James Moore** & **William Burton**, ex-Superscope, join Ray Jacobs Audio as mfg. vp & chief engineer respectively; **Carolyn West**, ex-Audio Magnetics, named gen. mgr.

John Mueller, ex-Maremont, appointed Motorola Auto Products Div. mktg. operations vp responsible for CB, tape players & radios... **Dave Rayburn**, ex-Decibel Products, appointed Breaker Corp. chief engineer... **Robert Patterson**, ex-BASF, named Hy-Gain eastern sales mgr., taking over duties formerly handled by National Sales Mgr. **Reese Haggott**... **James Rohr** resigns as EV/Game sales vp to enter rep business; **Syl Landro** promoted from field sales mgr. to distributor sales mgr.

Robert Kessler, Mirco founder, resigns as vp, leaves board; **James Green**, senior engineer, replaces Kessler as supervising engineer for Mirco Games Inc... **Richard Taylor** promoted at Ampex from ad & sales promotion mgr. to mdsg. mgr., consumer blank tape products... **Charles Condike**, ex-British Industries, joins Robins Industries Consumer Products Div. as distributor sales mgr... **Stan Cutler** appointed Leslie Speaker engineering & mfg. dir.

Donald Bergin, ex-Dynatron watch & module mktg. mgr., appointed American Mycrosystems timekeeping products mktg. mgr... **Frank Sabra** appointed Audiovox N.Y. region sales mgr... **R. A. Mohrman** advanced at Schlumberger to Weston Components Div. gen. mgr., succeeding Howard Warnken, retired... **Morris Simank** promoted at Allen-Bradley from product mgr. to sales mgr. for variable resistors, replacing **John Stanley**, now San Francisco district mgr.

Edward Vetter, retired Texas Instruments exec. vp, nominated for Undersecretary of Commerce... **Edwin Wesson** promoted to Sony Canada consumer products Ontario region gen. mgr.; **James Chrusciel**, ex-accounting dir., named admin. mgr., Video & Business Products Div.

FCC labs approved "5 or 6" video games last week, according to spokesman. Among latest are Video Sports by First Dimension (FD3002G), mono-chrome 3-game unit listing at about \$70; Lloyd's at \$100; Phoenix International's Video Sports at \$80. Lloyd's game will be sold under both Lloyd's & Monte Verde tradenames.

WEEKLY Television Digest

with
Consumer Electronics...

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CB Scene: Frantic pace of domestic & offshore production expansion continues. Hy-Gain arranged \$17.5-million revolving credit at prime rate from Citicorp: \$15 million to be used for expansion in Puerto Rico, rest in U.S. Radio Shack is spending \$400,000 to enlarge capacity of Korean CB, intercom & stereo plant. Allen Group's \$1-million Puerto Rican antenna factory began operation in June, will produce 1 million \$20-\$25 antennas monthly at full production. Firm says it's leader in CB antenna field with 40% of market... Houston-based Eagle Electronics enters transceiver field in Sept. with CBs sourced from Xtal (Korea), Great Electronics (Taiwan) & Union Denshi Kogyo (Japan)... Former rock concert promoter Richard Nader plans regional CB fairs on East Coast following successful June event on Long Island. First will be CB Fair & Truckers Jamboree, probably in Allentown, Pa... Varian subsidiary Communications Transistor Corp. offers new line of RF power transistors for high-end CB units at \$500-\$600.

U.K. color sales showed signs of comeback in May, rising 33% from same month last year to 109,000, first such gain of 1976. But increase may be deceptive, BREMA warns, as May 1975 marked hike in U.K. value-added tax to 25%, and month's sales total was lowest of year. In first 5 months, U.K. producers & importers sold 503,000 color sets to distributors, down 32%, with domestic-made sales off 30% to 439,000, imports down 41% to 64,000. In b&w, total was up 12.5% to 413,000 as U.K. -made 8% drop to 182,000 was offset by import increase of 37% to 231,000. As result, imports took 56% of b&w market, up from 46% in same 1975 period, dropped to 13% of color from 15%. Market totals for other products: Audio systems 210,000 (down 29%), phonos 52,000 (down 39%), radio-phonos 19,000 (down 57%), radios 1.53 million (down 18%).

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
CBS			
1976-6 mo. to June 30 ^a	1,046,200,000	75,300,000	2.64
1975-6 mo. to June 30	903,300,000	58,100,000	2.03
1976-qtr. to June 30 ^a	529,900,000	47,500,000	1.67
1975-qtr. to June 30	460,700,000	33,900,000	1.19
Craig			
1976-year to June 30 ^b	117,500,000	9,800,000	3.15
1975-year to June 30	69,105,000	3,286,000	1.06
Hitachi ^c			
1976-year to March 31	6,156,200,000	140,600,000	--
1975-year to March 31	6,176,700,000	120,100,000	--
Morse Electro Products			
1976-year to March 31	121,000,000	(36,453,000)	--
1975-year to March 31	142,971,000	(9,883,000)	--
Multimedia			
1976-6 mo. to June 30	36,326,352	4,415,432	1.00
1975-6 mo. to June 30	26,635,522	3,115,493	.71
1976-qtr. to June 30	20,907,250	2,813,009	.64
1975-qtr. to June 30	14,587,906	1,888,223	.43
National Semiconductor			
1976-year to May 31	325,097,000	18,953,000	1.44
1975-year to May 31	235,457,000	16,748,000	1.34
1976-qtr. to May 31	88,166,000	4,498,000	.34
1975-qtr. to May 31	57,160,000	4,295,000	.33
North American Philips			
1976-6 mo. to June 30	804,662,000	25,215,000 ^d	2.01
1975-6 mo. to June 30 ^e	676,830,000	9,620,000 ^d	.88
1976-qtr. to June 30	422,518,000	15,477,000 ^d	1.23
1975-qtr. to June 30 ^e	364,100,000	7,599,000	.69
Owens-Illinois			
1976-6 mo. to June 30	1,270,690,000	63,721,000 ^d	4.16
1975-6 mo. to June 30	1,065,608,000	33,321,000	2.27
RCA			
1976-6 mo. to June 30	2,576,900,000	88,000,000	1.14
1975-6 mo. to June 30	2,245,300,000	43,800,000	.55
1976-qtr. to June 30	1,320,400,000	53,700,000	.70
1975-qtr. to June 30	1,155,000,000	26,800,000	.34
Taft Bctg.			
1976-qtr. to June 30 ^e	26,996,656	3,321,644	.82
1975-qtr. to June 30 ^e	25,034,260	2,004,487	.50
Warwick Electronics			
1976-6 mo. to June 30	60,692,000	(7,056,000)	--
1975-6 mo. to June 30	53,670,000	(6,065,000)	--
1976-qtr. to June 30	29,278,000	(4,933,000)	--
1975-qtr. to June 30	30,402,000	(3,185,000)	--
Wometco Enterprises			
1976-24 wk. to June 19	90,190,000	6,760,000	.78 _f
1975-24 wk. to June 14	76,545,000	4,782,000	.55
1976-12 wk. to June 19	47,336,000	4,117,000	.48 _f
1975-12 wk. to June 14	40,177,000	3,039,000	.35
Viacom			
1976-6 mo. to July 3	22,738,000	1,798,000 ^d	.49
1975-6 mo. to June 30	19,799,000	1,417,000	.39
1976-qtr. to July 3	10,977,000	958,000 ^d	.26
1975-qtr. to June 30	9,837,000	757,000	.21
Walt Disney Productions			
1976-9 mo. to June 30	403,909,000	48,063,000	1.55
1975-9 mo. to June 30	347,098,000	37,012,000	1.20 ^T
1976-qtr. to June 30	148,671,000	18,865,000	.61 ^f
1975-qtr. to June 30	136,130,000	15,671,000	.51

Notes: ^aEstimated. ^bPreliminary. ^cAt yen's current rate.

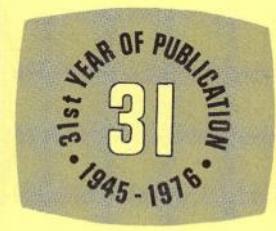
^dIncludes special credit. ^eRestated. ^fAdjusted.

GM is urging new car buyers to insist cars be equipped with GM (Delco) factory radios. Ad campaign is effort to halt growing dealer practice of ordering cars without radios and installing lower-priced imports.

