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VOL. 16, NO. 31

Broadcast

ACTION ON POLES, WAREHOUSING, emerging from House cable hearing. Van Deerlin favors bill giving FCC pole jurisdiction; asks networks for movie contracts. Testimony on distant signals, pay cable, siphoning, etc., is re-run of FCC hearings. (P. 1)

TV STATION PROFITS RISE 14.4% in 1975 as network payments rise 5.9%, national & regional spot 8.4%, local 10.1%. Independents, including UHF, show sharp increases. (P. 3)

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HEARING SET FOR WHITE & FOGARTY to FCC Aug. 24. White House turns down Pastore request to withdraw White nomination. He'll 'let the members of the Committee decide.' (P. 7)

VAN DEERLIN CONCERNED ABOUT POLES, MOVIES: Massive cable hearing of House Communications Subcommittee won't produce any over-all legislation this year—but it has already thrown off couple of actions, both pro-cable:

(1) Chmn. Van Deerlin (D-Cal.) is mighty displeased by utilities' treatment of CATV in pole attachment fees, will press for legislation immediately. He's also convinced FCC should have power to levy forfeitures on cable for rules violations. He told us he plans to "sweeten" forfeiture bill with pole-attachment measure, sees no reason to delay. FCC Chmn. Wiley doesn't agree with combination forfeiture-pole approach, Van Deerlin noted, but said he still favors it. Senate already has passed a forfeiture bill.

(2) Van Deerlin was disturbed by pay-cable proponents' claim that networks are "warehousing" movies—sitting on features under 3 years old, reducing their availability to pay cable. He had Chief Counsel Harry (Chip) Shooshan call network lawyers in, asked each to produce, by Sept. 1, copies of 4 movie contracts for 1965, 1972, 1973 & 1974. In addition, he asked for

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CB EXPANSION to 40 channels raises new questions, including future of 23-channel market. Class C hobbyists keep 5 channels. FCC to begin type-acceptance Sept. 10, opening new channels Jan. 1. (P. 9)

TV EXPORT RECORDS for Japan-to-U.S. shipments in June include all-time high for color & total TV. Zenith's Nevin attacks Treasury, Justice inaction on unfair imports. (P. 10)

ZENITH'S HIGH END includes four 19" sets with new tube, starting at \$500, 25" consoles up \$10-\$20, automatic color system. New 17" sets have 1000° conventional tube. (Pp. 11 & 13)

TV INTERFERENCE by CB is main preoccupation at PURAC meeting. FCC says results of nationwide study will be ready by year's end. Task groups organize to educate CB users. (P. 12)

IMPORT ADJUSTMENT assistance approved for former GE & Sylvania color tube workers. Labor Dept. rejects 4 other proposals, opens new probe. (P. 13)

COLOR TV SALES forecast trimmed to 7,636,000 units by Zenith, which claims continuing market-share increase. (P. 13)

IMPORT REBOUND for parts & accessories in first-quarter seen tied to TV sales recovery, CB boom. Value of selected imports jumped 48%. (P. 14)

PROFITS UP SHARPLY for Zenith in 2nd quarter & half on modest sales gains. Wells-Gardner trims loss, expects 2nd-half profit. (P. 15)

copies of all their movie contracts from Jan. 1, 1975 to June 30, 1976—plus all documents, memos, etc. dealing with exclusivity against pay cable. (Sen. Hart [D-Mich.] examined 1974 contracts last year, took no action regarding any antitrust violations in them.)

Though cable appears to be winning some, it's going to lose some. For example, there's no way Congress or FCC is going to let cable control 20, 40, 60 or more origination channels—any more than they'd let one licensee own all of a city's stations. That was clear from questioning of witnesses who urged that cable be permitted to own both hardware & software. Shooshan made constant, pointed reference to Escondido, Cal. situation—where cable operator refused to let outside outfit lease a pay-cable channel.

Pole-attachment decision undoubtedly was strengthened by hard-nosed position of United Telecommunications, which cut off service in N. C. (Vol. 16:24 p2). Rep. Rose (D-N. C.) received respectful hearing as he blasted phone company for cutting off service to his constituents. United's Warren Baker, onetime FCC gen. counsel, said that cable is getting by too cheaply, that increased pole rates produce reduced rates for phone customers. He said cable has several alternatives—buy a share in poles, build own pole lines, go underground. NCTA's Amos (Bud) Hostetter said cable is willing to pay fair rates—but wants someone other than utilities to set rates. Baker said he declined to discuss situation with FCC staff because it's "biased" toward cable. If any agencies must control rates, Baker said, it should be state utility commissions. Traditionally, phone companies have enormous political strength at state level. Van Deerlin appears to be no buddy of AT&T's, saying: "There's some evidence that AT&T wants to run the whole show."

Most testimony of scores of witnesses was re-run of FCC hearings—trimmed & sharpened here & there. MPAA Pres. Jack Valenti repeated his opposition to distant-signal imports and to restrictions on pay cable. Teleprompter Pres. Russell Karp, HBO Pres. Gerald Levin & Viacom Pres. Ralph Baruch again asked for wide-open pay cable, complained of network warehousing, assured there would be no siphoning, etc. They souped up presentation with film featuring producers Alexander Cohen & Otto Preminger, violinist Isaac Stern, actor Dennis Weaver, "ordinary families."

Main broadcast spokesman was Charles Tower of Corinthian. He attacked "professional intellectuals [who] believe in an aristocracy of taste while professing great concern for a democracy of politics... Over-all, the attack will be directed toward the economic base of free TV. Raise its program costs. Steal away its most popular programs. Dilute its audiences. Woo its advertisers. Don't be deluded into thinking that pay cable will certainly be commercial-less."

"Broadcasters will probably be hurt, although perhaps not drastically. In any event, we do not expect that our profits should be guaranteed. We shall work with the competitive scramble as best we can and probably successfully survive. The main losers will be the American people, or most of them."

Also defending broadcaster position were witnesses, many of them black, for PUSH, National Council of Negro Women, Baptists, United Church of Christ, American Mothers Committee, National Assn. of Physically Handicapped, etc. An exception was Curtis White, a black, of Citizens Communications Center, who thought pay cable would increase competition and public participation. Cable operators didn't offer similar witnesses, but Baruch listed organizations supporting pay cable, including variety of minority groups—NAACP, Congress of Racial Equality, National Black Media Coalition, National Urban League, etc.

Van Deerlin offered this comment: "I certainly wouldn't accept the premise that pay cable is going to offer some new panacea for non-white involvement in production & ownership... The idea is that conventional TV cannot economically justify putting on the Metropolitan Opera, while pay cable could." Thus, he said, pay cable is likely to cater to "minority tastes, not minority ethnic groups."

Hearing ends this week with: Aug. 3—minority participation, EEO, cross-ownership. Aug. 4—FCC, with all members except Quello, plus top staffers. Aug. 5—rural service and conclusions.

TV STATION PROFITS RISE 14.4% IN 1975: TV stations did better than networks in 1975, FCC reports, increasing profits 14.4% to \$466.1 million as revenues rose 8.9% to \$2.02 billion. (Network figures, reported by FCC in May [Vol. 16:18 p3], showed earnings dropped 7.4% to \$208.5 million despite 8.3% revenue rise to \$1.67 billion. Networks' 15 owned stations showed profits unchanged at \$105.7 million. (FCC doesn't disclose individual network figures. For Television Digest's exclusive breakdown, see Vol. 16:24 p1.)

Networks' payments to affiliates (excluding their owned stations) were up 5.9% to \$217.4 million. National & regional spots were up 8.4% to \$1,449.2 million, local up 10.1% to \$1,116.2 million. Thirty independent VHFs had total profit of \$24,202,000 vs. \$10,891,000 in 1974. The 56 independent UHFs showed profit of \$3,839,000 vs. loss of \$11,695,000 in 1974. Illustrating progress of UHF, FCC says one independent UHF had profit in \$1.5-\$3 million range. Four UHFs profited at \$1-\$1.5 million level—and 3 of these were independents. Profits of \$5 million or more were achieved by 24 VHFs—all affiliated.

Industry employment totaled 62,275 (13,256 network, 5,137 network-owned stations, 43,882 all other stations). In 1974, employment was 61,906 (13,158 network, 5,071 owned stations, 43,677 all other). Total has risen slowly; it was 58,099 in 1971.

The 266 stations in markets smaller than top 100 had profits of \$38,152,000 vs. \$30,823,000 in 1974, \$23,224,000 in 1973, \$21,932,000 in 1972, \$9,374,000 in 1971.

Report comprises 29 tables. For copy, contact FCC Office of Information.

House Judiciary Subcommittee is expected to complete markup of copyright revision bill Aug. 2 with routine approval of series of technical amendments. Full Judiciary Committee plans to begin work on bill within week or 2; members, staff and industry representatives are confident bill will become law this year. Subcommittee last week completed reconsideration of compulsory license for cable importation of Canadian & Mexican signals, rejecting amendment by Rep. Danielson (D-Cal.), 4-1 (offered at urging of Spanish International Network). Instead, panel unanimously adopted compromise offered by Chmn. Kastenmeier (D-Wis.): (1) Preserving 42nd parallel or 150-mile distance (whichever is greater) from Canadian border as zone within which compulsory license is granted (Vol. 16:21 p5). (2) Grandfathering all existing carriage in South. (3) Limiting compulsory license in South in future to only those signals which can be received off air. Danielson version—opposed by NCTA, CATA & FCC Chmn. Wiley (Vol. 16: 29 p6)—would have: (1) Eliminated zones in which compulsory license was to be granted in both North & South. (2) Provided no grandfathering. (3) Limited compulsory license to only those Mexican stations with signals received off air.

Televised violence "is still at a level that causes us deep concern," Westinghouse Bctg. Pres. Donald McGannon told networks in listing 24 movies—12 ABC, 7 CBS, 5 NBC—Group W won't air unless they are screened "in their final form" prior to network promotions and listing in TV Guide. He requested information and screenings of movies not scheduled yet, saw a "special concern" in features made for TV. McGannon said similar problem exists in series, urged networks' cooperation in working out pre-screening solution.

WHNT-TV Huntsville, Ala. (Ch. 19, CBS) has been purchased by Gilmore Bctg. for \$5.25 million; broker Blackburn.

Secretary of State Kissinger was urged by 19 senators to press for change in Canadian policy of commercial deletion by cable systems and legislation which would deny tax deduction for Canadian ads placed in U.S. media. Senators noted that Asst. State Secy. Robert McCloskey told Sens. Magnuson & Jackson (D-Wash.) in Jan. that U.S. would discuss both issues with Canada. Canadian Parliament later passed tax proposal (though bill won't be enforced until Canadian govt. determines whether "sufficient advertising time is available on Canadian stations to satisfy Canadian needs adequately"), stating it understood that U.S. position was that commercial deletion and tax proposal were separate issues, shouldn't be discussed at same time. "If Canada insists on promulgating [tax measure]," senators wrote Kissinger, "we believe it is appropriate that the U.S. seriously consider a legislative response," requiring President to retaliate under 1974 Trade Act—by prohibiting entry into U.S. of Canadian films, records & TV programs.

"Cable operators' apparent failure to implement" existing EEO requirements has led FCC staff to propose new, stricter rules, and last week Commission approved putting them out for comment, deadline not set. Staff said minorities comprise only 9% of cable workforce and that 62% of these are in "low-salaried" positions. Comr. Hooks dissented to requesting comments on whether FCC has authority to impose EEO rules (staff raises question in light of recent Supreme Court decision on FPC). He also objected to possibility of raising cut-off on number of employees (from 5 to 10) that a CATV system must have before affirmative action plan would be required.

First edition (40,000) of NAB's educational coloring book—"Welcome to Our Radio Station"—is nearly sold out; 40,000 more have been ordered. Radio Vp Charles Jones said that several orders were from non-broadcasters. Booklets sell only in lots of 100 (\$20).

FCC HITS COURT ON FORMATS: "Allocating [radio] entertainment formats by market forces has a precious element of flexibility which no system of regulatory supervision could possibly approximate," FCC said last week. Commission thus threw back at D.C. Court of Appeals as "extremely unwise policy" and unconstitutional several Court decisions ordering agency to consider format changes in transfers & renewals.

Commission stayed new policy of leaving formats to marketplace for 60 days or until judicial review is completed, urged Appeals Court to change its mind or expedite Supreme Court review (Vol. 16:30 p5). Staff had urged FCC to reject format consideration because "any regulatory scheme...would be inconsistent with congressional policy, contra-productive to maximizing the welfare of the radio-listening public, administratively unmanageable and unconstitutional."

FCC statement hits Court for ignoring congressional intent in attempting "to impose various common carrier-like obligations on broadcast licensees," said evidence supports conclusion that relying on marketplace clearly will promote diversity & flexibility "which no system of regulatory supervision could possibly approximate."

Comr. Hooks dissented "because, without suggesting an alternative response to minority format abandonment, the majority does not provide a mechanism to ensure service to significant minority tastes and needs if market forces do not."

Nomination of David Clanton to FTC for 7-year & 2-month term was routinely approved by Senate following 10-min. Commerce Committee confirmation hearing. In written answers to written questions, Clanton told Committee that FTC "should give special consideration to the effects of all types of advertising on children," said his reaction to advertising "depends on the ad and the media used. It can be helpful, but at times it also can be irritating, uninformative, and downright misleading." He said affirmative disclosure, corrective ads & restitution are remedies Commission should have "for effective enforcement," but opposes expanding Commission's authority to setting performance standards for all consumer products until FTC sees what it can do under present law.

WXUR-AM-FM Media, Pa.—which lost licenses in 1970 for violations of fairness doctrine & personal attack rules (Vol. 10:27 p4)—has lost last gasp attempt to have record re-opened. Owner Carl McIntire noted that he was on White House "enemies list" in Nixon Administration, cited White House memos detailing plans to pressure media through FCC. In denying request, FCC said there was "no evidence to suggest that the proposal to involve the FCC... ever went past the proposal stage."

NAB has declined to help League of Women Voters get 4 million signatures calling for televised debates of presidential candidates because broadcasters would be "closely involved" in such debates. NAB noted waiver of Sec. 315 would be required, that it would be "unwise" for Assn. to participate in advance planning.

'FREEZE' ON UHF 'NIBBLING': Off-shore drilling operations in Gulf of Mexico were granted permission last week to use Ch. 17 for communications with shore—but at same time FCC placed "freeze" on further encroachments on UHF space and established staff task force to predict future growth of UHF TV.

FCC Chmn. Wiley proposed task force during spirited debate on use of Ch. 17 by drillers (to which Comr. Lee told us he'll have "ringing dissent"; Hooks also dissented). "UHF has to be handled better than we're handling it," Wiley said. "We've been nibbling away at the UHF spectrum and we may wish we had it back in the future...It's time to stop now and take a look at the long term."

UHF-advocate Lee said he supported task force "but I can't help but be somewhat skeptical...It could be just another debating society." In dissent, he'll suggest that old UHF Advisory Committee (which he headed) be reformed, said he'll decline chairmanship as a "biased party."