WEEKLY

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JULY 26, 1976

SUMMARY-INDEX OF WEEK'S NEWS

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Broadcast

WHITE NOMINATION IN TROUBLE: Pastore raises conflict-of-interest issue in her FCC appointment since husband is member of law firm with communications clients. Fogarty confirmation expected before Aug. recess. (P. 1)

HOUSE PROBES IMPORTS & SPORTS in 2nd round of Communications Subcommittee cable hearing. San Diego's TV-cable romance gets special attention. Members skeptical of claims imports will hurt sports. (P. 2)

UA & FOX INTO PAY CABLE: From Hollywood, Home Theatre to offer movies, sports, etc., via film, tape, satellite, microwave. Deal with Spectrum includes 25 home games each of Phillies, 76ers, Flyers. (P. 4)

NAB REPORTS TV MARGINS UP: Typical station margin 18.9% last year vs. 17% in 1974. Independent UHFs averaged profit for first time. (P. 4)

ABC GLOWS IN OLYMPIC GOLD: Audiences for Montreal coverage beat other 2 networks combined. Sponsors happy, despite 'over-commercialization' complaints. Arledge by-play with field men. (P. 5)

TENTATIVE FCC AGENDA includes radio format, cable EEO & rates, CB expansion, possibly VHF drop-ins. (P. 5)

WHITE FCC NOMINATION IN TROUBLE: Because of apparent conflict-of-interest with her husband's partnership in Washington law firm which has communications clients, confirmation of White House aide Margita White to 7-year term on FCC is in deep trouble in Senate. Stuart White is tax attorney with Hamel, Park, McCabe & Saunders (ex-FCC Gen. Counsel John Pettit and Tony Thomson, aide to Dean Burch when latter was FCC chmn., are members of same firm). Firm's clients include AT&T, TV licensee George Hernreich, several radio stations, a prospective TV applicant, among other communications firms.

The Whites brought up possible conflict with White House counsel—and latter discussed it with Senate staff—before Mrs. White was nominated (Vol. 16:29 p3). However, Sen. Pastore (D-R.I.), chmn. of Communications Subcommittee, reportedly wasn't aware of Stuart White's job until senator returned from vacation last week. Pastore then "raised the question" of conflict with ranking Subcommittee Republican Baker (Tenn.) and ordered staff investigation, according to Pastore aide. Confirmation hearing will be postponed until study is completed—meaning after GOP convention recess ending Aug. 23.

Pastore reportedly believes conflict is such that it would bar Mrs. White from sitting on Commission, although he was quoted as saying he hadn't made up his mind. "He'll likely just sit on the nomination and won't even hold a hearing," we were told. Although Pastore concern

Consumer Electronics

CB INDUSTRY HOLDS BREATH as FCC nears channel-expansion decision. Staff recommendation completed, FCC discussion July 28. Commerce decries press interpretation of sunspot report. (P. 7)

1976 MODEL-YEAR TV SALES lowest since 1968, dealers buying only 11.8 million sets in July-June period. FM sales set record. (P. 7)

STOP-BETAMAX MOVE shapes up in Japan, other manufacturers seeking single system to block Sony home VTR. Defections seen in V-Cord ranks as industry awaits mystery system from JVC. (P. 8)

CB SALES SLOW down, but industry doesn't agree on cause. Most feel boom will resume in fall. Discounting picks up steam. (P. 9)

\$39.95 VIDEO GAME coming from First Dimension, which also will add microprocessor unit. RCA confirms decision to enter market. (P. 9)

AUDIO SHOW ADDED to summer CES, will be held at McCormick Inn. Rump group wants separate hi-fi show in Vegas next April. (P. 10)

JAPAN'S COLOR BOOM shared unequally by manufacturers. Fuji drops out. Crown eyeing exports. Sanyo plans 25% expansion, says exports doubled in 6 months. (P. 10)

has been relayed to White House, spokesman said that Administration isn't considering withdrawing nomination, that "the President feels Margita White is very qualified for the job... It's up to the Senate to judge it." Pastore has said he didn't want impression created that he'd acquiesce to White appointment just because President appointed his man—Communications Counsel Joseph Fogarty. Pastore & Baker reportedly have agreed that any conflict in White confirmation "would be intolerable."

Mrs. White said she and White House counsel agreed "to take certain steps" to avoid any conflict before her name was sent to Senate. She said restrictions would cause loss of income to her husband, wouldn't be disclosed until confirmation hearing. (It's known they include agreement of Stuart White not to share in any income from any of law firm's communications clients.) "We have bent over backward, as far as possible, to avoid a conflict," Mrs. White told us, and Senate Commerce Committee staff "accepted these assurances... It certainly didn't hold up my nomination in any way."

"The Committee staff doesn't speak for the senators," staffer told us. He denied staff "approved" any arrangement to avoid conflict, added: "There were people at the White House who knew that this nomination might cause problems, but they weren't listened to."

Meanwhile, Fogarty nomination for 2-year term went to Senate last week, as expected, and confirmation seems assured—probably before Senate adjourns Aug. 11 for GOP convention. Through White flap last week, Fogarty kept very low profile, refusing to talk to reporters or let his picture be taken for publication.

At FCC, Comr. Hooks told us he isn't campaigning for chmn. in Jimmy Carter Administration (Vol. 16:29 p1), but that he'd accept chairmanship if offered—"but I think I could do more as a commissioner." Why? "There is so much tension and pressure in the chairman's job that I'd have to leave after a couple of years. If I remained a member and were reappointed in 1979, I could serve a total of 14 years and do more over the long haul. It's like driving a week at 30 miles an hour, compared with going 60 for 2 hours."

* * * *

Commerce Committee has set July 28 hearing on nomination to FTC of David Clanton, aide to Sen. Griffin (R-Mich.). Clanton was nominated, as predicted (Vol. 16:26 p4), to 2-month term ending in Sept. and for 7-year term which would follow, is expected to be confirmed without problem. Committee also received 5 nominations to CPB board, as expected (Vol. 16:28 p3): Charles Crutchfield, Jefferson-Pilot Bcstg.; Clyde Reed, Parsons (Kan.) Sun; Charles Roll, Gallup Organizations; Leslie Shaw, Great Western Financial Corp.; Paul Stevens, Southern Baptist Radio-TV Commission.

CABLE HEARING—IMPORTS, SPORTS: Distant signal importation and sports were subject of House Communications Subcommittee hearing last week as panel began 2nd round of examination of regulation of cable. Congressmen heard conflicting accounts of cable's potential impact on conventional TV, but there was general agreement by both cable and broadcast witnesses that FCC's exclusivity rules don't always have effect Commission intended, often hurting stations—especially independents & UHFs—as much as cable. Next week, Subcommittee plans to cover pay cable (July 27), federal-state relations (July 28), and industry structure (July 29), with additional session (afternoon of July 29) to consider bill—already approved by Senate (Vol. 16:24 p4)—extending and increasing FCC's forfeiture authority.

San Diego—home of Chmn. Van Deerlin (D-Cal.) as well as site of nation's largest cable system—got special attention as market where UHF led 2 VHF's in Feb. ratings. Mission Cable's Donald Williams said cable-broadcaster cooperation in San Diego is "genuinely surprising and pleasing to us," commented that elsewhere there is "a polarized situation" between 2 groups. Relaxation of cable-station cross-ownership ban would help situation by allowing same-market broadcasters "to share in cable's potential," he said.

KGTV San Diego Gen. Mgr. Clayton Brace agreed: "Who better to operate cable than a broadcaster?" he asked. However, he was less sanguine than Williams about San Diego's cable-broadcaster relationships. Though he stressed his comments "are not meant in any way

as a criticism of Mission Cable," he said that KGTV agreed to work with Mission "to try to salvage whatever we could from a basically undesirable situation." Situation was caused, he said, by FCC's failure to require single-channel carriage and lack of protection for syndicated and feature film programs outside top 50 markets. Though San Diego now is among top 50 (and is listed by FCC as 31st in PTAR rule), it wasn't in 1972--year that FCC chose to "etch into stone," he said.