Prime goal of task force—headed by OPP Chief Dale Hatfield and including half-dozen execs. from other bureaus—will be to devise master plan for UHF growth. Hatfield will offer study program for FCC approval within month; study is expected to take about year. Starting point will be recent and very bullish Rand study of UHF through 1990 (Vol. 16:17 p1). Outside consultants and/or contractors may be used.

"Snow Remover" is new CBS development which uses digital techniques to detect & eliminate noise flashes in picture. Used for first time at Democratic National Convention, device is designed to improve picture from ENG gear. CBS-TV Network Engineering & Development official said "pictures obtained in very poor lighting which heretofore could be virtually unusable can now be restored to good quality video." Also used for first time by CBS at convention: (1) Shoe-box-sized TV microwave transmitter and new technique to send 2 separate ENG video signals on one microwave channel, both joint developments with Farinon Electric. (2) New wireless microphone-transmitter system using diversity antenna, claimed to be practically fade-proof, developed with RC Technology Inc. (3) Microcam, smallest broadcast TV camera yet built, developed with Thomson-CSF Labs.

FCC stuck to its guns, refused last week to permit Star Stations (owned by Donald Burden) to continue operating until interim authority is granted. Burden sought reconsideration of Sept. 2 cut-off, citing "unique" nature of programming of 4 radio stations and loss of employment for 100. In ordering stations off air, FCC said it wouldn't consider extension of Sept. 2 deadline since there is "plethora of other stations" serving same markets (Vol. 16:23 p5).

TV cameras operated in Ala. courtroom for first time July 28 as WKRG-TV & WALA-TV Mobile covered murder trial under new canons established by State Supreme Court (Vol. 16:1 p5).

Magnavox offers new single-channel converter-descrambler to add pay channel to existing 12-channel systems.

SUMMERS NOW NO. 2 AT NAB: Exec. Vp-Gen. Counsel John Summers was elevated to top NAB staffer (beneath Pres. Vincent Wasilewski) last week as vp-gen. mgr. Title is new but job isn't; Summers succeeds late Grover Cobb, who died 16 months ago and was NAB senior exec. vp.

NAB's Task Force (including Exec. Committee) to implement recommendations of goals committee (Vol. 16:25 p1) established vp-gen. mgr. title July 29, and Summers—vacationing in Germany—"enthusiastically accepted" that night, according to Chmn. Wilson Wearn. Summers had, in fact, been No. 2 man without title since year ago when he was promoted to exec. vp and "spokesman for NAB...in Mr. Wasilewski's absence" (Vol. 15:30 p6).

Summers, 46, joined FCC Gen. Counsel's Office in 1960 right out of Georgetown Law School. He shifted to NAB legal dept. in Nov. 1967, succeeded Douglas Anello as gen. counsel in Feb. 1971. (When current Chmn. Wiley was FCC gen. counsel, he attempted to re-hire Summers.) In new post, Summers relinquishes gen. counselship; other NAB exec. vps and dept. heads will report to him.

Wearn said that NAB will add "one or more" exec. positions—including vp for TV—but that nothing will be done until job descriptions have been written for current staffers.

John Schwarzwalder, exec. vp & gen. mgr. of KTCA-TV & KTCI-TV Minneapolis and PTV activist, has resigned, remains consultant to stations for 5 years. Schwarzwalder was station mgr. of nation's first ETV station, in Houston in 1953, went to Minneapolis in 1956 to found ETV station there. During his career, he repeatedly criticized PBS, tried to oust from office then-PBS Pres. Hartford Gunn, ex-NAEB Pres. William Harley, and ex-CPB Pres. John Macy, also opposed move of public broadcasters away from ITV toward general-audience programming. Successor hasn't been named.

Optical Systems started feeding films to payable operation in Midland, Tex. June 22, reports 35% of the 13,000 subscribers taking service—27% of homes passed. System originates films now, will have earth station Nov. 1. Next systems targeted, in Sept., are Amarillo (stand alone), El Cerrito & Castro Valley, Cal. (microwave).

FCC amended political broadcast rules to require that station which gives time "for use by or on behalf of candidates within 72 hours" of election must "immediately" place record of such free time in station's public file. New rule is effective Sept. 10.

Tightened equipment specifications in FCC decision to expand CB band from 23 to 40 channels may cut down some interference of CB with TV reception, but new specs are well below standards recommended by broadcasters. FCC itself admits CB standards have to be tightened further in future (see p 9).

Cable Handbook revision is planned by FCC, which solicits suggestions.

Katz TV Continental is new rep for KVAL-TV Eugene, Ore. and WLIO Lima, O.

National Black Media Coalition petition for rule-making by FCC in approximately 36 areas was dismissed recently in unanimous FCC order (Comr. Hooks dissenting in part). Commission moved to transfer 10 proposals to other FCC proceedings, deny 15 more, dismiss 11 others considered by FCC in other proceedings, but granted none. Among proposals denied as being without merit or "beyond the FCC's current available resources": Assignment of commissioners to geographical "circuits," field hearings for rulemakings, staggering of renewal dates for same-market licensees, more local public service spots, minority employment quotas at FCC, use of cable franchise fees to subsidize access & poor. Proposals dismissed as having been considered in other proceedings included beefing up FCC's EEO office, minority programming & employment, citizen-broadcaster agreements, diversification of ownership. Shunted to other proceedings: Minority priority in comparative hearings, program percentage standards, reduce number of clear-channel stations. Hooks criticized Commission for taking 3 years to respond, said he favored field hearings on rulemakings, charged FCC has done inadequate job of recruiting and promoting minorities.

Advertising is essential, according to 88% of consumers polled in 1974 for study just published by AAAA. Figure represents 10% increase since similar study in 1964; number of consumers concerned about advertising, want change, also rose, from 85% to 89%. Study found that about 25% of consumers generally favor advertising while another 25% believes advertising is valuable but question believability. About 26% are neither strongly for nor against ads, while 17% are negative about certain ads, and 12% don't like advertising at all. Study, 253 pages, is available from AAAA for \$10 (\$5 to members).

Satellite earth stations granted for cable: N. Little Rock, Ark.; Augusta, Ga.; Cumberland, Md.; Hobbs, N. M.; Spokane, Wash.; Green River, Wyo.; New application; Thief River Falls, Minn. Also granted was earth station to KSTW Tacoma, for receiving Independent TV News Assn. New applications: Lake Charles, La.; Taylor, Tex. (For details, see CATV Addenda.)

CATV licensees of earth satellite stations can share costs with other systems taking its feed—as long as licensee doesn't profit—FCC announced, noting that some cable operators misunderstood policy. Setup is similar to that in CARS microwave. Commission is setting up procedures to speed processing of cost-sharing applications.

Ralph Combes, ex-anchorman for KWTW Okla. City, was fired because at 49 he was too old to fit station's youth image, U. S. Dist. Court jury has ruled. Judge Ralph Thompson scheduled hearing to determine back wages; Combes (fired more than year ago) said he hopes to return to station.

Avery-Knodel TV expands N. Y. office to 2 teams—Alpha, headed by ex-N. Y. Sales Mgr. Stuart Krane; Kappa, by ex.-Asst. N. Y. Sales Mgr. Arthur Berla.

ABC's 'ROBUST' TV PERFORMANCE: Led by "resurgence" of TV network, which had "very positive effects" on owned TV stations, ABC last week reported record revenues and net income for 2nd quarter and first half 1976. Network prime time is in "virtual sellout" position "well into 1977," ABC said, and "all components of ABC Radio contributed to that division's record 2nd quarter results."

For April-June, ABC net income jumped 52% to \$20.7 million (\$1.18 per share) from \$13.1 million in 1975; revenues rose 23% to \$315.9 million from \$257.3 million. Income for 6 months was up 47% to \$30.4 million (\$1.74 per share) from \$20.6 million; revenue of \$629.6 million was up 24% from \$508.2 million. "Given the strength of the broadcast economy and the momentum of our own operations, it seems very probable that this will be the best revenue & earnings year in ABC's history," company said.

* * * *

TvB-BAR reported advertisers invested \$210.4 million in network TV in June, up 24.2% from \$169.4 million in 1965. For 6 months, advertisers have spent \$1.4 billion on networks—CBS getting \$496.6 million, NBC \$470.1 million, ABC \$432 million.

"**Govt. in Sunshine Act**" was passed by House 390-5, now must go to House-Senate conference to reconcile differences with stronger version approved last year by Senate (Vol. 15:45 p4). Bill provides that: (1) Agencies such as FCC & FTC generally must announce meetings week in advance and allow public & press to attend unless national defense, personnel practices or otherwise confidential material is to be discussed. (2) Minutes be kept of all closed meetings, information contained in them to be available to public unless specifically exempted by Act. (3) Ex parte contacts by parties with interest in agency proceedings are barred.

Coalition of religious & minority groups has appealed FCC's EEO rules for stations (Vol. 16:26 p5) to 2nd Circuit (N. Y.) Appeals Court. "By exempting stations with 10 or fewer employes [from EEO reports], the FCC has made it plain to broadcasters that they no longer will be held accountable if they fail to hire, train & upgrade minorities & women," charged Dr. Everett Parker of United Church of Christ. Other appellants included National Urban League, NAACP, National Council of Churches and UNDA-USA (Catholic broadcasters).

Three cable systems of Covenant Cable—Millville, N.J.; Greensburg, Pa.; Port Huron, Mich.—have been sold to Mid N.Y. Bctg. for undisclosed cash sum. They have more than 35,000 subscribers, bring buyer's total to 67,000. Also sold: Pensacola system, to Cox Cable by Davis Communications, for \$900,000; it has 2,000 subscribers, 235 miles of plant, passes 22,000 homes.

FCC has dismissed "informal objections" by NAACP against renewals of 53 Miss. stations, will seek more information from 18 others, consider WELO-AM-FM Tupelo under separate complaint.

"**With all its faults, I like TV,**" Sen. Pastore (D-R.I.) admitted during Washington panel discussion on "TV: American Dream or Nightmare," broadcast live on NPR. However, he added, he doesn't like violent programs or commercials that insult viewers' intelligence. In response to goadings from several members of audience to "please do something" about "idiotic advertisements," he advised viewers to "refuse to buy the products that sponsor these programs...write in to the stations. It's public opinion that has to do it." Other Pastore views: (1) "I'm all for CATV and pay TV. But I don't want them to destroy free TV...Let's have competition, but at the same time, don't let them suck off the cream and leave all the dull stuff for those who can't afford to pay the fee." (2) "Without TV, I hardly think that you could win a national office...I'm troubled by the high cost of getting on TV." (3) "I had nothing to do" with formulation of family-viewing concept. "I never even heard of it until after it was announced. [But] the whole purpose of it was to serve the family, and I approve of it."

NCCB wants to hold "advertisers accountable" for supporting violence on TV that "does injury to people and the nation," Chmn. Nicholas Johnson said last week in releasing 6-week study of prime-time violence compiled by BI Assoc., Washington. ABC's "SWAT" ranked highest in violent incidents, followed by "Rookies," "Sara," "ABC Sunday Movie" and "CBS Friday Movie." Sponsors (in order) whose commercials appeared most frequently in violent programs were Tegrin shampoo, Burger King, Clorox, Colgate Palmolive & Gillette hair products. Of networks, CBS programming had least violence, NBC most. NCCB said study will be repeated in fall (Vol. 16:28 p4).

FCC's 3rd & final annual report on impact of sports antiblackout law is "biased" and represents "a totally irrational attempt to... seek to perpetuate govt. control over private enterprise," according to Rep. Kemp (R-N.Y.). He asks deadlocked House-Senate conferees (Vol. 16:28 p3) to agree to extend law for only 1-2 years, instead of permanently. House passed bill providing law's permanent extension last Dec. by 363-to-40 vote. NFL has renewed lobbying effort against law's permanent extension, while Senate Commerce staff reports Senate conferees "still are studying the situation."

"Serious questions" have been raised by FCC as to qualifications of Bartell Bctg. to be licensee, and agency has set renewal of WMYQ(FM) Miami for hearing. Issues include alleged false announcements in connection with 2 promotions, "distorted or falsified" newscasts, misrepresentations to Commission and false invoices for spots not aired. Bartell owns 5 other stations which aren't involved in hearing.

Future of radio industry is subject of NAB study to be carried out by consultants Frazier, Gross & Clay. NAB Research Committee requested study to aid radio broadcasters in long-range planning.

NAB hosts "black management seminar" Sept. 22-23 in Washington; 50 black station owners have been invited.

HEARING FOR WHITE & FOGARTY: Nominations of White House aide Margita White & Senate Communications Counsel Joseph Fogarty to FCC will be examined by Senate Commerce Committee Aug. 24. Hearing announcement follows request by Communications Subcommittee Chmn. Pastore (D-R.I.) to White House that it reexamine White nomination because of possible conflict of interest (Vol. 16:30 p1), and subsequent White House refusal to withdraw name. Preponderant Washington opinion is that her chances of confirmation are slim.

Pastore told us White's nomination "causes me grave concern" due to husband's partnership in Washington law firm with communications clients, but promised that if Administration insisted that she be considered for post, "we'll hold the hearing in public and let the members of the Committee decide." He added: "Sometimes we're being criticized for not being diligent enough with these nominations. That will never be said of my Committee." Pastore apparently insisted on delaying consideration of Fogarty nomination until after recess for Republican convention to ensure appearance of fairness to both nominees.

Sen. Goldwater (R.-Ariz.) was so irritated by commercials offered during July 4 TV programming that he complained about it to Communications Subcommittee Chmn. Pastore (D-R.I.). "I know there is not a thing in the world you can do about this," Goldwater wrote, "but...it just seems strange to me that companies, who get the right to harass their fellow citizens with a license that cost them nothing, might have been able to have gone one full day, the 4th of July, without advertising dog food, cat food, beans, soup, meatballs, etc. I am passing this on to you because, if I have to watch this anymore, I am going to become a dedicated advocate of cable TV, which is paid for so we don't have to look at all of the stupidity classified as advertising. I know someone has to pay to put TV on the air, but once in a blue moon couldn't we find enough patriotic people to...let the people see what is great about America and not what is great about Campbell's soup or Goodyear tires?"

Compromise long-term funding levels for CPB have been agreed upon by House-Senate conference. Conferencees agreed to appropriate \$103 million for fiscal 1977, \$107.15 million for 1978, and \$120.2 million for 1979. Also approved was \$14 million for HEW facilities program for fiscal 1977, with additional \$1 million for telecommunications technology demonstration grants.

FCC has denied request of Sandy Frank Productions that stripping be prohibited during prime-time access hour. "It is not the business of the government to prohibit it [stripping] if that is what stations choose to present and their audiences choose to watch," Commission said. Comr. Hooks dissented.

Data Communications Corp., which provides BIAS broadcast computer service, has bought Interactive Systems Technology for undisclosed price.

CB's impact on CATV is subject of 13-page article in July CATJ Magazine.

Closed-captioning for deaf is being promoted by PBS Pres. Lawrence Grossman, Sen. Percy (R-III.)—who suffers hearing impairment—and National Assn. of the Deaf. At press conference called by PBS, Percy said he wrote FCC Chmn. Wiley last Dec. urging rapid action on PBS petition to institute closed-captioning system (Vol. 16:1 p3), had yet to receive reply. He called opposition by NAB, networks & EIA "ill-advised," said he'd write network chiefs urging them to change their minds, claimed that "roughly one in 10" American suffers from hearing impairment. Grossman called closed-captioning system developed by PBS "a system that works," hit broadcasters & EIA for "engaging in procedural delays which serve no purpose other than to deprive...hearing-impaired...of TV service which they, through their purchasing and tax support, help maintain." He said PBS encaptions programs at cost of about \$1,000 per programming hour, put cost of encoder at \$30,000-\$50,000, cost of decoder at "less than \$100" each. National Assn. of the Deaf national convention passed resolution urging broadcasters and receiver manufacturers to "reassess their legal and moral obligations to serve the entire American population" and drop opposition to PBS petition.

Ga. Power Project has asked 5th Circuit Appeals Court (New Orleans) to overturn FCC ruling that agency doesn't have authority to order licensees to pay attorney fees of protesting groups in fairness complaints. Case involves WJBF Augusta & WXIA-TV Atlanta and commercials on utility rate increases. In 1973, Commission ruled stations presented only one side of controversial issue (Vol. 13:50 p5); subsequent programming brought them in compliance, FCC later ruled. In separate case, Ga. Power Project has appealed that order.

"Poor Peoples' Radio"—a new low-power non-profit AM service—wouldn't serve useful purpose, FCC concluded, denying petition for rulemaking. Commission said that treaties appear to preclude such stations; that they wouldn't make efficient use of spectrum; that petition "failed to offer any real showing that the proposal would serve the public interest." FCC told group, which operates KPOO(FM) San Francisco, that low-power FM can serve its purposes.

Bill making attacks on broadcaster or reporter a federal crime has been proposed by Rep. Lehman (D-Fla.), who said: "Any attempt to silence a news broadcaster who exercises his constitutional right to freedom of speech represents an attack on the rights of all of us." Bill was prompted by car-bombing in Miami April 30 of WQBA(AM) News Dir. Emelio Milian.

FCC's rebuild & access decision (Vol. 16:14 p5) has been appealed by Midwest Video in 8th Circuit (St. Louis), by ACLU in D.C. Circuit.

GTE Data Services, San Angelo, Tex., is dropping CATV billing business, is understood to be offering it for sale with \$15,000 asking price.

CTIC has been granted \$300,000 by Ford Foundation to underwrite operating expenses.

Personals

Donald Baker, former Justice Dept. deputy asst. atty. gen., rejoins Dept. as asst. atty. gen.—antitrust, succeeding **Thomas Kauper**, who returns to U. of Mich. faculty... **William Carruthers**, independent TV producer, joins White House on temporary basis as TV consultant... **Edward Cowling**, legal aide to FCC Comr. **Abbott Washburn**, resigns Aug. 6 to produce special events for President Ford's re-election campaign.

John Lawrence, Taft Bcstg. special projects dir., elected vp-administration, succeeding **George Castucci**, recently elected vp-finance; **Arthur Haack**, corp. controller, advanced to vp-controller; **John Chapman**, Amusement Park Group sales & mktg. dir., elected vp-mktg., new post.

Ronald Eisenberg, ex-CAB public information officer and one-time Consumer Product Safety Commission, joins OTP as chief, Office of Private Industry Outreach, new post; **Carolyn Tillotson**, ex-Federal Election Commission, named chief, OTP congressional liaison.

Allen Shaw elected pres., ABC-owned FM stations; **Peter Roth**, ex-Filmways TV Productions, named children's programs mgr., ABC Entertainment, West Coast... **William Abbott** advanced to NBC senior attorney... **Phyllis Shelton** named public affairs dir., WJZ-TV Baltimore... **Karen Merrell**, ex-KIQQ(FM) L. A., appointed broadcast operations mgr., KTTV L. A... **Jack West** advanced to gen. sales mgr., KBHK-TV San Francisco.

In PBS management realignment: **Chloe Aaron**, senior vp-programming, will direct all PBS program activities; Vp-Programming **John Montgomery** reports to Aaron; Vp **Charles Lichenstein** assumes responsibility for all public information & national affairs functions; Vp-National Affairs **Chalmers Marquis** reports to Lichenstein; Vp **Norman Sinel** assumes responsibility for all corporate management activities, including new dept. of contract & grant administration headed by controller **Richard Morrison**; Vp-Finance & Treas. **Charles Margetta** reports to Sinel; Vp **Daniel Wells** heads all technical operations.

John Bunting, First Pennsylvania Corp. chmn., elected chmn., WHYY-TV (ETV) Wilmington, Del., succeeding **Elkins Wetherill**... **Roley Altizer**, ex-Arbitron, named assistant to NAB research Vp **John Dimling**, succeeding **Russell McKennan**; McKennan's hq was in N. Y., Altizer will work out of Washington... **Bruce Johnson**, one-time RKO General Radio pres., appointed pres. & chief exec. officer, Starr Bcstg. Group, with hq in N. Y., replacing **Peter Starr**, who resigned as pres. but remains (with brother Michael) consultant to Starr Group; **Ronald Paluck** promoted to exec. vp-chief financial officer.

Richard Herbst, WTMJ Inc. vp, adds post of corp. gen. mgr... **Barton Lamb**, ex-WMC-TV Memphis, named promotion mgr., WMAR-TV Baltimore... **Sharon Slivko** promoted to community relations dir., WWJ-TV-AM-FM Detroit... **Russ Thornton**, KXAS-TV Ft. Worth news dir., advanced to administration & development dir.

Regis de Kalbermatten of Switzerland appointed European Bcstg. Union secy.-gen., succeeding **Henrik Hahr**, retired; **Marcel Caze** of France named legal affairs dir., succeeding **Georges Straschnov**, also retired... FCC Chmn. **Richard Wiley & Cox** Bcstg. Pres. **Clifford Kirtland** address Sept. 12-15 IBFM conference, Sheraton Hotel, Boston... **Leo Hochstetter**, ex-MPAA, is vp heading new International Group Washington office, Suite 215, National Press Bldg., 202-347-2999.

Av Westin, ex-ABC News vp & TV documentaries dir., joins news consulting firm of **Reymer & Gersin** Assoc. as exec. news advisor; **Capital Cities** is a major client... **Alan Silverbach** resigns as senior vp, 20th Century Fox, successor not named... **Pat Richwood**, ex-Warner TV, appointed mgr. of movies for TV, Columbia Pictures TV.

P. Roger Byer, ex-Amerada Hess, joins Teleprompter as asst. controller... **Arthur Harding**, ex-FCC Cable Bureau attorney, joins NCTA as asst. gen. counsel... **Rod Warner**, WJW-TV Cleveland promotion mgr., appointed mktg. dir., Storer Bcstg. CATV Div., new post... **Herman Moeller**, ex-EDC vp, named Reuters cable services mgr... **Donald Nash** promoted to sales mgr.-connectors & subscriber materials, Magnavox CATV Div... **Paul Gerken**, ex-NBC-TV, appointed Cablevision (L. I.) programming dir.

John Baker, ex-Transportation Displays vp, joins Compu/Net L. A. office as mktg. dir.

United Video sells to Lawrence Flinn, for \$4,750,000, part of its satellite, MDS & microwave properties, will put proceeds into its cable systems. Properties sold include earth stations in Trees, La. & Taylorville, Ill., proposed earth stations in Minier, Ill. & Toomey, La., MDS in Little Rock, Kansas City & St. Louis, microwaves in Ark., Ga., Ill., La., Mo., Okla., Tenn., Tex.

By "a rare lopsided margin"—85%-7%—3 network coverage of political conventions is "2 networks too much," according to special Roper survey (not commissioned by broadcasters) of 2,000 adults. Roper said that "there are almost no subgroups of the population where there is any appreciable support for the present practice" and that 81% favor single network coverage "at any given time."

Obituary

Edward M. Webster, 87, former FCC member, retired Coast Guard commodore, died in Bethesda, Md. retirement home July 27. An engineer and 1912 Coast Guard Academy graduate, he served in both World Wars, set up Coast Guard radio service in 1920's to combat rum-runners, was head of Coast Guard communications during World War II, served as delegate to many international conferences on ship radio, participated in congressional investigations of 3 major sea disasters—sinking of Morro Castle, Andrea Doria & Yarmouth Castle—helped form Radio Technical Commission for Marine Services which he headed for 17 years. He served as FCC member 1947-1956, was mild-mannered, courtly, generally unobtrusive, particularly on broadcast matters.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 16 (28th week of 1976):

	July 10-16	1975 week	% change	July 3-9	1976 to date	1975 to date	% change
Total TV.....	217,170	210,892	+3.0	169,780	5,823,439	5,453,098	+6.8
color	132,189	111,219	+18.9	99,411	3,425,260	3,047,485	+12.4
monochrome	84,981	99,673	-14.7	70,369	2,398,179	2,405,613	-0.3
Total radio	665,327	698,475	-4.8	375,351	17,507,713	15,524,077	+12.8
home, portable ..	475,773	571,117	-16.7	180,721	10,989,797	11,139,135	-1.3
AM-only	113,107	128,261	-11.8	23,392	2,293,147	3,285,348	-30.2
FM & FM-AM ..	362,666	442,856	-18.1	157,329	8,696,650	7,853,787	+10.7
auto	189,554	127,358	+48.8	194,630	6,517,916	4,384,942	+48.6
Port.-comp. phono .	45,511	48,609	-6.4	37,009	1,233,367	1,656,941	-25.6

Color TV 5-week moving average: 1976—139,655; 1975—124,673 (up 12.0%).

NEW CB CHANNELS RAISE NEW QUESTIONS: FCC's expansion of CB from 23 to 40 channels beginning Jan. 1 received generally enthusiastic response from CB industry, but decision also left unresolved several key issues involving market's immediate & long-range future. Questions uppermost in minds of majority of CB executives we talked with: (1) What effect will move have on sales & pricing of 23-channel CBs? (2) Will it slow FCC efforts to find new frequency allocation for CB?

Highlights of FCC decision: IM interference problem (Vol. 16:10 p10, et seq.) dictated final choice of 40 or 45, depending on whether 5 class C channels used by remote-control hobbyists were included in Class D band. FCC said that "significant use is being made" of the 5 channels, that hobbyists have large investment in 27-MHz equipment and that reallocation would be premature. Expanded CB band will extend from 26.965 to 27.405 MHz, with 10-kHz channel spacing. All channels will be available for shared AM/SSB use, with no exclusive SSB channels as proposed earlier.

Harmonic suppression limit—aimed at reducing CB interference with TV—was set at 60 db, despite recommendations from EIA's CEG and broadcasters that limit be in 100-db range. In comments to FCC, EIA Citizens Radio section said limit exceeding 60 db would make costs of CBs prohibitive. No one pretends that new limit will resolve interference problem, and FCC said further tightening of limit will be necessary in future. Any CBer causing interference to TV Ch. 2, 5 or 6 because of low suppression will be required to install low-pass filter.

Type-acceptance applications will be received beginning Sept. 10, and all CBs submitted by Nov. 1 will be given effective sale date of Jan. 1. Applications submitted after Nov. 1 will be given sale date on first-come, first-served basis. Earlier proposal to bring antennas under type-acceptance rules was rejected, due to nearly unanimous opposition to proposal and FCC manpower limitations. In separate action, certification requirements were extended to receiver section of CBs (see p. 12).

Decision also: (1) Prohibits use of converters extending range of 23-channel CBs to 40 channels. (2) Requires engraving of serial number on chassis of new CBs. (3) Retains Ch. 9 (27.065 MHz) as emergency channel. (4) Rejects proposal to require 25-Hz frequency tolerance on SSB transmitters. (5) Requires that copy of Part 95 CB rules, and license forms 505 & 505B be included with each new CB sold. (6) Deletes reference to channel numbers from rules in favor of "frequency center" designation.

For the record, most CB producers hailed decision as step forward, adding that 23-channel market should remain healthy—and urging us to stress that 23-channel units won't be made obsolete by decision. Off the record, however, many expressed fear that consumer will postpone decision to buy CB until new models become available, since prices on new units will range only 10-15% above old CBs, triggering round of 23-channel price-cutting & dumping. "It's a complete unknown," said one, "but prices have already dropped on some off-brand stuff, and once the consumer becomes aware of the new channels, he may decide to wait. That's going to put even more pressure on prices, particularly during Nov. & Dec."

Here's sampling of comments from industry: Decision "will not obsolete 23-channel sets because of the many millions of sets already in use," RCA Distributor & Special Products Div. Vp-Gen. Mgr. Paul Garver said. "We expect, therefore, that 23-channel units will continue to sell at a very good rate..."

Early announcement by FCC will permit orderly transition to 40 channels, according to GE Audio Electronics Products Gen. Mgr. Paul Van Orden, since vast majority of CB use will be on current 23 channels over next few years.

Fact that emergency channel (9) and channel used by truckers (19) are in original 23-channel band will be significant future of 23-channel CBs, SBE Pres. David Thompson said. "Christmas will be the important element for the 23-channel market, and we'll have to see what happens then."

"Price pressure will be there, and the consumer will be aware of the move," Hy-Gain Vp Ted Andros told us, "but 23-channel will continue to be a very useful market."

"This could loosen up the market, or tighten it up," according to X-tal Pres. Reggie Williams. "People could decide they don't need the extra channels and buy 23s, or they could decide to wait until January for the 40s. It's hard to tell at this point what will happen."

CB producers expressed hope that decision wouldn't slow down efforts to find new home for CB to resolve interference headaches and move service into portion of band free from effects of sunspot activity. "I can only hope the FCC will move rather quickly on a whole new set of frequencies," Andros said. In decision, FCC said Office of Plans & Policies (OPP) will continue search for new frequencies "such as the 220-MHz or 900-MHz ranges" and added that Personal Use Radio Advisory Committee (PURAC) also is studying situation. At PURAC meeting last week (see p. 12), Andros, chmn. of task force on future needs, agreed to meet with OPP officials to discuss situation.

JAPAN'S TV EXPORTS SET RECORDS IN JUNE: Japanese TV exporters outdid themselves in June, capping off year-long surge in U. S. -bound shipments with new monthly total TV & color records, hitting 48-month high for b&w, Finance Ministry report shows.

Total TV exports to U. S. in June leaped 149.8% to 442,500, erasing previous record of 438,500 set in Aug. 1971. Color shipments soared 209.2% to 293,600, eclipsing high set in May by 58,000. B&w imports rose 81.1% to just under 149,000. Japanese really turned on steam in 2nd quarter, exporting 1.09 million sets to U. S., up 160.7% including 750,700 color (up 213.4%)—new record for any 3-month period—and 336,700 b&w (up 89.6%).