"Total elimination" of all programming restrictions and establishment of national policy favoring cable was asked by Western Communications Pres. Edward Allen. He claimed changes wouldn't harm broadcast services. "Obviously it is not the intent of the cable TV industry to damage the existing broadcast industry. We depend for our service on the service provided by the broadcast industry." Barry Stigers, Verto Cable TV, Scranton, Pa., and Don Mackin, mgr. of Pullman, Wash. & Moscow, Ida. systems, argued that FCC restrictions on cable deprived subscribers of stations they could receive over-the-air with roof-top antennas, or from older, grandfathered system in same city.

R. E. [Ted] Turner, Turner Communications, said import of independents by cable is "the only chance for most people in the South to get a choice of programming," noted that over 100 systems in 5 states now carry his WTCG Atlanta. However, Robert Rice, WRAU-TV Peoria, warned against such "multi-statewide networks" created by extensive cable carriage of single independent station.

While cable operators argued that cable helps UHF, some UHF broadcasters disagreed. "Cable only enhances the advantages that WGN Chicago, a VHF, has over WRAU, a UHF station," Rice stated. Marshall Pengra, consultant for KMIR-TV and KPLM-TV Palm Springs, said that 2 UHFs must compete with up to 9 stations imported from L. A. on cable, forcing them to "carry barter programs, travelogs, free film programming and other inexpensive product in order to hold down costs." He said that KMIR-TV "has never completed a full fiscal year in the black," added that KPLM-TV was in receivership.

Small market stations are threatened with loss of ad dollars by distant signal imports, according to Avery-Knodel TV Pres. Robert Kizer, who said that "in some cases," small markets already have lost counties from their ADI because majority of viewers in those areas watch distant signals over local signals. "Any increase in viewing to distant signals can severely erode the already shaky market base of countless small markets," he concluded.

NBC claimed that "the American public is disserved by a policy which encourages the unilateral redistribution of broadcast programming by cable." In written statement, NBC said: "Whatever public interest value there may be in adding more broadcast station signals to those already received is more than offset by the unfair competition to the free local broadcast service which is not shielded from normal copyright liability."

Testimony of Mission's Donald Williams was brought to Subcommittee via Westar satellite and 10-ft. horn-type antenna parked in driveway outside Rayburn House Office Bldg. Signal originated in Santa Monica, Cal. studios of Theta Cable, was of excellent quality. Members were able to talk back to Williams via ground connection. Rep. Frey (R-Fla.) noted that antenna--provided by Antennas for Communications--was smaller than FCC requirement, commented: "The technology is changing so fast that a lot of these regulations just don't make sense." Rep. Wirth (D-Colo.) called demonstration "a very exciting technology and I'd like to see more of it."

* * * *

Sports spokesmen reiterated often-expressed positions: (1) Let sports owners restrict cable imports to prevent possible erosion of gate and to maintain prices that teams get for conventional telecasts. (2) Take wraps off sales of sports to pay cable.

Though Baseball Comr. Bowie Kuhn asserted that imports of distant-signal sports will "inevitably" hurt, Subcommittee members are skeptical. Chmn. Van Deerlin cited strong attendance--up to 32,000--for 4-game Dodgers-Padres series in San Diego, despite cable carriage of coverage from L. A. station. Kuhn urged 3 actions: (1) Direct FCC "to weigh the impact on sports interests in any change in the cable carriage rules." (2) Give teams power

to prevent importation of any game to their home territories—up to 75 miles. (3) Require FCC to furnish annual report to Congress on extent of imports and their impact.

Asked about pay cable, Kuhn said he "can't conceive of depriving audiences" of commercial telecasts of World Series, All-Star game and other specials. Upon questioning, he agreed that team's poor performance has powerful impact on attendance and TV income.

Don Ruck, National Hockey League vp, urged that FCC be stopped from imposing "burden-some anti-siphoning regulations" and that sports be given "antitrust exemption to allow for a pooled sale to pay cable." He also assured Subcommittee that NHL intended to "supplement," not "supplant," current TV fare with pay cable.

John Coppedge, spokesman for NCAA, said that distant-signal imports undermine college & high school major sports gates, thus harming entire athletic programs. He urged legislation limiting cable carriage of live sports "to those locations where the events...are available for live over-the-air broadcast."

Cable spokesman Robert Hughes, CPI, pooh-poohed sports' fears, asserted that many studies "concluded that televising competing sports events does not keep fans away from the live events," noted that baseball attendance is headed for all-time record this year. As for siphoning Super Bowl or World Series to pay cable: "Do you really think we have taken leave of our senses?" He also said that 70% of pro sports never reach TV because audiences are too small for advertisers—but that pay cable could afford to carry them.

UA & FOX INTO PAY CABLE: Hollywood Home Theatre (HHT) is final product of long-gestating effort to combine several major film producers in "consortium" offering program material to pay cable (Vol. 16:13 p5). It's joint venture (50-50) of United Artists & 20th Century Fox—Paramount having dropped out.

Fox's Steve Roberts and UA's Herb Banquer represent parent companies, and HHT top staffer is Operations Dir. John Berentson, ex-Warner Cable. (Address: 1345 Ave. of Americas, N.Y. 10019, 212-397-8506).

Roberts says HHT is expected to start furnishing programs in Sept.—offering material in whatever format customer desires: Film, tape, satellite, microwave. HHT will offer sports and other events in addition to movies, has formed joint venture Prism TV in collaboration with Spectrum of Philadelphia. Prism will serve systems in Pa., N.J., & Del., offering 25 home games each of Phillies, 76ers & Flyers, plus 25 "special events" such as concerts, boxing, karate. First CATVs signed are in Upper Darby, Pa. & Atlantic City. Roberts reports negotiating with 6-7 others in area.

Programs will be offered to other pay-cable distributors, Roberts says—"I don't expect any problems there." Home Box Office Pres. Gerald Levin told us he welcomes HHT, saying such additional suppliers should increase business for everyone.

HHT will have about 20 staffers, according to Roberts: "We will run a lean organization." They'll include financial head, programmer, PR-ad chief. "I think we can contribute a great deal to marketing," he says.

Pension and employee benefit funds should be given same 5% broadcast ownership benchmark provided banks, mutual funds, etc. in recent FCC decision—NAB states in petition for reconsideration.

NAB REPORTS TV MARGINS UP: Typical (median) TV station in 1975 improved profit margin to 18.9% from 17%, as pre-tax profit rose to \$434,800 from \$358,600—according to NAB's annual survey. Independent UHFs (26 reporting, 16 of them profitable) averaged a profit for first time, with profit margin of 6.75% vs. 8.95% loss in 1974.

Typical station time sales increased 7.2% to \$2.5 million, as net revenues rose 8.8% to \$2.3 million. National-regional spot rose 9.3%, local 6%, network 4.8%. Operating costs rose 6.2% to \$1,865,400. Breakdown of expenses was same as in 1974—37% general & administrative, 36% programming, 14% selling, 13% technical.

UHFs as a group achieved profit margin of 6.09% vs. 4.73% in 1974. Typical UHF profit was \$95,100 vs. \$69,700 year before, up 36.4%. Typical UHF had total revenues of \$1,562,100, up 6%. Total time sales were \$1,787,200, up 7.8%.

NAB had response from 405 stations—57.8%—highest return yet. FCC will release its 1975 TV figures Aug. 2, and NAB will issue radio figures in late Aug.

Applications for one-year experimental FM stations on Ch. 200 (87.9 MHz, just below FM band) in Washington & College Park, Md. have been dismissed by FCC. Agency said information sought is readily available from industry sources and that Washington station would cause interference to WAMU(FM). Commission also noted rulemaking is outstanding proposing non-commercial use of 87.9 MHz in areas where it wouldn't cause interference to other FMs or TV Ch. 6 (82-88 MHz).

Warner Cable reports record 6-months earnings & operating revenues—earnings increasing to \$2,543,000 from \$366,000 revenues rising to \$24,988,000 from \$18,374,000. Second-quarter earnings were up 417% to \$1,511,000, operating revenues up 40% to \$12,855,000.

ABC GLOWS IN OLYMPIC GOLD: Superior coverage, slew of American gold medals and world records in men's swimming, new 14-year-old queen of gymnastics and the Queen of England herself—all contributed to sponsor satisfaction (they paid \$72,000 per min.) and huge audiences for ABC-TV's coverage of first week of Olympics from Montreal. ABC execs. in Montreal—and there were many—were ecstatic, couldn't see cloud on horizon except for expected technical problems (such as loss of signal 9 min. July 19).