In first half, Japanese exported 1.75 million TVs to U. S., up 183.7% from same year-earlier period—color up 201.5% to 1.16 million, b&w up 154.1% to 587,900. Six-month color total is equal to 95% of full-year 1975 results, while b&w matched 91% of last year's figure. Value of first-half TV shipments rose 188.9% to \$246.7 million, with color providing \$211.6 million (up 196.5%), b&w \$35.1 million (up 150.5%). Average price of exported color in period was \$182.77, down from \$185.91, while b&w average slipped to \$59.74 from \$61.88. Adjusting for 2.3% drop in average value of yen from June 1975 to June 1976 indicates color average is actually up \$1, b&w average off about 77¢.

Japanese also continued to ride CB boom in June, exporting record 1.47 million over-100 mW units, up 573.9%, raising 6-month total to 6.31 million, up 466.9%. First-half shipment value was \$371.9 million, up 508.9%.

Surge in Japanese imports and moves to halt it were prime topics at Zenith convention (see p. 13), where Chmn. John Nevin told distributors that "chaos in the American TV market is in large measure attributable to the illegal & unfair acts of importers." While govt. hasn't been responsive to industry complaints in past, there's hope of some relief in International Trade Commission probe of Sylvania's unfair competition complaint, plus more sweeping investigation into Japanese business practices ITC launched on its own, Nevin said.

At later news conference, Nevin said Japanese producers, operating from protected home market, "are eating alive the TV companies in the U.S." He complained about Treasury's lack of enforcement of Japan TV dumping decision, questioned why Justice kept secret for 4 months Matsushita's plan to acquire Motorola's TV business. While he viewed ITC moves as helpful, he said he feels there will be long delays, and that in end \$900-million Zenith-NUE antitrust suit against Japanese in Philadelphia Federal Court is best prospect for industry relief.

Japanese, meanwhile, are waiting for ITC Judge Myron Renick's decision on whether they can appeal to full Commission his finding that Sylvania complaint falls within agency's jurisdiction even though charges of dumping & govt. export incentives are involved. ITC's apparent willingness to push ahead with probe over objections of Treasury, which normally is responsible for such areas, has now, it's understood, raised hackles among Senate Finance and House Ways & Means Committee staffers who are said to believe ITC is stretching authority beyond law.

ITC's more extensive look at Japanese TV business here also is drawing flak. Both RCA & Matsushita have written letters complaining that answering agency's super-detailed questionnaire would be onerously time-consuming & expensive, asking they not be required to respond. In another move, Japanese counsel Tanaka, Walters & Ritger served summons on Wolf & Co. demanding copies of all responses consulting firm receives to state-of-industry survey being conducted for group of U.S. TV manufacturers & unions (Vol. 16:26 p8). Survey is intended to provide direction for new anti-import drive.

ZENITH'S HIGH END-NEW TUBE, AUTO COLOR: Zenith completed 1977 color line introduction last week in Las Vegas with: (1) Three 17" sets employing 100° tube with conventional glass & gun. (2) Four high-end 19" sets using new "Able" 100° tube, tri-potential gun. (3) Color Sentry, Zenith's answer to RCA's ColorTrak on all 25" and on new 19" sets.

Industry's highest penetration of electronic tuning is in Zenith line. Including sets introduced in May, 45 of company's 52 models have it—about 86%. High-end 25" consoles have 12-pushbutton tuners, providing direct access to any combination of VHF or UHF channels.

Most attention, of course, was focused on 19" sets with new tube, which still has no official name (it's called Chromacolor II, just like all other Zenith color tubes, and won't be singled out for major ad campaign). Manual sets are \$500 & \$510, remotes \$100 extra—about \$10 below list prices of comparable sets last year, but it's understood new pricing merely formalizes recent promotional allowances on former sets. Top 19" sets have unique "Ellipse" design, swept-back front panel, rounded rear cabinet.

Zenith will produce about 250,000 of the new tubes this year, Pres. John Nevin told news conference. As to rejection of new glass by major tube-making competitors, he said: "We still believe it's economically right. It's conceivable it's right for us and not for our competitors. If we remain convinced the glass is right, we will expand it throughout the line regardless of what our competitors do. I can't conceive of backing off." He expressed firm opinion glass would continue to be cheaper than conventional bulb, noting that Zenith is largest glass buyer in U.S. "by a considerable margin" (RCA has own glass plant).

As to set makers' attitude toward "Able" tube, "they have everything to gain by hanging loose—sit back & wait, see who offers what in performance & price." Senior Engineering Vp Karl Horn made it clear that 2 separate systems are involved in new tube—tri-potential gun system, which Zenith calls EFL (for "extended field lens"), and new glass, and indicated they're independent of each other, could be used separately by Zenith. Nevin said Zenith had "no plans" to license EFL gun without glass system. He indicated that Zenith's manufacturing savings using Able in-line tube with EFL gun should be at least \$5 per set over delta-gun 19", and that other manufacturers could actually save more in going slot-mask by eliminating such perform-

ance features as EFL.

Two 17" sets with 100° conventional tube at \$400 & \$430 are \$10-\$20 below last year's list prices, again incorporating recent promotional allowances into list. Remote version is \$510.

Line of 24 console 25" sets (plus 2 combos) is priced \$10 above last year in \$680-\$800 range (\$780-\$900 remote), \$20 up on higher-priced sets, consoles (to \$980), including those with "Touch Command" pushbutton tuning (\$810, no remote versions).

Color Sentry combines 5 automatic picture circuits—light sensor, color signal monitor, tint stabilizer (flesh-tone corrector), contrast regulator (there's no separate contrast control), color level lock. How does it differ from ColorTrak? According to Zenith engineers: (1) Signal monitor checks "every part of the picture for oversaturation," while ColorTrak reviews total average color in picture. (2) Color Sentry system includes button for factory pre-set color & tint balance (level lock); ColorTrak doesn't.

Zenith also introduced high-end radios—completely electronic clock radios with LED read-out and standby battery for power failure at \$55, \$70 & about \$100 (stereo). New table radios are \$40, \$50 & \$80, last being new version of Zenith "dentist set" with walnut veneer cabinet, bass-boost port.

Fall ad drive will be budgeted 10-15% above last year, include 16 TV commercials for local spot use, network TV, magazines. Advertising will continue to use TV technician survey, with many commercials plugging one specific TV or stereo model. For list of new Zenith TVs, see p. 13; for Zenith sales forecasts and other convention highlights, see p. 13; for Nevin's comments on imports, see p. 11.

PURAC BATTLES TVI: Personal Use Radio Advisory Committee (PURAC) was set up to deal with range of issues confronting CB field, but it became obvious at 2nd meeting last week that interference with TV is its major issue. At least 4 of 10 task force groups organized under PURAC found themselves working on same problem—TVI—and spent much of time discussing ways to avoid duplication of effort.

Importance of problem was indicated by Safety & Special Bureau Chief Charles Higginbotham, whose only message to PURAC members was warning that situation is worsening. As example, Higginbotham said that "as late as last night (July 28)" city of Annapolis, Md. is considering ban on TV interference caused by CB units. And FCC Field Operation Bureau reported that 87% of 100,000 interference complaints it now receives yearly are attributable to CB—with TV interference by far the biggest problem. Bureau is using random sample of 70 interference cases across country to compile comprehensive TVI study and promises initial data will be available at next PURAC meeting in Oct., final results by year end.

Task force on local interference problems, chaired by E. F. Johnson Pres. Richard Horner, is carrying out own non-technical survey of TVI problem on Ch. 2 & 5 in Va. & Waseca, Minn. (home of E. F. Johnson), will add Ch. 6 in Philadelphia since newly expanded CB spectrum will affect that channel, too. Operator Training Task Force plans to contact local TV stations across country—particularly Chs. 2 & 5—asking them to run spot ads covering proper CB operation and TVI problem. Next meeting: Oct. 26 at Norfolk.

TV energy conservation program implementation, along with similar programs for refrigerators, freezers, water heaters, dishwashers, washers & dryers, is being delayed by Federal Energy Administration. In notice proposing energy efficiency test procedures for air conditioners, FEA said it was unable to meet statutory June 30 deadline for developing & publishing similar test systems for other products, would do so "as soon as practicable, unless it determines that test procedures cannot be developed" which meet necessary requirements. Last May, FEA said its TV goal was to have color sets made in 1980 50%-80% more efficient than those made in 1972, set 92%-94% improvement target for b&w (Vol. 16:20 p11).

FCC extended receiver-certification rules to include CB, but permissible RF energy & chassis radiation limits have been modified slightly from original proposal (Vol. 16:14 p11). Certification standards: CB receivers going into production after Jan. 1, 1977 are limited to 2 nanowatts RF output at antenna terminal and chassis radiation limit of 5 microvolts at 3 meters; on Jan. 1, 1978, RF limit will be dropped to 0.2 nanowatts; production of receivers begun before Jan. 1, 1977 must be halted by Aug. 1, 1977, unless they meet new certification limits. Sale of noncertified receivers must be stopped by Jan. 1, 1978.

FCC approved National Semiconductor's Adversary video game and reportedly is close to approval of Magnavox Odyssey 300, one of 3 new Odysseys introduced in May (Vol. 16:19 p8). Fairchild's VES is now undergoing tests, and applications have been received from Universal Research, "3 or 4 other companies," FCC said.

IMPORT IMPACT AID: Labor Dept. approved import adjustment assistance for former Sylvania & GE color tube production workers last week. In other recent decisions, it rejected similar aid for ex-workers at Zenith, Sylvania, TRW & W.T. Grant, opened eligibility probe for group at Electronic Memories & Magnetics.

In approving aid for color tube workers, LD broke somewhat with traditional federal position that imports of finished products are not directly competitive with components of those products. In those cases, LD ruled that increased imports of color TV were responsible for tube production cutbacks & resulting job losses. It justified finding by explaining that both Sylvania & GE are vertically integrated set producers whose production at specified plants is directly tied to set sales—an indication that laid-off workers at independent component manufacturing firms are not entitled to same relief.

LD report notes that tube output at GE's Liverpool, N.Y. plant dropped 34.1%, sales fell 30.1%, in 1975 while employment was cut 28.6%. Sylvania study, covering Ottawa, O. plant, showed 1975 production down 29.2%, employment off 28.6%. In addition, LD said Sylvania's color set output in 1975 was down 43.6%, against industry-wide production-plus-imports decline of 26.1%, indicating a significant market share drop (on production level) for Sylvania. LD also reversed negative ruling of last May (Vol. 16:23 p9) declaring workers at Sylvania's Seneca Falls, N.Y. tube plant eligible for help. About 54 workers are covered by GE case, 400 at Sylvania Ottawa, 500 at Seneca Falls.

Pair of rejections came without full investigation. In Zenith case, LD said request from former workers at Lansdale, Pa. color tube plant was filed more than year after layoffs, beyond statutory deadline. In turning down former employes at Grant's Matawan, N.J. Div., LD said retail-related services are not considered production activities of type covered in 1974 Trade Act.

In other turndowns, LD said job losses at Sylvania's Titusville, Pa. circuit board facility & TRW IRC Div. fixed resistor plants in Boone & Newland, N.C., were due mainly to decreased demand, a shift by customers to other U.S. suppliers. Imports were not significant competitive factor in either case, LD said. New investigation covers workers producing DC motors at EM&M Ind. General Div. plant in Oglesby, Ill.

IHF took no action last week on setting up separate audio show during summer CES, instead named committee to meet with CES staff in Chicago Aug. 10 to discuss compromise plan for special audiophile exhibit in McCormick Inn, next door to main McCormick Place display (Vol. 16:30 p10). Committee will report to IHF members, who are expected to vote to stick with CES. While IHF itself won't share any CES proceeds, CES Board has agreed to study, set up & sponsor national audio component promotion program similar to those it has for other consumer electronics. Program will be developed by EIA CEG Audio Div. members, some of whom also belong to IHF.

ZENITH VIEWS FUTURE: Large Las Vegas distributor convention (1,500 attendees) heard these industry forecasts from Zenith: 1976 color TV sales, 7,636,-000 units, up 17.7% from 1975 (3rd quarter, 2,050,-000; 4th, 2,393,000). Monochrome sales 5.05 million, up 2.8%. For Zenith, Pres. John Nevin predicted 2nd \$1-billion sales year in 1976 (first was in 1973).

As for Zenith itself, market share so far in 1976 was claimed to be "well ahead of full-year 1975." Trendex figures (retail sales) for color in 4 quarters ended March 31 were presented without comment: Zenith 23.2% market share, RCA 19.1%, Sears 9.5%, Sony 7.2%, Magnavox 6.3%. In monochrome, Zenith was given 17.5%, RCA 13.6%, GE 10%, Sears 9.6%, Panasonic 8.6%. "Preliminary survey data" for 2nd-quarter color was said to show Zenith at 24.5%.

Continuing to stress reliability, Nevin gave statistics indicating probability of service call in first 90 days had been reduced about 33% in last 2 years on color, 67% on stereo. Other Zenith statistics presented: In first half of 1976, "better than one of 3 consoles sold in U.S. is a Zenith." More than 50% of all 25" remote consoles sold are Zeniths. Zenith has close to 1/3 of 17" color market.

At news conference, Nevin made these points in reply to questions: (1) Launching cost of new tube in 2nd quarter was no more significant in financial statement than other recent start-up costs, such as in solid-state. (2) Encouraged by reception of stereo line, Zenith is considering major expansion in audio. It also is exploring return of high-end radio production to U.S., but stereo has higher priority "as a matter of economics." Zenith's new radios are made in Korea. (3) Commenting on RCA's direct-sales policy—"we don't see the marketing advantage to Zenith at this time; the distributor performs the same function for the national account as for the local store." (4) On RCA trade-in drive—"the replacement market will be with us for many years; it won't be satisfied by 6-7-week promotions."

Zenith's fill-in of its 1977 line (see p. 12), continues trend shown in May—portables & table models down in price, consoles up. New 17" models using conventional-glass 100³ tube start with non-AFT mechanically tuned set at \$400 (down \$20), electronically tuned step-up at \$430 (down \$10), remote open-listed (about \$510, same as last year but with more deluxe remote system). High-end 19" are down \$10 at \$500 & \$520 (Ellipse model), remote versions with Zoom \$100 extra. Following 25" sets are up \$10: Table at \$680, open-list leg console about \$710, five consoles \$750, Avante console \$790, Panorama \$800 (remote versions of all but leg console \$100 extra). Six Touch Command push-button tuning consoles are open-list (\$810), \$20 above predecessors (no remotes). Compact door model & double-ended console, remote only, are \$980 (up \$20). Remote combos are \$1,250 & \$1,650.

Stop-Betamax drive, apparently centered around new JVC home videocassette recorder (Vol. 16:30 p8), is understood to be attracting Mitsubishi & Sharp, in addition to Hitachi, Toshiba and possibly Sanyo.

PARTS IMPORTS RISE: TV business recovery & CB boom combined to help boost value of first-quarter imports of selected parts & accessories to record levels, Commerce Dept. figures indicate.