Average Nielsen national audience for first 3 nights was 24.3 rating, 47 share—beating CBS (11.2 rating) & NBC (10.5) combined. Wed. night (July 21) audience went even higher—26.4 rating, 48 share, averaging 60 million viewers per min. During first 4 nights of Olympics, ABC's coverage led all time periods.

There was considerable complaining about "over-commercialization" in American & Canadian newspapers and among viewers. We were in Montreal 4 days last week, and there's striking contrast between CBC's day & night coverage, sans commercials, and ABC's, with 6 min. of network commercials per hour plus local spots and station breaks. But we found nobody suggesting U.S. shift to govt.-owned TV, a la CBC.

ABC paid \$25 million for rights (which included \$2 million to outfit old ITV production center to ABC specifications), will realize over \$40 million in income. Production center was designed by ABC Bcast. Operations & Engineering Vp Julius Barnathan, was actually built in N.Y. studio then shipped to Innsbruck for winter Olympics, back to Montreal for summer.

For its coverage, ABC has 19 of its own cameras, 4 ENGs, 4 film crews, 25 video tape machines—plus access to output of 120 cameras manned by Olympic Radio-TV Organization (ORTO). Everything aired during 74 hours of telecasts will be kept on tape (network still has complete tapes of all its coverage of 1968 & 1972 Olympics). ABC problems were compounded by large number of special events—political

Tentative FCC agenda this week: July 27—radio formats; 28—regular agenda and CB expansion (see p. 7); 29—cable EEO and subscriber rate regulation; 30—special meeting, subject unannounced, possibly VHF drop-ins although staff recommendations won't be ready. Donald Wear, aide to Chmn. Wiley, compiled agenda, stressed it's "of the most tentative nature" since Wiley isn't due back in office from London conference until July 27. In radio format case, FCC is expected to say it has no authority to consider changes of formats (particularly in major markets)—as D.C. Appeals Court has mandated, most recently in WEFM(FM) Chicago. Commission will say competition & marketplace should be relied on for program diversity, invites Appeals Court to change its mind or to expedite consideration by Supreme Court.

"I mean no contempt," CBS newsman Daniel Schorr told Aspen Institute conference, confirming what most observers already knew—that he wouldn't testify before House Ethics Committee on source of

conventions, U.S. Open & PGA golf, All-Star baseball & football before, during and after Olympics—causing Barnathan to hire 350 temporary technicians. Network has 400 of its own people in Montreal, hired about 100 Canadians temporarily. (NBC has 6-man crew covering Olympics Montreal, CBS 3; CBS technician told us "we're working our tails off.")

We sat in control booth (35 monitors) first night of coverage, could hear Arledge talking to his men in field. Often after commercial break, host Jim McKay didn't know until seconds in advance what sport he'd be introducing next. "You can't get any more live than that," ABC producer said. Among more interesting off-the-air comments:

Item—In first few minutes of telecast, audio slide said "voice of Mark Spitz" while McKay was talking, causing uproar in studio. Arledge: "Everybody just settle down...Let America figure out what happened."

Item—Audio slide was clipped on each side of screen. Arledge complained during break: "We can't even read it in the control room, so there's no way it'll get in the homes."

Item—Arledge complaining, after first gold medals were won: "Chet [Forte], do you have any idea when they give the medals...We should know this, damn it."

Item—Arledge to Cosell: "Howard, identify O. J. [Simpson]." Cosell proceeded to do so—but it took him 2 min., leaving Simpson no time.

Item—After first American's boxing match, ABC switched to 2-min. Polaroid commercial. Cosell, several times: "They're going to miss the decision." Arledge: "We're taping it, Howard, we're taping it." ABC switched back live just as American was being declared winner.

Item—There were three 40-sec. breaks during 2-hour program, causing Arledge to complain: "There's no way we can do a live show and those 40's." But they did.

leak to him of House CIA Committee report. "As the Ethics Committee seeks to enforce congressional ethics, so I must observe a journalist's ethic...I cannot betray a news source." Meanwhile, in Washington, Ethics Committee, mindful of Schorr's determination, concluded it would hold open hearing in continuing effort to find source of Schorr leak, rather than provoke confrontation with press freedom by subpoenaing Schorr. During 5 days of hearing, Committee investigators revealed they still were unable to finger leak, despite 420 voluntary interviews and 385 re-interviews over 4-month period. Chief Investigator David Bowers reported that CIA Committee's security was "very poor," described vast and rapid dissemination throughout Executive Branch and Congress of practically every Committee document, concluded that "we have not reached any conclusions" on leak, but that "we are quite a bit closer" than when investigation began.

RCA contracts for \$1.7 million in equipment for new station in Porto Alegre, Brazil.

Personals

Don Penny, White House speechwriter, and **Daniel Fitzgerald**, TV ad consultant with President Ford's re-election campaign, named TV advisers to the President, succeeding **Robert Mead**, resigned (Vol. 16:29 p3).

Jeffrey Rapaport advanced to CBS investor relations dir.; **Paula Gottschalk**, ex-CBS Radio spot sales, appointed assoc. dir.; **Herbert Gross**, CBS-TV night-time sales dir., promoted to CBS Sports dir... **Irv Brodsky** promoted to sports information mgr., ABC PR, new post... **Sue-Ann Krakower** advanced to NBC employment dir.

FCC Comr. Abbott Washburn & NAB Pres. Vincent Wasilewski speak to Neb. Bcstrs. Assn. convention Sept. 26-28, Lincoln... CBS anchorman **Walter Cronkite** and retired CBS Vp **Theodore Koop** address RTNDA annual convention Dec. 13-15, Miami Beach.

Lynne Grasz, ex-KOLN-TV Lincoln and newly-named KMOX-TV St. Louis information services dir., assumes BPA presidency Jan. 1, will succeed **Tom Cousins**, WCCO-TV Minneapolis; **Roger Ottensbach**, WEEK-TV Peoria, Ill., named pres.-elect; **Ken Taishoff**, WTMJ-TV Milwaukee, vp.

Lee Marts, WOC-TV-AM & KIIC(FM) Davenport, Ia. gen. mgr., elected a vp, remains gen. mgr. & a dir. of parent Palmer Bcstg.; **Robert Engelhardt**, Palmer Bcstg. technical dir., elected a dir.; **George Carpenter**, WHO-TV Des Moines station mgr., advanced to gen. mgr.

Peter Levathes, CPB corp. relations dir. and retired 20th Century-Fox TV pres., named CPB program development dir., new post, in reorganization of TV Activities Office to emphasize new-program development; **Ernest Lotito**, ex-aide to Sen. Mondale (D-Minn.), named communications dir., Public Affairs Office.

Complying with decision of 7th Circuit (Chicago) Appeals Court, FCC has redefined "legally qualified candidate" as any person who has qualified for place on ballot, has "publicly committed himself" to run as write-in candidate, is eligible to receive votes "by sticker... or other method" or makes "substantial showing that he is a bona fide candidate." In Oct. 1974, Commission ruled that Communist Ishmael Flory wasn't entitled to equal time as write-in candidate because he hadn't qualified for spot on ballot; court reversed that decision last spring.

Annual regulator-regulated softball game July 28 finds FCC Chmn. Wiley's team encumbered with Reps. Van Deerlin (D-Cal.) & Frey (R-Fla.), struggling against cabal of Washington-area broadcasters, 5:30 p.m., 25th & N Sts. NW. Proceeds go to AWRT Children's Hospital Project.

Democratic National Committee has asked Supreme Court to review recent FCC decisions to exempt from equal-time requirements political debates and presidential news conferences (Vol. 15:39 p1). D.C. Appeals Court upheld Commission last April in 2-1 decision (Vol. 16:16 p5).

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John Eger, OTP acting dir., leaves July 30, says he won't make final decision on future for 6-12 months. Meanwhile, he becomes "of counsel" to non-communications Washington law firm Lamb, Eastman & Keats, will undertake consulting projects—probably including one or more for OTP. On Sept. 16, he addresses executives of Philips of America at Sea Breeze, N.J. He says transition to new OTP Dir. Thomas Houser "has been smooth" and he's impressed by Houser's efforts to familiarize himself with agency's work. Eger is particularly pleased that one of his favorite projects—international electronics conferences to strengthen U.S. leadership (Vol. 16:6 p1)—has received endorsement of State Dept., which will schedule Pacific Telecommunications Conference in spring, probably in March. Eger reports work on Latin American Conference also going well.

House Judiciary Subcommittee reversed itself in favor of broadcast industry last week on provision of copyright revision bill considered key by NAB, but once again failed to complete action on bill due to lack of quorum. Subcommittee members voted 6-1, Rep. Wiggins (R-Cal.) opposed, to give standing to radio stations to sue cable systems if they delete commercials. Reversal had been sought by NAB (Vol. 16:25 p3). Subcommittee meets again July 26; members and staff remain confident there's time to enact legislation this year.

ABC-TV Sports promotions: John Martin to vp-program development and asst. to Pres. Roone Arledge; Charles Smiley, vp-legal & business affairs; Irwin Weiner, vp-administration, operations & marketing services; Chet Forte, dir.-production & creative services; Donald Ohlmeyer, special asst. to Arledge for program development & promotion.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 9 (27th week of 1976):

	July 3-9	1975 week	% change	June 26- July 2	1976 to date	1975 to date	% change
Total TV	169,780	186,991	-9.2	281,840	5,606,269	5,242,206	+6.9
color	99,411	97,752	+1.7	181,528	3,293,071	2,936,266	+12.2
monochrome	70,369	89,239	-21.1	100,312	2,313,198	2,305,940	+0.3
Total radio	375,351	769,926	-51.2	787,620	16,842,386	14,825,602	+13.6
home, portable . .	180,721	619,324	-70.8	576,747	10,514,024	10,568,018	-0.5
AM-only	23,392	190,105	-87.7	52,940	2,180,040	3,157,087	-30.9
FM & FM-AM . .	157,329	429,219	-63.3	523,807	8,333,984	7,410,931	+12.5
auto	194,630	150,602	+29.2	210,873	6,328,362	4,257,584	+48.6
Port.-comp. phono.	37,009	59,701	-38.0	88,886	1,187,856	1,608,332	-26.1

Color TV 5-week moving average: 1976—137,487; 1975—123,073 (up 11.7%).

HISTORIC WEEK FOR CB: CB industry is in state of suspended animation this week waiting for critical FCC decision on expansion of 27-MHz Class D band. Staff report containing recommendations is completed, but Safety & Special Bureau Chief Charles Higginbotham says it has been kept from circulation within FCC to prevent leaks. Commission may consider issue as early as July 28, could send report back to staff for changes and make decision July 30.

Key recommendation will be number of channels, and Higginbotham confirmed it will be 40 or 45—depending on whether 5 Class C channels now allocated to vocal model-plane & remote-device hobbyists are included in Class D band. Severe IM interference problem dictated that CB band remain at 45-channel-or-below level, Higginbotham said.

Other interference problems—including EIA CEG warning that interference with TV Ch. 6 will become major problem above 27.325 MHz (channel 32)—will be dealt with in recommendations for new CB equipment standards, though it's understood Higginbotham & Chief Engineer Raymond Spence disagree over how tight those new specs should be.

Meanwhile, govt. continued to set record straight on statements made to press. FCC made its case here last week (Vol. 16:29 p7), and Commerce Dept. now says its recent statements on sunspot activity were misinterpreted by press. Though sunspots will cause problems with CB in next few years, "it is most assuredly not the case that this condition will render present CB radio sets 'useless'" as reported in several press accounts, Commerce said.

Though FCC has denied it considers imported CBs inferior, Japanese Export Transceiver Industries Assn. is taking matter of quality seriously, has begun working on CB specifications which will exceed FCC & UL standards.

1976-MODEL TV SALES WORST SINCE '68: Hold onto your 1976-model TV sets. They're certain to become collectors' items—there were so few of them. Based on EIA data, 11,834,174 TV sets were sold to dealers in 1976 model-year (July 1975-June 1976), lowest of any model-year since 1968.

Color TV sales of 6,840,443 were poorest since 1971, although only 1.1% lower than 1975 model-year. To find worse model-year for monochrome than the below-5 million for 1976, you'd probably have to go back to model-year 1950, before EIA was compiling sales-to-dealers figures. Although 2nd half of model-year (Jan.-June 1976) saw increases over year earlier,

they couldn't make up for precipitous drops of first half (July-Dec. 1975).

Only increases over 1975 model-year among sales-to-dealers figures reported by EIA were registered by auto radio & FM home-portable-clock radios—latter figure, nearly 20 million, probably a record (although monthly FM sales figures weren't compiled before 1973). Here's our sales-to-dealers total-market compilation, based on EIA data:

MODEL-YEAR SALES TO DEALERS

Product	1976 models	1975 models	% change	1974 models
Total TV	11,834,174	12,308,649	-3.9	15,770,254
color	6,840,443	6,917,192	-1.1	9,061,922
monochrome	4,993,731	5,391,457	-7.3	6,708,332
Total radio	37,107,379	40,106,994	-7.5	44,055,871
home, portable	25,840,925	30,209,785	-14.5	33,230,902
AM-only	6,200,144	10,838,743	-42.8	14,330,509
FM & FM-AM	19,640,781	19,371,042	+1.4	18,900,393
auto	11,266,454	9,897,209	+13.8	10,824,969
Port.-comp. phono	3,023,681	4,512,707	-33.0	4,810,274

STOP-BETAMAX MOVE SHAPES UP IN JAPAN: Sony doesn't always win. It just seems that way. And out of bewildering profusion of mutually incompatible home videocassette recorders being announced in Japan, it now appears there could be definite move underway by other manufacturers to select single standard system in attempt to wipe Betamax off the map.

It won't be easy. Sony Betamax was first videocassette deck on market in both Japan & U.S. designed for home use, and has been received enthusiastically in both countries. Sony says Americans are buying 2,500 monthly against long list of back orders. Sales in Japan are expected to total 10,000 this month alone. But even with production schedule of 100,000 units this year and 200,000 next, Betamax still could be upset if all competitors embraced single "standard." This is exactly what happened to 1/2" open-reel VTR introduced by Sony in 1965—all the other heavy hitters formed another team (EIA-J Type I) and Sony lost. But Sony still is batting 500—its 3/4" U-Matic became standard cassette machine and competitors were forced to adopt format.

Stakes could be far bigger in consumer market. Japanese manufacturers seem to be galloping off in all directions—but this won't necessarily continue. V-Cord II once seemed to be best bet for standard machine—it's being marketed in Japan by Sanyo & Toshiba, and Sanyo will introduce it here in Oct. at about \$1,300 with timer, same price as Betamax (Vol. 16:18 p9). Matsushita is selling its 1/2" National Home Video, incompatible with other systems, in Japan at \$700, to be introduced here by Quasar at under \$1,000 around year's end (Vol. 16:24 p7).

But new mystery system is being watched very closely. Developed by Matsushita subsidiary JVC, it's said to be aimed at same price bracket as Matsushita unit, uses 2-hour cartridge of 1/2" tape and, of course is incompatible with all other systems. Hitachi, which with JVC had once almost standardized on V-Cord, is understood to have agreed to join JVC in commercializing new format. Even Toshiba, closely involved in genesis, sale & manufacture of V-Cord, is understood to be on brink of making decision to adopt JVC system.

It's not only Betamax's impact on consumer market which has Japanese worried—but the much more immediate commercial-educational-industrial field. Betamax is starting to make serious inroads there, at expense of U-Matic, and it appears that these closed-circuit users could go heavily to economical 1/2" format. JVC, 2nd largest manufacturer of U-Matic type recorders, doesn't want to lose up-&-coming 1/2" business to Sony. Nor does any other Japanese VTR maker.

If still-secret JVC system should achieve some measure of standardization, it's reasonable to believe parent Matsushita could eventually adopt it, even at expense of abandoning National Home Video, which was developed independently at its Special Electric Light Bulb Fittings plant

on Shikoku Island rather than at its Okayama VTR facility. National Home Video is said to be code-named "Spoiler" at Matsushita, to be marketed as holding action against Betamax. Despite its involvement with V-Cord, Sanyo is listed by some observers as candidate to switch if others go to different "standard" machine.