Total value of imports in period topped \$444.9 million, up 48.2% from same 1975 quarter, with value of products shown in table below up 43.4% to \$336.8 million. In addition were imports of \$78.7 million in TV parts (up 58.7%), \$5.3 million in picture tube parts (up 116.1%), \$24.1 million in radio parts (up 80.7%).

Importance of CB shows most clearly in unit leaps of 133.5% for microphones & 415.8% for radio antennas. As for TV, tuner imports jumped 15.3% to total high enough to provide 2.3 units for every set made in U.S. during quarter, while TV antennas tripled and value of deflection components climbed 50.6%. Speaker imports doubled to 13.9 million, as raw speakers were up 88.4%, enclosed single speakers soared 234.1% while multiple speaker systems posted 16.6% decline.

Of discrete components, only receiving tubes failed to improve on year-earlier performance and fact that tube decline was held to just 5.1% can be attributed to production cutbacks by U.S. manufacturers—most notably RCA, which left business (Vol. 16:3 p11). Increases for other key components: ICs 16.4%, transistors 27.2%, fixed capacitors 86.3%, variable capacitors 21%, fixed resistors 301.4%, variable resistors 75.9%.

Impact of tariff preference policy adopted by U.S. last year, granting duty-free entry to selected items from underdeveloped countries, shows clearly in 554.3% increase in b&w picture tube imports. Total of 63,908 entered duty-free from Taiwan. Tubes had value of \$462,019, so savings at 15% duty rate was \$69,303, or average of \$1.08 each on tubes which carried \$7.23 average price. Only other part with significant duty-free entry was speakers, with combined total of nearly 2.7 million units worth \$2.7 million from Hong Kong, Korea & Taiwan, on which some \$202,500 was saved, or 7.6¢ each on speakers carrying average \$1 value. Here are details of first-quarter imports of components & accessories:

U.S. COMPONENT IMPORTS

	1st Quarter 1976		1st Quarter 1975	
	Units	Value(\$)	Units	Value(\$)
Pic. tubes, color.	15,124	753,993	9,944	638,629
Pic. tubes, b&w..	70,750	587,497	10,813	272,836
TV tuners....	3,936,987	21,242,423	1,551,433	9,503,862
TV antennas....	1,571,007	1,518,721	429,289	706,781
TV deflection parts	—	12,210,524	—	8,109,411
TV cameras, color	1,673	4,571,782	2,501	5,178,446
TV cameras, b&w	11,441	2,246,673	14,247	3,786,571
Radio antennas....	3,171,668	8,457,355	614,953	829,798
Microphones....	1,562,182	3,918,236	669,480	2,208,720
Audio amplifiers.	333,512	7,169,626	264,925	6,803,050
Spkrs., unenclosed	7,897,460	9,619,380	4,191,340	4,840,751
Spkrs., lone, encl.	4,815,099	10,772,930	1,441,059	3,803,588
Spkrs., mult., encl.	1,062,770	5,005,937	1,274,198	3,714,686
Receiving tubes....	11,100,697	5,583,195	11,699,552	5,819,812
ICs*....	239,209	171,652	205,545	120,845
Transistors*....	289,546	30,259	227,580	31,616
Fixed capacitors*.	499,633	25,343	268,192	18,002
Variable capacitors*.	30,540	2,494	25,231	1,934
Fixed resistors*.	983,299	8,001	244,941	2,718
Variable resistors*.	56,671	5,383	32,222	3,464

*Units & value in 1,000s.

FIRST HALF AT-A-GLANCE: Here are monthly EIA sales-to-dealers figures for first-half 1976 compared with 1975:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1976	1975	1976	1975	1976	1975
January	834,034	685,979	496,314	401,029	337,720	284,950
February	878,800	745,645	522,378	407,332	356,422	338,313
March (5 weeks)	1,049,940	987,436	592,876	549,905	457,064	437,531
April	719,329	766,879	418,133	420,511	301,196	346,368
May	782,932	781,169	473,932	441,800	309,000	339,369
June (5 weeks) ..	1,171,454	1,088,101	690,027	617,937	481,427	470,170
TOTAL	5,436,489	5,055,215	3,193,660	2,838,514	2,242,829	2,216,701

PORTABLE-COMPACT PHONO SALES TO DEALERS

Month	1976		1975		Month	1976		1975	
	1976	1975	1976	1975		1976	1975	1976	1975
January	196,047	155,126	—	—	May	174,994	239,089	—	—
February	179,168	216,082	—	—	June (5 weeks) ..	270,928	369,071	—	—
March (5 weeks) ..	191,269	301,387	—	—	TOTAL	1,150,847	1,548,631	—	—
April	138,441	267,876	—	—					

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1976	1975	1976	1975	1976	1975
January	1,346,222	1,010,727	1,049,892	681,423	947,762	573,025
February	1,293,401	1,235,855	1,059,770	859,946	979,091	586,025
March (5 weeks) ..	2,387,630	1,558,254	1,834,349	1,116,598	1,113,886	774,318
April	1,203,090	1,286,434	853,981	867,921	898,620	755,638
May	1,304,133	1,225,318	965,004	880,654	1,035,460	651,592
June (5 weeks) ..	2,798,827	3,532,106	2,413,659	2,575,170	1,158,913	766,384
TOTAL	10,333,303	9,948,694	8,176,655	6,981,712	6,133,732	4,106,982

* Includes table, clock & portable.

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

Treasury finalized decision that Japanese tantalum electrolytic capacitors were being sold in U.S. at less than fair value (dumping) prices (Vol. 16:21 p11), referred case to International Trade Commission for probe into whether sales have injured U.S. industry. Treasury said Matsuo & Nippon Electric, suppliers of 75% of such units, were underpricing about 35% of their shipments with dumping margins ranging from 0.2% to 139.7%, averaging 37.3%. Treasury said Matsushita, which supplies about 10% of imports from Japan, was excluded from finding as investigation showed only one instance of dumping, and even then margin was minimal.

Webcor-brand got 2nd rebirth when watch marketer Leisurecraft Products purchased rights to name from U.S. Industries. Leisurecraft is headed by Victor Reichenstein & Monroe Schulder, who were officers of Consolidated Mds. when that firm bought name of bankrupt Webcor in 1968. Later that year, Consolidated was acquired by USI for about \$10 million and name was changed to Webcor Electronics. Reichenstein left Webcor in 1971, Schulder in 1972, and early in 1975 USI terminated operation. Schulder told us Leisurecraft plans to introduce Webcor audio & CB line next year, may have prototypes for display at Winter CES.

Is Ross Siragusa Sr. returning to TV via RCA distributorships? Both RCA & Siragusa are unspecific about indications Admiral's founder & former chmn. may buy currently factory-owned branches in Chicago & L.A. RCA says it's negotiating with several groups about purchase of its 5 remaining factory branches. Siragusa told us he had no discussions with "either RCA or Zenith." However, it seems probable that some talks have been held through intermediaries.

Trade Personals

Gary Draffen advanced at U.S. Pioneer from OEM speaker national sales mgr. to OEM Div. dir., succeeding **Yohei Fukuchi**, who takes product planning post in Japanese parent's General Audio Div... **Dan Davis**, ex-Litronix Components Div. mgr., appointed pres. of Itac, optoelectronic device producer with plants in Hong Kong & Mauritius; other Itac execs., all ex-Litronix, include **Daniel Greening**, international operations dir.; **Bruce Corbett**, U.S. operations dir.; **David Hillman**, product & technical dir... **Glenn Penisten**, ex-Datran, named American Microsystems pres. & chief exec., replacing **Bernard Marren**, resigned; **Charles Isherwood** resigns from board, continues as mfg. senior vp.

Howard Cohn, ex-Panasonic Radio Dept. national sales supervisor, joins Norelco as Coffeemaker Div. mgr... **Keith Rowan** appointed Rockwell investor relations staff vp, succeeding **Donald MacLeod**, now vp & public affairs asst. to chmn... **Norman Ross** appointed Fanon/Courier ad & sales promotion dir., new post... **Peter Tait**, RCA Canada industrial relations dir., named a dir.

Morse Dial, Union Carbide vp, named secy.; **Sherburne Hart**, former assoc. gen. counsel, appointed external affairs vp, succeeding Dial... **Tom Gleason**, ex-Essex International, appointed Valor Enterprises production coordinator... **William George**, Litton Microwave Cooking Products Div. pres., named corporate vp... **Robert Olson**, ITT Aerospace Electronics, Components & Energy Group exec., named corporate vp.

— ■ —
Binaural sound is being pushed in Japan by Matsushita as substitute for 4-channel. Matsushita introduced binaural sound to public at 1975 Japan Electronic Show, with demonstration of Technics "Ambiencephone," followed by "dummy-head" microphone at All Japan Audio Fair. Nippon Phonogram (JVC-Matsushita-Philips) and Teichiku Records (Matsushita) are marketing binaural discs. JVC claims "world's first" binaural headphone-mike for marketing in Aug. in Japan (\$60) & U.S. (price not announced). Binaural recording, first developed by Bell Labs in 1930 and further refined in Germany in early 1970s (Vol. 13:41 p9, 14:48 p10), produces extremely realistic directional sound by using artificial head with microphones in ears for sound pickup... **Four-channel** microphone developed by CBS Technology Center has 4 pick-up elements, SQ matrix encoder built into base to permit live quadraphonic recording using standard stereo tape recorder. Unit has 260-degree pick-up radius.

Taiwan expects value of electronics exports in first 9 months of year to exceed those for all of 1975. Foreign Trade Board reported that while full 1975 shipments of electronics dropped 24% to \$700 million, exports in first half this year were worth \$500 million.

Itel & Nippon Electric have signed 10-year royalty-free semiconductor patent cross-license agreement covering worldwide markets.

WEEKLY Television Digest

with
Consumer Electronics...

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ZENITH RESULTS: Zenith's sales gain slowed somewhat in 2nd quarter, rising 11.2% from same 1975 period, giving firm 12.8% increase for first half (see financial table). Operating net in quarter jumped 226.1%, gain for half (excluding \$4.8 million inventory credit for 1975) was 463%.

Wells-Gardner sharply reduced loss in 2nd quarter, said it would have broken even in period if shipments had equaled scheduled production for firm orders. W-G said June 30 order backlog was \$8.9 million, compared with year-earlier \$5.6 million, predicted profitability in 2nd half if retail sales continue strong.

Matsushita said pickup for TV, stereo & other audio products set pace for improvement in consolidated results in fiscal 2nd quarter & half. Company said consumer electronics sales totaled \$618.1 million in quarter, \$1.2 billion in half, both up 129%, reported export sales in quarter up 171% to \$327.5 million, while gain for half was 163% to \$591.2 million.

Altec's \$9.3 million 3rd-quarter loss includes \$5.5 million goodwill writeoff and \$3.5 million reserve for planned disposal of Econolite & Ling Electronics Divs. Altec says it will now concentrate on audio & communications equipment.

— ■ —
Watch watch: Microelectronics Systems is latest with \$20 LED watch, promises Sept. delivery, plans production of 250,000 this year... **Timex** unveiled first LED line, \$35-\$50, new LCD models are down \$20, now \$45-\$55, promised to be in \$20 market soon... **National Semiconductor** statement of problem with watch module production resulted in 12% drop in stock price July 28... **Taiwan** expects electronic watch output to hit 1.5 million this year, a 5-fold jump from 1975.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
American Bctg. Cos.			
1976-6 mo. to June 30	629,637,000	30,410,000	1.74
1975-6 mo. to June 30	508,239,000	20,665,000	1.20
1976-qtr. to June 30	315,946,000	20,679,000	1.18
1975-qtr. to June 30	257,346,000	13,616,000	.79
American TV & Communications			
1976-year to June 30 ^a	41,670,000	4,050,000	1.08
1975-year to June 30	33,707,360	2,465,959	.61
1976-qtr. to June 30 ^a	11,260,000	1,250,000	.34
1975-qtr. to June 30	9,103,453	727,033	.19
Bell & Howell			
1976-6 mo. to June 30 ^b	208,939,000	4,799,000	.83
1975-6 mo. to June 30 ^b	190,435,000	6,433,000	1.12
1976-qtr. to June 30 ^b	108,335,000	2,492,000	.43
1975-qtr. to June 30 ^b	99,014,000	3,318,000	.58
Bowmar Instrument			
1976-9 mo. to June 30 ^b	19,671,000	2,579,000 ^c	1.29
1975-9 mo. to June 30 ^b	19,663,000	(24,014,000)	--
1976-qtr. to June 30 ^b	5,585,000	70,000 ^c	.04
1975-qtr. to June 30 ^b	7,496,000	(9,423,000)	--
Canadian Cablesystems			
1976-9 mo. to May 31	--	7,545,000	1.89
1975-9 mo. to May 31	--	4,844,000	1.22
Clarostat			
1976-6 mo. to July 3 ^b	5,738,400 ^d	167,100 ^c	.30
1975-6 mo. to June 28 ^b	5,145,000 ^d	84,800	.15
Cowles Communications			
1976-6 mo. to June 30	5,167,000 ^d	2,095,000 ^c	.53
1975-6 mo. to June 30	4,092,000 ^d	1,734,000 ^c	.44
1976-qtr. to June 30	2,885,000 ^d	875,000	.22
1975-qtr. to June 30	2,364,000 ^d	1,295,000 ^c	.33
Cox Cable Communications			
1976-6 mo. to June 30 ^e	17,877,836	1,705,977	.48
1975-6 mo. to June 30	13,622,077	1,263,418	.35
1976-qtr. to June 30 ^e	9,184,670	882,297	.25
1975-qtr. to June 30	6,971,001	651,091	.18
CTS			
1976-6 mo. to June 30	79,528,334	6,893,254	1.48
1975-6 mo. to June 30	57,461,496	3,297,104	.71
1976-qtr. to June 30	41,737,372	3,583,527	.71
1975-qtr. to June 30	28,220,138	1,789,587	.39
Electronic Memories & Magnetics			
1976-6 mo. to June 30	43,214,000	5,481,000 ^c	.92
1975-6 mo. to June 30	48,898,000	(260,000)	--
1976-qtr. to June 30	22,372,000	1,321,000	.20
1975-qtr. to June 30	25,236,000	134,000	--
Esquire Radio & Electronics			
1976-6 mo. to June 30	7,511,864	320,843	.50
1975-6 mo. to June 30	6,812,284	220,451	.34
1976-qtr. to June 30	3,455,033	107,384	.17
1975-qtr. to June 30	3,701,312	118,206	.18
Fairchild Camera & Instrument			
1976-6 mo. to July 4	209,903,000	3,055,000	.56
1975-6 mo. to June 29	142,596,000	9,191,000 ^c	1.74
1976-qtr. to July 4	113,287,000	2,858,000	.52
1975-qtr. to June 29	70,868,000	3,287,000	.61
Fuqua Industries			
1976-6 mo. to June 30 ^b	255,429,000	7,700,000	.85
1975-6 mo. to June 30 ^b	231,092,000	(982,000)	--
1976-qtr. to June 30 ^b	124,870,000	4,866,000	.54
1975-qtr. to June 30 ^b	119,598,000	603,000	.06
Globe-Union			
1976-9 mo. to June 30	209,204,000	7,387,000	3.42
1975-9 mo. to June 30	184,627,000	1,835,000	.73
1976-qtr. to June 30	67,311,000	1,926,000	.88
1975-qtr. to June 30	56,039,000	466,000	.17
Gross Telecasting			
1976-6 mo. to June 30	3,624,966 ^e	683,512 ^e	.85
1975-6 mo. to June 30	3,115,177	492,800	.61

Company & Period	Revenues	Net Earnings	Per Share
Gross Telecasting (continued)			
1976-qtr. to June 30	2,053,316 ^e	408,312 ^e	.51
1975-qtr. to June 30	1,688,832	279,397	.35
Masco			
1976-6 mo. to June 30 ^b	228,602,000	26,010,000	.99 ^f
1975-6 mo. to June 30 ^b	146,603,000	16,604,000	.65
1976-qtr. to June 30 ^b	120,269,000	13,715,000	.52 ^f
1975-qtr. to June 30 ^b	78,149,000	9,128,000	.36
Matsushita Electric ^g			
1976-6 mo. to May 20	2,676,438,000	96,074,000	.97 ^h
1975-6 mo. to May 20	2,184,227,000	41,632,000	.42 ^h
1976-qtr. to May 20	1,447,753,000	54,408,000	.55 ^h
1975-qtr. to May 20	1,170,973,000	20,860,000	.21 ^h
3M			
1976-6 mo. to June 30 ^b	1,719,000,000	164,400,000	1.43
1975-6 mo. to June 30 ^b	1,529,000,000	127,200,000	1.11
1976-qtr. to June 30 ^b	891,600,000	95,400,000	.83
1975-qtr. to June 30 ^b	786,300,000	73,500,000	.64
Needham Harper & Steers			
1976-6 mo. to June 30	17,699,000	1,017,000	1.25
1975-6 mo. to June 30	14,653,000	167,000	.20
1976-qtr. to June 30	9,559,000	759,000	.93
1975-qtr. to June 30	8,068,000	461,000	.56
Rollins			
1976-year to June 30 ^a	227,068,000	22,361,000	1.67
1975-year to June 30 ^b	195,427,755	19,089,620	1.42
Soundesign			
1976-6 mo. to June 30	53,271,000	2,893,000	1.32
1975-6 mo. to June 30	32,997,000	(73,000)	--
1976-qtr. to June 30	27,216,000	1,573,000	.71
1975-qtr. to June 30	17,174,000	253,000	.12
Sprague Electric			
1976-6 mo. to June 30	95,852,699	3,361,776 ^c	.97
1975-6 mo. to June 30	83,723,319	(4,108,999)	--
1976-qtr. to June 30	50,317,285	2,692,596 ^c	.78
1975-qtr. to June 30	40,889,392	(2,766,082)	--
Technical Operations			
1976-9 mo. to June 26	61,887,000	(926,000)	--
1975-9 mo. to June 28	76,963,000	440,000 ^c	.33
1976-qtr. to June 26	19,966,000	(752,000)	--
1975-qtr. to June 28	24,160,000	80,000 ^c	.06
Texas Instruments			
1976-6 mo. to June 30	761,565,000	43,856,000	1.91
1975-6 mo. to June 30	663,718,000	25,287,000	1.10
1976-qtr. to June 30	392,198,000	22,569,000	.98
1975-qtr. to June 30	330,961,000	11,295,000	.49
Vikoa			
1976-6 mo. to June 30	5,002,000	274,000 ^c	.10
1975-6 mo. to June 30	4,257,000	(298,000)	--
1976-qtr. to June 30	2,642,000	142,000 ^c	.05
1975-qtr. to June 30	2,030,000	(147,000)	--
Wells-Gardner Electronics			
1976-6 mo. to June 30	4,374,000	(655,000)	--
1975-6 mo. to June 30	7,902,000	(369,000)	--
1976-qtr. to June 30	2,130,000	(176,000)	--
1975-qtr. to June 30	2,701,000	(310,000)	--
Zenith			
1976-6 mo. to June 30	450,000,000	15,200,000	.81
1975-6 mo. to June 30	399,000,000	7,500,000	.14
1976-qtr. to June 30	226,900,000	7,500,000	.40
1975-qtr. to June 30	204,100,000	2,300,000	.12

Notes: ^aPreliminary. ^bRestated. ^cIncludes special credit. ^dFrom continuing operations. ^eRecord. ^fAdjusted. ^gAt yen's current rate. ^hPer ADR.

Motorola Semiconductor is forecasting domestic production of 6.4 million color sets this year, rising to 7.5 million in 1977, 8.5 million in 1978, dropping to 7.8 million in 1979, rising again to 9 million in 1980, 10 million in 1981. Company indicates each set made today uses average of 5 ICs, predicts average will rise to 7.5 per set by 1981 as electronic tuning becomes more popular.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

'STACKED' FV HEARING CHARGE denied by Van Deerlin who says he's 'annoyed'; refuses to postpone L.A. session until court rules. Hyde & Robinson added to witness list after broadcasters complain of rejection. (P. 1)

VAN DEERLIN'S VIEWS after cable hearing—sees no damage from distant signals, calls pay-cable rules 'Big Brotherism.' Aaron calls for 5-year pay-cable test without wraps. McGannon fears cable will 'stunt' broadcasting, neglect rural areas, deprive ghetto residents. (P. 2)

STAGGERS DROPS 2nd RENEWAL bill into House hopper, this one giving radio 5 years, TV 4, leaving ascertainment & cross-ownership to FCC. (P. 4)

COPYRIGHT BILL ADVANCES to full House Judiciary Committee, following completion of markup by Copyright Subcommittee. NAB & CATA to seek changes; NCTA satisfied. (P. 5)

WHITE NOMINATION to FCC found free of conflict by Justice, White House memos. (P. 5)

WATL-TV RETURNS TO AIR, raising operating stations to 966. KTSF-TV, potential pay operator, plans Sept. 7 start in San Francisco. (P. 6)

'STACKED' FV HEARING CHARGED: Saying he is "annoyed" at broadcaster suggestions that next week's Hollywood hearing on family viewing (FV) is "stacked" against industry, House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) denied that's the case. "I certainly don't lean that way," he said. Van Deerlin also rejected suggestion that hearing be postponed until L.A. Dist. Court has ruled in FV suit (Vol. 16:27 p2).

TV networks refused invitation to testify; Van Deerlin said he could understand that because of pending court decision, "but then why turn around and make it appear the hearing is stacked?" Networks & NAB are upset because large majority of 23 scheduled witnesses are anti-FV and because such pro-witnesses as ex-FCC Chmn. Rosel Hyde (for Bonneville Bstg.) and ex-boxer Sugar Ray Robinson (representing Youth Foundation) were at first turned down by Subcommittee staff. Both were added to witness list by Van Deerlin when he learned they had been rejected. Several other pro-FV witnesses who sought to testify also were rejected, told to submit written statements.

NAB said Van Deerlin was never "directly" asked to postpone hearing until after Court had ruled, but congressman said: "I would have to assume that it was a request, yes, and I denied it... Congress cannot abrogate its responsibilities by hiding behind the courts... The reason we're going out there [Hollywood] is because that's where the industry is that's upset." As for turn-down of pro-industry witnesses, Van Deerlin said staffer Alan Pearce "was anticipating that there would be network witnesses... but they all spurned the opportunity." He said that only

Consumer Electronics

JULY COLOR SALES in brisk bounce-back, up nearly 20% from year earlier. (P. 7)

CHAOS & CONFUSION in CB market follows expansion. FCC promises clarifying statement. (P. 7)

COLOR IMPORTS smash records in first half, more than doubling last year's figure. June sets all-time record for any month. (P. 9)

SONY-PARAMOUNT VIDEO deal illustrates growing interest of major companies in home programming, and possible weapon against videodisc. (P. 9)

SENTINEL BACK as Magnavox revives old TV-radio name for video game. Will Sentinel 'flyswatter' line of promotional products follow? (P. 10)

1,753,000 TV SETS involved in total of 18 X-ray 'compliance cases' since Radiation Act took effect in 1969, BRH reports. (P. 11)

MONEY-BACK ON COLOR sets in 30 days if not satisfied—that's Sylvania Sept. 11-Oct. 10 promotion involving entire GT-Matic line. (P. 11)

QUASAR REORGANIZES sales dept. for better communication with distributors. (P. 11)

a certain number could be accommodated in 2 days (Aug. 17-18) and that he didn't personally have the time to get involved in selection of witnesses.

Despite Van Deerlin's comments, broadcasters are near unanimous in charging hearing is stacked against them, although most wouldn't speak for attribution. "Just look at the witness list—the do-gooders and plaintiffs and witnesses [in FV suit]—and then say it's not stacked," we were told. "And then look at the pro-witnesses who were rejected."

Pearce wrote networks Aug. 2 asking them to testify. In response, CBS Washington Vp Bill Leonard noted that network already had told Subcommittee orally that it wouldn't appear (also rejecting invitation was ex-CBS-TV Pres. Robert Wood), added: "Most importantly, we consider it highly inappropriate to address ourselves in public hearing to sensitive matters concerning the internal operations of CBS editing procedures, to say nothing of program selection, at a time when the family viewing suit decision is pending in the very same city... I for one, as a supporter of the family viewing concept, would feel as lonesome as a live moose at a taxidermist convention in company with that array of [anti-FV] talent you have lined up for the hearing." Leonard told us that "the only thing we want out of these hearings is a fair shake."

In addition to Robinson & Hyde, other witnesses include: Programmers Grant Tinker, Allan Burns, Norman Lear, David Gerber, Larry Gelbart & Gene Roddenberry; SAG's Kathleen Nolan & Chester Migden; David Rintels, WGA-W; Phyllis Roberts, Cal. American Mothers' Committee; Betty Lindsey, L.A. PTA; Revs. John Urban & Anthony Scanell of Catholic Communications Conference; Profs. Gerhard Hanneman & Fred Williams of USC Annenberg School of Journalism; public interest attorney Geoffrey Cowan; spokesmen for NABB, Adult Film Assn., National Gay Task Force and Caucus for Producers, Writers & Directors.

Among pro-FV witnesses rejected: Actors Cornell Wilde, Chill Wills & Alan Hale; L.A. Police Chief Edward Davis and L.A. Sheriff Peter Pitchess, along with several educational, religious & civic leaders.

VAN DEERLIN'S VIEWS—AFTER CABLE HEARING: With the cable hearing completed last week—except for FCC testimony Sept. 2—we sought current views of Rep. Lionel Van Deerlin (D-Cal.), chmn. of House Communications Subcommittee. The onetime newspaperman & newscaster from San Diego stressed that his opinions may not be final on all issues, but he certainly is unimpressed by arguments against distant signals and pay cable. His views:

(1) Distant signals: "Cable made its own problems by changing into something other than it set out to be. There is no hard evidence of restraints on the earning capacity of stations. It's certainly a boon to UHF stations, giving them a measure of equality on the dial.

"Channel 8 in San Diego had fears of the L.A. stations. It was just about ready to throw in the sponge. [Cable damage] is conspicuously untrue in the San Diego market. One of the most spectacular increases in earnings. The stations were so sold out that candidates told me they couldn't buy time. The stations' fears in the past have not proved out. Of course, no one can see ahead 10 years. Clayton Brace [KGTV] testified that the agreement with cable in San Diego was made with a sort of pistol to his head. But the agreement is sort of a model for the country—better signals on the cable for the stations, and CATV relieved of having to charge more for less... I've seen no arithmetic showing that conventional TV will be blown out of the water. It's a tempest in a teapot. The copyright bill will meet part of the problem.

"Can a Moline station compete with New York stations? We've had this in southern California. Obviously, there's a fragmentation—but the pie seems to be growing. Suppose that San Diego doubled the signals it imports. It seems to me that local viewers always seem more comfortable with stations slanted to their towns. Probably, in general, distant signals have a way of keeping local stations on their toes. If they're just willing to be a network conduit, maybe they'll be hurt. Maybe they should be. Protecting stations flies in the face of free enterprise." [For activity on license renewal bill, see p. 4.]

(2) Pay cable: "It may not be my final position, but I lean to the position that FCC rules are Big Brotherism carried to the ultimate—that the public should not be able to buy what's available and what they want to buy. I should have the right to decide what I want to buy. As

for siphoning, there won't be any in sports. There's no way you're going to harm the World Series or the Super Bowl. Why, Congress would meet in special session on that. As for regular programs, I think there will always be sufficient audience to support 'All in the Family.' I can't believe there's only one Norman Lear.

"As for movies, I'm going to be interested in the FCC's logic in the 3-10-year rule. It looks like an artificial means of impeding the development of a business. The public is being told: 'If you don't go downtown to see a movie, you must endure commercial interruptions to see it in your home.'

"We've heard from people speaking for the poor, the handicapped and the aged, and we're always asked to believe it's either-or—that you can't have free and pay. It's like saying the New Republic will replace multi-million circulation magazines. We've been willing to have commercial decisions determine what we see and hear. Let the public determine by its willingness to buy. But there are a lot of imponderables along the way. How would I change the payable rules? There's the possibility of legislation, and of nudges and prods. I don't know that legislation is possible yet. There are members of Congress who are sincerely convinced that pay cable is wrong. And the broadcasters are not without clout."

(3) Cross-ownership: 'I believe that cross-ownership of stations and cable is OK. I'd favor legislation for it. The forced separation has developed a cleavage. Regarding the ban on station-newspaper cross-ownership, the popular liberal position is that it reduces the number of voices, but I know that it improves the product. However, a Cheyenne situation is different—where the station couldn't run the news until the newspaper did. It also depends on size."

Among highlights of last week's testimony: (1) Variety of black witnesses blasted FCC for not coming up with stronger minority-employment rules (Vol. 16:31 p3), pleaded for govt. -loan help in black cable ownership. Charles Tate of Cable Communications Resource Center was asked whether broadcasters had anything to do with recent proposal of Small Business Administration to quit making loans for cable, and he replied: "The broadcast industry, of course, has exerted a great deal of informal and formal pressure...Indirectly, I know there have been inquiries about the particular program we have been involved in, from the NAB." Robert Resor, head of NAB's Office for Free TV, said he knows of no such NAB inquiry of SBA. He recalled that Richard Jencks, former CBS Washington vp, raised question about such loans by Farmers Home Administration, asking whether it violated govt. policy against loans to media (Vol. 15:49 p3).

(2) Group W Chmn.-Pres. Donald McGannon was concerned that "uncoordinated development of cable" would "stunt" over-the-air medium. He said cable isn't "most efficient" method of transmission, couldn't serve rural areas, would "eventually be pay cable" and "disenfranchise" public in "inner city ghetto." He doubted that cable could "garner an audience large enough to support the cost of the programming being presented... There will be natural economic limitations on the production of programs because of the relatively low share of audience... Moreover, just consider for a moment the level of viewership on a particular channel in a 24-channel system when Jimmy Carter or President Ford or a candidate for Congress secures the use of one of those channels for political use. I fear the result will be a minimal audience, irrespective of the importance of the message." Noting that N.Y.C. has 63 radio signals, he said most stations have gone to automation, "low-cost programming fare," and "it is questionable whether our policy of allowing a proliferation of stations in radio has best served the public."