Three major Japanese manufacturers—Matsushita, JVC, Nippon Electric—could produce Betamax without paying license fees, being members (with Sony) of home videoplayer cross-licensing consortium. But so far they show no inclination to do so—and JVC recorder could be nominated as Japanese electronics industry's "stop Sony" machine.

CB MARKET SLOWS: Whether response to seasonal influences, slowdown in demand or imminent expansion from 23 to 40-45 channels, CB market has softened over past few weeks. Inventories are building for first time in short history of CB boom. No one's predicting disaster, and majority of CB dealers & distributors we surveyed feel market will take off again in fall. Current sag is relative, they emphasize, and CB sales continue to run ahead of most other consumer electronic products. Though low-end, off-brand units in \$89-\$119 range are primary victims of summer slump, slowdown extends through all lines, including some high-end SSB units from name-brand producers.

What's causing it? "It's normal for the summer, but we expected sales in the recreational vehicle market to take up the slack and it didn't," northeast distributor (E.F. Johnson, Cobra, SBE) said. "I'm not worried about excess inventory and I think we'll have another shortage in Sept." CB dealer in upstate N.Y. said consumer awareness that FCC is set to expand CB band, plus flood of low-price merchandise from Far East, is killing 23-channel business. "I'm scared, and I'm being very, very conservative in buying new CBs."

Northern Cal. distributor (Cobra, Bearcat) said he's experiencing "modest slowdown," blamed it on confusion surrounding FCC deliberations on channel expansion & new firms coming into market. "Our business is pretty good," he said, "but it is slower and we now have plenty of inventory. It's not clear what's happening, but I think we're going through a change. The trucker & CB hobbyist is less of a factor, and we're moving into mass sales. We're at the top of a cycle, and it's leveling off."

Discounting is another problem worrying many. "I look for a hell of a shakeout in the next 6 months," midwest distributor (Pace) told us. "A lot of these little guys have got to go." S. Cal. distributor (Hy-Gain) said CBs now are being discounted at \$59.95 in L.A. area, that lowball price will probably sink to \$49.95 before year is out. "This will be a year of spinning off people—dealers, distributors & manufacturers—because too many guys are bringing in sleazy import stuff. Now they're beginning to run into problems they didn't have before, they can't get rid of the stuff and they're starting to dump."

Sony was added to list of firms excluded from Treasury's 1970 finding that Japan-made tuners were being dumped in U.S. Previous exclusions covered JVC, Matsushita, Sanyo & Toshiba. Tuners covered by finding are parts used in TV & radios—not audio end products.

NEW LOW IN GAME PRICES: Lowball price in fledgling video game market hit new level with introduction of \$39.95 two-player b&w game by First Dimension. Called Mark II, it will be submitted to FCC soon, hit market in mid-Sept. Pres. Norvell Olive said firm will encourage retailers to market game (tennis, one-player practice) as toy, emphasize low price. Game uses discrete components, can be produced cheaply at Nashville plant through automatic insertion, Olive said. First Dimension will enter microprocessor game market in Jan. with \$130 cartridge-based unit. Game will come with one 6-game cartridge, others will be offered at \$7.95. Olive says system will stress educational applications, feature math quizzes, other programs testing player's skill. RCA confirmed it will market microprocessor game in Dec. using C/MOS 1802 microprocessor made by its Solid State Div. (Vol. 16:21 p12, 16:22 p11).

At least 70 Japanese firms are seeking to buy game chips from GI International (Japan), including major TV producer, company says. Of total, 40% are believed to be for OEM use in games exported to U.S. Other firms interested in chip include calculator & toy producers, smaller trading companies.

FCC approvals: E.P. Electronics Ltd., Hong Kong; Quadtronics, Carmel, Cal. (Vol. 16:25 p13). Backlog of games to be tested is down to 6—Odyssey 300, 400 & 500, IEA's Teletainment, National Semiconductor's Adversary, Fairchild's VES.

Proposed AM stereo systems have been submitted to National AM Stereophonic Radio Committee (Vol. 15:37 p5, 15:41 p11) by 4 manufacturers—Communication Assoc., Motorola, RCA & Sansui. Field testing, probably on East Coast, will be conducted by stations to be announced Sept. 16. Kahn Communications, which originally filed FCC petition for approval of its sideband AM stereo system in 1960 and now has new petition pending, is not among companies submitting systems to NASRC, which, in turn, plans to ask FCC to deny Kahn petition and urge company to participate on committee. Kahn system has been in use by XETRA Tijuana since 1970, more recently was tested by WFBR Baltimore.

TV game duty rate is still open issue with Customs and sore point with importers. While awaiting formal decision from Treasury, Customs is tentatively classifying TV games under Tariff Schedule heading for unspecified games at 10% duty. Other possible classifications include "game machines" with 5.5% rate or "TV apparatus" at 5%. If Treasury decision supports Customs' position, importers are expected to file Customs Court suit.

CES AUDIO SHOW: Separate audio section at McCormick Inn has been approved by Consumer Electronics Show Exhibitor Advisory Committee. It will open simultaneously with—and as official part of—next summer's CES at adjoining McCormick Place in Chicago. EIA Consumer Electronics Group Senior Staff Vp Jack Wayman told us move was attempt to be "responsive" to needs of some audio manufacturers who have been pushing for own show separate from CES (Vol. 16:25 p13).

Fate of bolt-CES movement probably will be determined this week. Major proponent Irving Stern, Harman International, conceded to us last week that his effort to enlist support of IHF as sponsor probably would fail, but "we're going ahead" anyway, claiming support of TEAC, Infinity Systems, Garrard, Soundcraftsmen, Superscope and 25-30 smaller manufacturers, including those who exhibited at Bismarck Hotel during last month's CES. Snitow Organization, which has managed past summer & winter Consumer Electronics Shows, is understood to have tentatively booked space at Las Vegas Convention Center for April 1977. EIA Consumer Electronics Group is now managing own shows.

Wayman said about 125 exhibit spaces & private rooms would be available in McCormick Inn at "give-away prices," floor plans & rates to be available late in Aug. Wayman said Stern had agreed to go along with plan if it becomes "definitive by Aug. 21." Stern told us: "If Wayman pulls a miracle—fine, we won't kill the goose that lays the golden egg." Meanwhile, IHF board meets this week and is expected to turn down show sponsorship.

Also at McCormick Inn, special section will be set aside for projection-TV exhibitors, who complained that bright light at McCormick place dimmed their pictures. Winter CES now is definitely 4 days instead of former 3—Jan. 13-16 at Chicago's Hilton & Blackstone Hotels.

SYLVANIA NET UP: Sylvania sharply improved sales & earnings in 2nd quarter & half, parent GTE crediting pickup for electronic components, precision materials & lighting products. Sylvania sales (included with those of parent in financial table) in quarter were up 19.1% to \$340.7 million while net jumped 109.3% to \$15.6 million. For half, sales were up 18.8% to \$665.7 million, net gained 87.2% to \$27.6 million. Buoyed by improvement in European color TV & component operations, GTE International had 2nd-quarter sales gain of 5.5% to \$254.9 million while loss dropped to \$1.6 million from year-earlier \$7.5 million deficit which included \$5 million writeoff of Brazilian TV business. For half, sales were up 6.4% to \$485 million, loss was \$6.4 million, against \$6.2-million loss last year.

Admiral loss jumped sharply in fiscal 3rd quarter because of new-model startup costs and intensified foreign competition, parent Rockwell reported. Company said Admiral's 9-month loss was about same as \$16.5-million deficit of same year-earlier period, indicating loss in quarter was \$5.7 million against \$2.2 million loss in April-June 1975. Rockwell said losses also were up for calculator & component operations.

JAPAN'S UNEQUAL BOOM: With help of record exports, Japan's color production is booming, but benefits aren't being shared by all manufacturers there. Fuji Electric says it's quitting color TV and all other home appliance operations to concentrate on industrial equipment. For past several years, Fuji has been sourcing color from other producers; supplier of its current 2-model line is understood to be General.

Crown Radio has been unsuccessful in Japan in selling Korean-assembled "Bubu" color portable line. Promotionally-priced sets, sold mainly through retail outlets of affiliate Dai'ei, are now being eyed for export.