McGannon said he's concerned that aiding cable may produce "irreversible damage" and "may retard the next advance in technology which may be just around the corner and which can obsolete all communications systems now in being and those which will be built in the next decade or so." Asked what technology he had in mind, McGannon said he didn't know of specific developments but that there isn't proper govt. structure to deal with it. He urged formation of Dept. of Communications at Cabinet level, plus "thorough modernization of the Communications Act." As for OTP: "I don't understand what OTP does or should do." Asked how broadcasting has been "stunted," McGannon said he wasn't talking about profits, that economics are only part of problem.

Moses (Monty) Shapiro, vice chmn. of General Instrument (Jerrold parent), urged that burden of proof of harm to public be placed on broadcasters. Attacking McGannon's testimony, he asserted that years of cable's largest growth have been years of largest broadcaster profitability. As for technology obsoleting cable: "They [broadcasters] will hold that up just like they held up cable." And, after 5-year pay-cable test advocated by Aaron: "The broadcasters will be making more money than ever."

Daniel Aaron, NCTA vice chmn., was cleanup hitter for cable. He urged: (1) Five-year test of pay cable, with all restrictions removed, after which FCC could determine whether broadcasters were being hurt, harming service to public. (2) Legislation giving FCC power over pole attachments. (3) Amendment to Communications Act giving cable status on its own, requiring that limitations on cable be based on "clear, factual demonstration" of harm to public and giving FCC full authority over cable.

Translator Assn. Pres. Nat Allen stated that cable operators desire monopoly; that translators could serve small towns properly if FCC would allow them to scramble pictures (so that viewers could be charged) and use microwave.

ACLU Chmn. Edward Ennis attacked FCC for loosening access requirements, presented taped segments of material shown on access channels—city councils, health services for aged, assistance to deaf, rape discussion, etc. He also took FCC to task for giving cable operator control over obscene & indecent material. Noting that ACLU is appealing this in court, he said: "At his or her whim and caprice, a cable operator may delete any program which somehow seems 'obscene & indecent.' Moreover, the cable operator is not responsible to any reviewing authority—judicial or administrative—since the independent programming producer has no right of appeal to the Commission, let alone to the courts." He urged that producers be subject to same judicial due process accorded movie exhibitors, publishers, etc.

House Communications Subcommittee's Reps. Frey (R-Fla.) & Van Deerlin (D-Cal.) attempted to push settlement of stalemate in conference on permanent extension of sports anti-blackout law (Vol. 16:28 p3), instead ran into another brick wall. In letter to all conferees, congressmen noted that 76 days had passed since conferees tentatively agreed to new law, urged any conferee with specific problem to come forward to resolve differences. Sen. Pastore (D-R.I.), in letter to Van Deerlin, responded that he still had problem with so-called Frey Amendment setting blackout limit of 90 miles from border of home team's hometown for one-year trial. He added that House conferee Staggers (D-W. Va.) agreed that "if changes were in order, they should be made," to avoid "a devastating effect on the economic life" of Miami Dolphins. In interview, Pastore noted that Frey amendment never had been subject of hearing, said that Rep. Pepper (D-Fla.) also was concerned about it, and that he (Pastore) simply wasn't "amenable" to "this idea that you're going to razzmatazz the law up to allow viewers to see the game in an area where tickets are still on sale." Responded Frey: "Who's running the conference—Pete Rozelle or the Congress?" He said he was "absolutely amazed" by Pastore's response following senator's agreement to okay Frey amendment last May (Vol. 16:21 p6).

Teletypewriter reports 2nd quarter revenues of \$28,288,000 vs. \$22,998,000, with loss of \$941,000 vs. \$1,214,000 loss for comparable 1975 period. TPT reports pay-cable subscribers exceed 150,000, among 800,000 in 52 systems where service is offered.

Another renewal bill—2nd for him in 7 weeks—was introduced last week by House Commerce Chmn. Staggers (D-W. Va.). Bill differs from earlier version (Vol. 16:25 p5) in following ways: (1) Radio given 5-year license, while TV would get 4. (2) Ascertainment, cross-ownership and comparative hearing sections dropped from statute, left to FCC. (3) Two new criteria set for license renewal—if licensee has "been responsive in its program service to the problems, needs and interests of its service area," and has obeyed all FCC rules. According to a Staggers aide and NAB officials, Staggers himself decided to put in new bill, though NAB made suggestions at Staggers' request. Commented NAB Pres. Vincent Wasilewski: "We're going for a 5-year and 5-year bill, but if 4-&-5 is the best we can get, then we'll go for that." NAB board resolved last Jan. that it would support renewal relief for radio industry alone "should the Congress decide first" to seek such legislation (Vol. 16:4 p1). House Communications Subcommittee has set hearing Sept. 14-16 for new look at renewal legislation, though chances for legislation are slim.

Affirmative showing of bad faith on part of franchising authority would be required before Cal. courts could intervene in cable TV rate case, according to Cal. Court of Appeals. Recent decision held that relationship between cable company and franchiser is in nature of contract. Cal. cable systems say this deprives cable of due process protection afforded other regulated industries, such as utilities. Case arose when San Clemente, Cal. denied rate increase to TM Communications, which will appeal to Cal. Supreme Court.

COPYRIGHT BILL ADVANCES: House Judiciary Copyright Subcommittee last week completed markup of general copyright revision bill and sent it on to full Committee. While staff tentatively scheduled first look at bill Aug. 10, members aren't likely to get to it until week of Aug. 23, following congressional recess for GOP convention. Though industry groups speculated that Chmn. Rodino (D-N.J.) might rush bill through Committee and on to House floor with minimum of new votes, they nonetheless began rounds of visits to Committee members to make their case for new votes on key issues.

NCTA Pres. Robert Schmidt and MPAA Pres. Jack Valenti briefed full Committee staff Aug. 6, explained that since there were so many compromises at Subcommittee level, they'd seek no further changes from full Committee. However, NAB Pres. Vincent Wasilewski is dissatisfied, wrote Rodino that bill needs 3 changes in order to become "less one-sided than it now is" in favor of cable: (1) Tighten up small system exemption, and apply it only to independently-owned systems, not MSOs. (2) Full liability for any additional distant signals allowed by FCC. (3) Any system with pay-cable service should lose "subsidy" of compulsory license. CATA dirs. meet this week near Tulsa to determine strategy, but reportedly are most concerned about Canadian-Mexican signal carriage and ability of Royalty Commission to reconsider rates when syndicated exclusivity rules are changed.

NAB internal reorganization subcommittee—under Radio Chmn. Donald Thurston—meets Aug. 11 and we're told it's expected that Exec. Vp for Station Relations Burns Nugent will be shifted out of that job, offered another spot at NAB. Dept. will be retitled "Station Services" and there's strong possibility that Exec. Vp for PR James Hulbert will be shifted to Station Services, with new PR head brought in from outside. "If there's no spot in the reorganization for me, then so be it," Nugent said. "I'll go back to broadcasting...I'm not uptight about it, particularly." Reorganization already has led to promotion of John Summers to exec. vp-gen. mgr., search for TV vp (Vol. 16:31 p5).

Nomination of Margita White to FCC (Vol. 16:30 p1) is found free of conflict of interest or appearance of conflict in confidential memos submitted to Senate Commerce Committee by Justice Dept. Office of Legal Counsel and White House Counsel to President. Meanwhile, FCC maintained that Communications Act doesn't deal with question of nominee's spouse's job, declined to make judgment. "There's not anything in the Communications Act that addresses that situation," according to FCC Gen. Counsel's office.

Democratic National Committee has asked Supreme Court for expedited consideration of appeal of FCC ruling exempting news conferences from Sec. 315 (Vol. 15:39 p1). D.C. Appeals Court upheld FCC 2-1 in April (Vol. 16:16 p5). "The timing of review is critical to the rendering of any effective relief for this year's campaign," DNC said.

KETV Omaha switches to rep Blair TV, replacing Katz.

Following mandate of board (Vol. 16:25 p1), NAB has formed First Amendment Committee under Chmn. David Scribner, Doubleday Bctg. Also members: CBS Washington Vp Bill Leonard and Herbert Hobler, WWH(AM) Princeton, N.J. Other NAB committee chairmen: By-Laws—Mike Shapiro, WFAA-TV Dallas; Membership—Jack Younts, WEEB (AM) Southern Pines, N.C.; Board Meeting Sites—Paul Reid, WBHB(AM) Fitzgerald, Ga.; Engineering Advisory—Robert Flanders, McGraw-Hill Bctg.; Convention—Kathryn Broman, Springfield TV, and Donald Jones, PBS Radio Group, co-chmn.; Children's TV—Broman; Radio Information—Len Hensel, WSM(AM) Nashville; Radio Re-regulation—Richard Chapin, Stuart Bctg.; Small-Market Radio—William Rollins, WSVM(AM) Valdese, N.C.; Cable Radio—William Sims, KOJO(AM) Laramie, Wyo.; Hundred-Plus TV Market—William Bengtson, KOAM-TV Pittsburgh, Kan.; TIO—Peter Storer, Storer Bctg.; Research—Daniel Kops, Kops-Monahan Communications; Pay TV—Andrew Ockershausen, Washington Star Station Group.

CPI has received \$10 million in senior secured notes due 1988, from Teachers Insurance & Annuity Assn., through Warburg Paribas Becker, which also arranged \$6 million in senior notes due 1991 for Colony Communications from unidentified insurance company. CPI has completed sale of microwave subsidiary to Western Union, receiving \$5.75 million cash & \$5.7 million in WU preferred stock; WU also assumes \$1.5 million of CPI microwave debt. Said CPI Pres. Bob Hughes: "Completion of this sale will have a profound financial impact on CPI. The gain on the sale increases our stockholders' equity to approximately \$15 million. With this gain we anticipate a profitable 3rd quarter and a continuation of profitable operations in the future."

Only NAB Vp Roy Elson from broadcast industry attended fund-raiser in Washington last week for Sen. Hartke (D-Ind.), who will become chmn. of Communications Subcommittee if re-elected (Hartke is well behind ex-Indianapolis Mayor [and Republican nominee] Richard Lugar in polls). Cable industry had several representatives present at Hartke party—including NCTA Chmn. Burt Harris and Pres. Robert Schmidt. Broadcast industry's TARPAC has contributed \$1,600 to Hartke since Jan. 1, 1975; Cable's PAC \$700 over same period.

President Ford's latest nominees to CPB board will get hearing from Senate Commerce Committee, but their reception may not be warm. Sen. Pastore (D-R.I.) told us he'd hold confirmation hearing on 6 pending nominees (Vol. 16:28 p3) "the minute I find some time," but added he's concerned that Ford failed to renominate single member of present board. "I'd like to find out why it has become necessary to replace almost the entire board."

Cablecom General has settled suit with Hugo Cablevision and city of Hugo, Okla.; it had charged them with violating antitrust laws in taking away Cablecom's franchise after 20 years (Vol. 16:29 p4). Cablecom sells plant to Hugo Cablevision for unannounced sum, drops suit. Settlement follows referendum which upheld city's choice of Hugo Cablevision.

Personals

Dennis Doty, vp-east coast prime time program development, ABC Entertainment, promoted to vp-prime time variety programs, succeeding **Frank Brill**, who joins Management III Productions; **Linda Finson** advanced to east coast special programs dir.

Robert Harter, Palmer Bestg. exec. vp, appointed chief operating officer... **Fred Barber**, ex-WMAL-TV Washington station mgr., appointed gen. mgr., WRAL-TV Raleigh, N.C... **Robert Gilbertson**, one-time WNAC-TV Boston gen. mgr., appointed vp-development, Guy Gannett Bestg... **Santiago Astrain** of Chile, Intelsat secy. -gen., appointed dir.-gen., new post, for 6-year term.

Lee Elsesser promoted to news dir., KXAS-TV Ft. Worth... Named retail sales mgrs., new posts, NBC-owned TV stations: **Diran Demirjian**, WNBC-TV N.Y.; **Richard Gold**, KNBC L.A.; **Al Jerome**, WMAQ-TV Chicago; **Clifford Ford**, WKYC-TV Cleveland; **James Martz**, WRC-TV Washington.

Sharon Disador promoted to commercial operations mgr., ABC Broadcast Operations & Engineering Div.; **Caroline Harmon** advanced to ABC equal opportunity programs dir.; **Marilyn Maleska** to equal opportunity program development mgr.

Steve Goldman, ex-Petry TV, joins TeleRep as mgr. of Chicago "Lion" sales team, succeeding **Mike Velazquez**, named Chicago "Tiger" team mgr... **Roger Ashley** promoted to sales mgr., Katz TV Continental, L.A.; **Lynn Hollister**, ex-TvAR, appointed assoc. sales development dir... **Frederick Bones**, ex-Philips Audio-Video Systems, appointed sales mgr., Rank Precision Industries TV & motion picture lens products.

Richard Reisberg, one-time ABC, CBS & NBC, appointed Viacom International vp-programming & production in expansion of development capabilities... **Edwin Hopper**, ex-United Cable TV exec. vp, named consultant to HBO for affiliate sales & development... **Graham Stubbs**, ex-Jerrold Electronics, named vp-engineering, Oak Industries CATV Div... **Richard Behr** promoted to systems design & field engineering mgr., Magnavox CATV Div.

William Henderson, ex-Tri-South Equities, named mktg. dir., Cox Data Services, succeeding **Ron Jones**, now with WAGA-TV Atlanta; **Fred Naus**, ex-Secret Service, appointed systems & programming mgr.; **Ed Mozeley**, ex-Ball Computer Products, named equipment & engineering mgr.

Jim Summers, ex-K&M Electronics, appointed mktg. dir., Consolidated Video Systems... **Philip Davis**, ex-Memorex, named IVC corp. mktg. administration dir... **Kish Sadhvani** named product mgr. for lenses & other optical products distributed in U.S. by Rank Precision Industries.

"**Broadcast Operator Handbook**," compiled by FCC Field Operations Bureau, now is available (\$2.60, Stock No. 004-00-00329-2) from Govt. Printing Office, Washington 20402. It's designed as "comprehensive study guide" for 3rd-class operator's test.

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Ch. 36 WATL-TV Atlanta returned to air Aug. 5 under ownership of Briarcliff Communications (D.R. Jones, 30.5%, Pres.-Gen. Mgr. Don Kennedy, 30.5%). Station formerly was owned by U.S. Communications, went dark in March 1971; Briarcliff acquired CP July 14, 1974. WATL-TV brings operating stations to 966-706 commercial, 260 non-commercial. Ch. 26 KTSF-TV San Francisco has received program test authority, expects to begin regular operation Sept. 7, is seeking pay-TV operation.