Different story comes from Sanyo which says it plans to produce 1.62 million color sets in year to Nov. 30, export 1.18 million, boost annual capacity in Japan to 2 million. In half to May 31, Sanyo color sales rose 76% to 703,000. Exports leaped 128.6% to 503,000, half going to U.S., while home-market volume increased just 11.1% to 200,000.

In U.K., meanwhile, increasing Japanese penetration of color market has led domestic producers to start relief campaign. Though market share held by imports in first 5 months this year slipped to 13% from 15% in same 1975 period, decline was more than made up for by U.K. assembly operations of Sony & Matsushita which mainly use imported picture tubes & parts. Aim of program will be govt. quotas on both color & b&w imports, agreement by Japanese assemblers to use more U.K.-made parts.

GE has rejected Zenith's "Able" color tube design, TV Business Dept. Gen. Mgr. Fred Wellner stating that changeover wouldn't improve quality of GE sets using "our own design of in-line color picture tubes." Decision was based on 3-month study which concluded that "no benefit in perceived picture quality would be obtained," Wellner said, adding that "costs of tooling, cabinet design and chassis modification... were not offset by long-term promises for lower glass costs." GE's phosphor-application systems are already highly automated, and switch to new glass would provide negligible manufacturing cost advantages, he added. He said GE would continue to evaluate & develop new tube systems "regardless of their origin." It's known GE is looking into various high-resolution gun systems including tri-potential type used by Zenith, and into wider deflection angles. Sylvania & RCA earlier rejected Zenith-Corning glass development. Remaining U.S. color tube maker, Westinghouse, is still evaluating system.

Video input jack in future Magnavox TVs? It's understood Magnavox has filed with FCC for approval of set with jack for introducing direct video signal. Such a set could make possible lower-cost videodisc players & video games, help eliminate potential RF interference—by eliminating RF feed to antenna terminals.

Sylvania names MVP Distributing, Billings, Mont., for parts of Mont. & Wyo. James A. Whitson is vp-gen. mgr.; Mike Pekovich, secy.-treas. & sales mgr.

Trade Personals

Joseph Morales, ex-Rockwell, appointed Admiral vp & chief financial officer; Admiral Vp **Frank DiLeo** adds private-label sales duties formerly handled by **Robert Herms**, resigned (Vol. 16:29 p11); **Bert Franzblau** promoted to vp, physical distribution... **Joseph DeMarinis** promoted at Sylvania Entertainment Products from asst. chief engineer to chief engineer, succeeding **W. Daniel Schuster**, now GTE Consumer Electronics Products Business engineering vp... **Thaddeus Garrett**, aide to Vice President **Nelson Rockefeller**, appointed to Consumer Product Safety Commission, succeeding **Richard Simpson**, whose term expired last Oct.

John Cashwell, ex-Panasonic Communications Div. asst. gen. mgr., joins Hy-Gain as communications dir... **Michael Luby** advanced at Dynaco from western sales mgr. to national sales mgr... **Rosita Sarnoff** resigns as Knowledge Industry Publications video services dir. to continue education, will enter consulting field.

Howard Johnson, RCA corp. staff vp, reassigned from quality control to consumer affairs planning... **Ted Flynn**, ex-Mattel & Packard Bell, named sales mgr., Sega of America (projection TV)... **Clyde Coffman**, ex-Superscope Canada, promoted to Superscope (U.S.) national service mgr... **Harvey Ludwig** resigns as Tenna chmn. & chief executive as Justice Dept. & SEC open probe into question of rebates made by foreign carriers to Ludwig and Tenna's Japanese subsidiary.

Eugene Dymacek moves up at RCA Distributor & Special Products Div. from field engineering mgr. to electro-optics & devices mdsg. mgr., succeeding **D. M. Branigan**, now on special assignment... **Stanley Pace** promoted at TRW to asst. pres... **J. Paul Jones**, former Motorola vp & corporate staff dir., now pres. of magnetic component & power supply producer EMP Electronics; **Chet Kite**, ex-Data Magnetics, joins as vp-gen. mgr... **R. Dauer Stackpole** promoted at Stackpole Carbon to corporate mktg. mgr., new post; **Charles McGill** advanced at Stackpole Components from credit mgr. to professional electronics product mgr., succeeding Stackpole.

Max Marutani, ex-Litronix IC engineer mgr., named circuit design & product engineering mgr. at Integrated Technology, new electronic watch IC producer... **E. Joseph Willits**, ex-Varien, joins National Semiconductor as finance vp & secy., succeeding **John Hughes**, retired... **George Boardman** joins Ampex as corp. product news mgr... **John Thomas**, Arvin vp-secy., adds post of gen. counsel.

Taiwan color output rose 80.3% in first quarter to 110,000, b&w was up 29.6% to 740,000, value of electronic components soared 134.5% to \$77 million while transistor radios slipped 18.6% to 1.3 million, Industrial Development Bureau reports. Totals include exports.

Litton forecasts industry sales of 1.4 million microwave ovens in U.S. this year, up from million in 1975, sees volume at 4 million by 1980.

CB Scene: Motorola confirmed it will supply Ford with underdash CBs for factory installation on 1977 models under Aeronutronic Ford label (Vol. 16:18 p7). Units are made by Communications Div., will be sold to Ford through Automotive Div. Motorola says it has no plans to supply Ford with in-dash CBs, but in-dash models for all cars carrying Motorola name are under consideration... **Pioneer** will test-market in-dash FM-AM-CB made by Alps-Motorola on West Coast this fall, may start nationwide sales in 1977... **Govt.** seized \$10,000 worth of high-powered CB equipment, some with output of 1,000 watts, in raid covering N.J. towns. Some operators were transmitting signals as far as Cal., govt. said... **Dealerscope** will publish "CB & Auto Stereo Trade-In Blue Book" as companion to trade-in books on TV & appliances.

Canada amended duty valuation rules for imported Japanese color sets to make assessment job easier for Customs officials. Normally, duty is based on Japanese home-market wholesale price of identical or similar sets of same manufacturer, or cost of production plus allowance for distribution costs when imported set has no home-market counter-part. Rule change allows Customs to use wholesale price of similar sets made by other manufacturers when imported set is export-only model and production cost data can't be obtained. Move isn't expected to have much effect on quantity or value of imports.

Consumer buying plans for color TV took another drop in Conference Board's June survey, with only 5.3% of 10,000 families polled expressing intention to buy in next 6 months. In April survey, figure was 5.5%, in Feb. 6.5% and in June 1975 it was 7.1%. Intentions to buy b&w sets were up, 2% having such plans in June vs. 1.4% in April, 1.7% in Feb., 1.9% in June 1975. Nearly 31% expressed plans to buy appliances, up from 26.5% in April. Confidence in economy rose to 86.7, up 4.5 points from April but still 6.6% below Feb. figure.

Watch watch: American Microsystems says it hasn't been able to sell defunct consumer products operation yet, is establishing reserve to cover unanticipated liquidation costs, is writing down inventory valuation, all of which accounted for most of \$5.3-million loss reported for period... **Litronix** plans to boost watch output this year to about 2 million, from 600,000 in 1975, as part of plan to cut reliance on calculators. Company said it will make million calculators in 1976, about same as last year.

TV safety standard evaluation & procedural schedule recommendations by Consumer Product Safety Commission staff are expected to be given to commissioners July 28, in time for consideration at Aug. 5 executive session. Current indications are staff will ask about 9 months for study & hearing on TV standard proposal submitted by UL (Vol. 16:28 p11).

Pioneer Electronics (car stereo & Centrex audio equipment) moves to new 150,000-sq.-ft. hq in Long Beach, Cal., 4 times size of former Carson, Cal. facility.

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			
1976-6 mo. to June 30	11,231,284	521,424 ^a	.15
1975-6 mo. to June 30 ^b	8,281,734	(232,594)	--
1976-qtr. to June 30	5,919,024	350,423 ^a	.10
1975-qtr. to June 30 ^b	4,240,904	(150,150)	--
Advent			
1976-qtr. to June 25	5,788,917	400,386 ^a	.17
1975-qtr. to June 28	4,564,776	(926,792)	--
Andrea Radio			
1976-6 mo. to June 30	800,211	41,199	.08
1975-6 mo. to June 30	1,235,826	134,324	.26
1976-qtr. to June 30	451,854	33,006	.07
1975-qtr. to June 30	625,599	63,477	.13
Arvin Industries			
1976-6 mo. to June 30	196,022,000	13,691,000 ^a	2.16
1975-6 mo. to June 30	149,362,000	(2,385,000)	--
1976-qtr. to June 30	103,886,000	9,549,000 ^a	1.48
1975-qtr. to June 30	86,856,000	170,000	.03
Buckbee-Mears			
1976-6 mo. to June 30 ^b	27,966,000	619,000	.20
1975-6 mo. to June 30 ^b	22,424,000	41,000	.01
1976-qtr. to June 30 ^b	14,693,000	293,000	.09
1975-qtr. to June 30 ^b	12,392,000	168,000	.06
Capital Cities Communications			
1976-6 mo. to June 30	102,427,000	17,571,000	2.26
1975-6 mo. to June 30	84,504,000	12,218,000	1.58
1976-qtr. to June 30	56,220,000	10,723,000	1.38
1975-qtr. to June 30	44,924,000	7,180,000	.93
Cohu			
1976-6 mo. to June 30	7,313,348	111,864	.07
1975-6 mo. to June 30	7,371,888	171,882	.10 ^d
1976-qtr. to June 30	3,795,523	69,118	.04
1975-qtr. to June 30	3,692,762	112,087	.07 ^d
Combined Communications			
1976-6 mo. to June 30	101,026,634	6,248,536	1.07
1975-6 mo. to June 30	65,324,479	3,161,286	.68
1976-qtr. to June 30	54,528,958	4,729,151	.79
1975-qtr. to June 30	35,748,372	2,668,780	.57
Comsat			
1976-6 mo. to June 30	76,732,000 ^e	21,890,000	2.19
1975-6 mo. to June 30	71,065,000 ^e	24,320,000	2.43
1976-qtr. to June 30	39,456,000 ^e	10,849,000	1.08
1975-qtr. to June 30	34,590,000 ^e	11,628,000	1.16
Conrac			
1976-6 mo. to June 30 ^b	62,135,000	2,607,000	1.74 ^d
1975-6 mo. to June 30	42,963,000	1,642,000	1.11 ^d
1976-qtr. to June 30 ^b	34,509,000	1,462,000	.97 ^d
1975-qtr. to June 30 ^b	21,954,000	889,000	.60 ^d
Cox Bcstg.			
1976-6 mo. to June 30	64,892,000	10,039,000	1.71
1975-6 mo. to June 30	53,117,000	6,752,000	1.16
1976-qtr. to June 30	37,250,000	6,815,000	1.16
1975-qtr. to June 30	30,292,000	4,560,000	.78
Dynascan			
1976-6 mo. to June 30	55,973,600	7,063,700	2.91 ^d
1975-6 mo. to June 30	17,885,000	1,739,900	.76 ^d
1976-qtr. to June 30	33,853,200	4,329,700	1.73 ^d
1975-qtr. to June 30	10,425,900	1,109,800	.48 ^d
GTE			
1976-6 mo. to June 30 ^b	3,203,142,000	194,071,000	1.41
1975-6 mo. to June 30 ^b	2,823,554,000	168,686,000	1.25
1976-qtr. to June 30 ^b	1,639,016,000	107,034,000	.77
1975-qtr. to June 30 ^b	1,447,909,000	89,653,000	.66
E.F. Johnson			
1976-6 mo. to June 30	61,971,000	5,262,000	2.06
1975-6 mo. to June 30	29,766,000	1,769,000	1.01
1976-qtr. to June 30	32,191,000	2,238,000	.87
1975-qtr. to June 30	15,972,000	1,034,000	.57

Company & Period	Revenues	Net Earnings	Per Share
Lee Enterprises			
1976-9 mo. to June 30	51,466,000	6,550,000	1.30 ^d
1975-9 mo. to June 30	43,066,000	5,201,000	1.04 ^d
1976-qtr. to June 30	17,992,000	2,771,000	.55 ^d
1975-qtr. to June 30	14,966,000	1,947,000	.39 ^d
LIN Bcstg.			
1976-6 mo. to June 30 ^b	17,513,000 ^c	2,656,000 ^a	1.04
1975-6 mo. to June 30 ^b	15,325,000 ^c	1,848,000 ^a	.78
1976-qtr. to June 30 ^b	10,013,000 ^c	1,855,000 ^a	.67
1975-qtr. to June 30 ^b	8,547,000 ^c	1,553,000 ^a	.60
P.R. Mallory			
1976-6 mo. to June 30	152,215,000 ^c	4,293,000	1.10
1975-6 mo. to June 30	106,960,000 ^c	1,462,000	.37
1976-qtr. to June 30	80,149,000 ^c	2,341,000	.60
1975-qtr. to June 30	55,998,000 ^c	523,000	.13
Metromedia			
1976-26 wk. to July 4	123,867,039	13,820,712 ^a	2.06
1975-26 wk. to June 29	100,727,211	5,519,631	.84
1976-13 wk. to July 4	64,477,055	8,692,880	1.29
1975-13 wk. to June 29	50,303,180	4,488,493	.68
Motorola			
1976-6 mo. to June 30	730,541,000	39,072,000	1.38
1975-6 mo. to June 30	648,725,000	19,360,000	.69
1976-qtr. to June 30	383,545,000	22,174,000	.78
1975-qtr. to June 30	344,844,000	11,730,000	.42
Rockwell International			
1976-6 mo. to June 30	3,806,400,000 ^c	88,300,000	2.59
1975-6 mo. to June 30	3,536,600,000 ^c	70,700,000	2.05
1976-qtr. to June 30	1,312,100,000 ^c	32,500,000	.96
1975-qtr. to June 30	1,185,700,000 ^c	27,400,000	.81
Scientific-Atlanta			
1976-year to June 30	45,300,000	2,000,000	1.40 ^d
1975-year to June 30	35,734,000	1,247,000	.97 ^d
Storer Bcstg.			
1976-6 mo. to June 30 ^b	60,073,000	7,080,000	1.74
1975-6 mo. to June 30 ^b	47,172,000	6,827,000	1.49
1976-qtr. to June 30 ^b	34,652,000	4,819,000	1.06
1975-qtr. to June 30 ^b	26,050,000	4,713,000	1.04
Superscope			
1976-6 mo. to June 30	84,500,000	4,000,000	1.74
1975-6 mo. to June 30	66,400,000	3,200,000	1.38
1976-qtr. to June 30	44,900,000	2,100,000	.90
1975-qtr. to June 30	36,100,000	1,800,000	.76
Tektronix			
1976-year to May 29	366,645,000	30,089,000	3.43
1975-year to May 31	336,645,000	26,329,000	3.04
J. Walter Thompson			
1976-6 mo. to June 30	68,644,000	1,644,000	.60
1975-6 mo. to June 30	64,218,000	740,000	.28
1976-qtr. to June 30	37,887,000	2,346,000	.86
1975-qtr. to June 30	34,138,000	1,456,000	.55
TRW			
1976-6 mo. to June 30	1,466,300,000	64,300,000	1.95
1975-6 mo. to June 30	1,275,900,000	43,500,000	1.25
1976-qtr. to June 30	743,800,000	37,800,000	1.18
1975-qtr. to June 30	667,100,000	28,900,000	.88
UA-Columbia Cablevision			
1976-9 mo. to June 30	14,821,000	1,527,000	.90
1975-9 mo. to June 30	11,930,000	1,040,000	.61
1976-qtr. to June 30	5,173,000	558,000	.33
1975-qtr. to June 30	4,178,000	382,000	.23
Warner Communications			
1976-6 mo. to June 30	376,576,000	31,619,000	1.99
1975-6 mo. to June 30	325,968,000	27,572,000	1.61
1976-qtr. to June 30	194,601,000	16,082,000	1.01
1975-qtr. to June 30	154,679,000	13,318,000	.80
Washington Post			
1976-26 wk. to June 27	179,008,000	11,529,000 ^a	2.55
1975-26 wk. to June 29	151,587,000	5,433,000	1.14
1976-13 wk. to June 27	99,048,000	7,716,000	.71
1975-13 wk. to June 29	80,919,000	4,127,000	.87

Notes: ^aIncludes special credit. ^bRestated. ^cFrom continuing operations. ^dAdjusted. ^eFrom operations.