In testimony prepared for Aug. 9 appearance before Republican Platform Committee in Kansas City, CBS Washington Vp Bill Leonard (appearing for CBS Pres. Arthur Taylor) seeks: (1) Repeal of Sec. 315 and fairness doctrine; (2) "a national policy" on CATV "without either eliminating or decreasing what is now offered free"; (3) "a strong federal shield law"; (4) Pressure by Republican Party on Congress to allow TV-radio coverage of floor proceedings.

Addition of fairness issue to KBAY(FM) San Jose, Cal. renewal hearing is "legally incorrect and abhorrent to the First Amendment," NAB told FCC last week in asking that Review Board action be rescinded. NAB said move is "100 degrees off the Commission's own policy" of considering fairness complaints at time filed rather than ruling on 3-year compliance at renewal.

One-liner of the week: During House Communications Subcommittee cable hearing, translator spokesman Nat Allen concluded testimony by inviting Chmn. Van Deerlin (D-Cal.) to conduct hearing in Salt Lake City. Without a pause, Van Deerlin stated: "Not after I heard what they do to congressmen in Salt Lake City."

Home Box Office has completed acquisition of Telemation Program Services, Robert Weisberg continuing as TPS pres.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 23 (29th week of 1976):

	July 17-23	1975 week	% change	July 10-16	1976 to date	1975 to date	% change
Total TV	209,357	203,207	+3.0	217,170	6,032,796	5,656,305	+6.7
color	124,778	101,994	+22.3	132,189	3,550,038	3,149,479	+12.7
monochrome . . .	84,579	101,213	-16.4	84,981	2,482,758	2,506,826	-1.0
Total radio	1,013,417	715,969	+41.5	665,327	18,521,130	16,240,046	+14.0
home, portable .	830,878	575,290	+44.4	475,773	11,820,675	11,714,425	+0.9
AM-only	216,627	123,867	+74.9	113,107	2,509,774	3,409,215	-26.4
FM & FM-AM .	614,251	451,423	+36.1	362,666	9,310,901	8,305,210	+12.1
auto	182,539	140,679	+29.8	189,554	6,700,455	4,525,621	+48.1
Port.-comp. phono.	44,907	57,956	-22.5	45,511	1,278,274	1,714,897	-25.5

Color TV 5-week moving average: 1976--137,179; 1975--120,679 (up 36.7%).

JULY COLOR SALES IN BRISK BOUNCE-BACK: July's final week was year's 2nd best in color sales to dealers—about 172,000 units, 31.3% ahead of same 1975 week—bringing sales for month to some 528,000 sets, up nearly 20% over year earlier. This is best monthly increase over 1975 since Feb.

July was best 4-week month so far this year, with color sales progressively increasing lead over 1975 week—up 1.7% first week, then 18.9%, 22.3%, 31.3%. July's annualized sales rate was about 7.52 million, according to one researcher's model.

Monochrome sales in July's final week were smartly ahead of year-earlier for a change—132,000, up 19%—but couldn't overcome dull performance of month's first 3 weeks, so month ended up at about 372,000, down some 7% from year earlier. Full details next week.

CB MARKET—CHAOS & CONFUSION: Expansion to 40 channels has thrown CB market into disarray, and industry is frantically trying to determine whether it's momentary aberration or sign that 23-channel sales will languish through remainder of year. Situation isn't related to current consumer purchases, which apparently are continuing at healthy pace, but is based on actual or threatened order cancellations at dealer & distributor level—partly result of confusion surrounding FCC's expansion decision.

Confusion centers on portion of decision dealing with modification of 23-channel CBs to 40-channel capacity, and FCC Chief Engineer Raymond Spence told us phone is "ringing off the hook" with questions on conversion, type-acceptance procedures and "allegations" that some firms are already advertising conversion kits, crystal changes, dealer modifications and other methods of modifying 23-channel CBs—all illegal. FCC will issue clarifying statement "and if necessary, a statement to manufacturers that if they start playing games and advertise illegal conversion kits & crystals, all their type acceptances can be brought to a screeching halt. We won't play games with these people."

Here's what's legal under expansion ruling, according to Spence: Genuine factory modification done by factory and its direct employes is acceptable if it's identical to a CB type-accepted under the new ruling and meets all new specifications in ruling. In addition, receiver section of modified CB would have to meet certification standards which go into effect Jan. 1 (Vol. 16:31 pp 9&12).

Some distributors are panicking, Spence said, and canceling or cutting back on 23-channel orders, prompting producers to ask FCC for clarification. "Our information is that the retail people are still selling and the customer is still buying, but the distributors are better informed about the fact that we're going to 40 channels; they're anticipating a panic and are canceling orders," he said. "We anticipated some confusion, but panic on the part of the distributor is somewhat unexpected."

Concern over 23-channel market is reflected in buy-23-now-get-40-later programs launched by several CB firms, notably Pace & Hy-Gain. Pace is guarantying that any 23-channel unit purchased Aug. 1-Dec. 31 will be "updated" to 40 channels at maximum 20% premium (\$25-\$90, depending on model) over original list price at time of purchase.

"We're sticking with the word 'update' now," Ad Dir. John Hassett told us, declining to say whether plan meant CBs would be modified or owner given new 40-channel unit. "We guarantee he'll get a 40-channel unit, within the law." Hy-Gain announced that certain of its 23-channel units—presumably those using PLL circuitry—would be re-manufactured at nominal charge to owner after Jan. 1 to meet new FCC regulations. Kris will offer up to \$140 "Trade Back" on selected 23-channel units purchased May 15-Jan. 1.

Other major CB producers say they're working on programs designed to encourage purchase of 23-channel units through rest of 1976, and most confirmed that market is in confused state. "We're waiting for the FCC to clarify the situation," Regency spokesman told us. "There's a lot of confusion and uncertainty, and it's up in the air now." E. F. Johnson Exec. Vp Robert Stone said his firm "will obviously have a program, but we haven't settled on any holistic approach yet." Stone said Johnson is considering possibility of modifying CBs, but "we're not really that clear on the FCC report" yet. Market should straighten itself out by end of Sept., Stone said. "We won't have a sense of pattern or thrust until then."

"There is big turmoil," Southern Cal. distributor told us. "We weren't heavily stocked because we anticipated this and cut back on our buying. But our supplier is looking for orders from us, and we're looking for orders from our dealers and we're not getting them. I don't know what will happen." Story was same around country, major CB distributors complaining that FCC's way of dealing with expansion ("they shouldn't have told anyone about it until the day they went on sale," one said) and inaccurate & sensational stories in consumer press had generated fear on part of retailer.

"We're hurting," another Cal. distributor said, pointing out that barrage of ads discounting 23-channel CBs and offering free antennas & installation had already hit his market. He said he has been forced to offer package of \$99.95 Gemtronics & \$10 antenna to retailers for \$89.95. "That hurts, and now I've got to talk the factory into lowering their prices to me so I won't get creamed. If the FCC puts out some PR on this thing, we might be able to get rid of our inventory by the end of the year, but I don't know."

Some distributors encouraged CB firms to follow lead set by Pace and offer programs to encourage buying now. "I don't think this thing will affect us," said leading N. C. Pace distributor, "because of the Pace convertibility program. We're already selling it, and our dealers like it." He said he has already contacted reps for other lines he handles, urging them to institute immediate conversion programs. "If they don't, my dealers will buy Pace."

Immediate grief in CB market may be overshadowed by explosion of industry after 40-channel units legally go on sale Jan. 1. Superscope says it will make initial entry into CB with 40-channel models during first-quarter 1977, that engineering work is complete. Others waiting for FCC decision to enter market apparently include Sanyo & Sony, according to reports from Japan. Sony is understood to be readying CB products in higher-end SSB category, possibly in combination with in-dash radios and/or car stereo units, and Japan Economic Journal says Sanyo—already major OEM supplier to GE, Midland, Radio Shack, others—will enter U.S. market under own name some time next year. U.S. executives of both firms said they weren't aware of plans for CB marketing.

Note: EIA-J issued warning against dumping 23-channel CBs on Japanese market, where illegal CB black market already flourishes (Vol. 16:19 p10). Trade group will sponsor panel discussion Aug. 19 on outlook for CB exports, availability of parts for 40-channel CBs.

1ST-HALF COLOR IMPORTS SMASH RECORDS: Color TV imports exceeded million mark in first half 1976, more than double last year and setting all-time record—and almost doubling imports' share of U.S. color supply during period. Monochrome imports were up 26.6% from year earlier, with total TV units up 54.7%. Automobile CB imports surged by more than 800%.

Rolling tide of color imports accelerated in June, with 234,497 sets arriving, record for any month, up 175% from 1975 and nearly 22% higher than record set in May. Monochrome imports in June totaled 282,028, down 4.6% from June 1975, but total TV imports, at 516,525, were up nearly 30% because of color's increase.

For first half, imports represented 26.5% of U.S. total color supply of 3,800,562 sets, up from 14.7% in 1975, with imports taking 69.9% of b&w supply of 2,501,641 sets vs. 68.8% one year earlier.

Country-of-origin breakdown shows Japan consolidating hold on color market and sharply increasing share of monochrome. In first-half 1976, Japan was source for 92.2% of all color sets imported into U.S., up from 75.9% one year earlier. Some 6.3% of color sets came from Taiwan (down from 18.7%), with 1.5% from Korea (down from 2.6%). In monochrome, Japan reversed several years trend toward decreasing share, supplied 28.8% of sets imported (more than double the 13.7% of first-half 1975), Taiwan 61.6% (down from 78%), Korea 9.4% (vs. 8.1%).

BEHIND SONY-PARAMOUNT HOME VIDEO DEAL: Joint venture by Sony America & Paramount to explore all methods of video hardware-software distribution illustrates growing interest of major companies in home video.

Sony/Paramount Home Entertainment Center (S/P) initially won't involve major investment by either partner. Sony, with its Betamax home videocassette recorder, is serving notice that it's prepared to take on Philips-Magnavox & RCA videodisc systems as method of recorder program delivery. Paramount parent Gulf & Western is staking out claim to total involvement in home video reproduction. G&W seems far more taken with idea of home video than with pay cable, having declined to join Hollywood Home Theatre consortium with UA & 20th Century (Vol. 16:30 p4), earlier sold its CATV operation and this summer purchased Muntz TV business, direct competitor to Sony's projection TV (Vol. 16:25 p9). G&W also owns large consumer credit firm, Assoc. Corp. of North America.

Only concrete program of new venture is to develop plans for marketing strategy and select 2 or more test-market locations within 6-12 months. Allowing for normal slippage, this could put start of program in late 1977, about same time as target for videodisc test marketing by RCA & Magnavox. Major clue to plans of new venture is retention of Wunderman, Ricotta & Kline (Young & Rubicam subsidiary), which was instrumental in forming Columbia Record Club and represents Book-of-the-Month Club.

As outlined by Paramount Chmn. Barry Diller & Sony America Pres. Harvey Schein, new venture will look at every type of distribution, including player-program package deals. There'll be no exclusivity in terms of product. "If it's limited to Paramount software it will fail," said Diller. As example, he said, "we'll let MCA use our software [for videodiscs] and we hope we'll get theirs." He didn't rule out S/P's distribution of hardware & software in competing formats, including disc.

Why would anybody buy software on expensive tape after it's available on cheap discs? Schein said initial surveys of Betamax owners showed insatiable appetite for tape—average owner buying at rate of 15 blank cassettes (\$15 each) per year. "Tape has an intrinsic value," said Schein. "We think people will be willing to spend, say \$5 more than raw tape for a movie. After they've seen it they can erase it and they've still got the tape." As to lower cost of disc player—"why would anybody buy a disc machine when he could buy a tape deck which can do so much more for just a few hundred dollars difference?" S/P will explore such areas as tape sale vs. rental, record-club approach, home or theater delivery of tapes, one-time-viewing (self-destruct) tapes, etc.

As to one-hour time limit of Betamax cassettes, Schein indicated Sony is working on increasing capacity but wouldn't compromise quality of picture. In Tokyo, we've learned that

Sony is exploring 2 ways of doubling playing time and it's believed to have 2-hour cassette in works.

Our recent report of attempts by other Japanese manufacturers to stop Betamax boom with single competitive "standard" system (Vol. 16:20 p8) was greeted with some shock by Sony officials in U.S. & Japan. In Tokyo, Sony expressed confidence Betamax would meet same worldwide acceptance as U-Matic. Toshiba declared it was committed to V-Cord II format and wouldn't switch to any new standard such as JVC's system—but some Toshiba sources in both Japan & U.S. seemed far less certain.

Schein summed up Sony's attitude toward competing home video formats: "Nobody is putting greater effort into video recording than Sony, and if there's going to be a better mousetrap, Sony will come up with it. If technology permits a 2-hour tape, we'll have it and it will be better. The [V-Cord II] skip-field approach isn't good enough to bear the Sony name. These incompatible machines are just an ego trip—they're slitting their own throats."

With worldwide sales of Betamax now at 10,000 monthly rate, scheduled to nearly double next year, Sony this fall will embark on "very substantial ad campaign to acquaint the public with its advantages and create a need for it," said Schein. Sales will be national by year's end.

SENTINEL RETURNS: Reaction of Magnavox is firm "no comment," but we've learned Sentinel name, shelved in 1973, is being brought out of retirement, at least on video games. Called the "flyswatter" by then-Consumer Electronics Pres. George Fezell, Sentinel name was originally trotted out on line of lower-priced stereo consoles in mid-1973 to do battle with emerging promotional stereo firms such as Morse, but plan was dropped just 4 months later (Vols. 12:33 p9, 13:2 p9).

Now, Magnavox has received FCC approval on game carrying Sentinel name and same model number as Odyssey 300, also approved. It's unclear what Magnavox is planning, but Sentinel game conceivably could be used as lower-priced promotional unit to compete with raft of inexpensive games now coming on market. Name also could be extended into other areas, including compact stereo & console areas, in revival of Fezell's "flyswatter" approach. Sentinel name was acquired in 1966 through purchase of Sentinel Radio.

CBs submitted for type-acceptance are being put through 6-point test under recent 100% sampling directive issued by FCC Chief Engineer Raymond Spence (Vol. 16:25 p11). Included are measurements of power output into rated load resistance, frequency of operation for all channels, occupied bandwidth and levels of spurious & harmonic emissions at antenna terminal. Tests also verify that transmitter doesn't operate outside 23 channels now allocated for CB use and determine modulation limiting capability. Though type-acceptance is normally based on data supplied by manufacturer, sampling procedure was instituted after FCC labs found that performance of many CBs didn't match submitted data.

Paced by 8-track cartridge sales, over-all blank tape market will grow by 15-20% in next year, execs. of Capitol Magnetics forecast. Sales of 8-track will increase 15-20%, cassette 10-15%, open-reel 4-5%, firm says, adding that chrome tape will account for only 3-5% of cassette market.

Former Motorola TV workers were ruled eligible for import adjustment assistance by Labor Dept., which said color TV imports "contributed significantly" to unemployment of 1,200 at Quincy, Ill.—who were laid off after Matsushita acquired Motorola's Quasar TV business. Plant was closed last May. Case is not first in which U.S. employees of Japanese company were declared injured by imports. Similar ruling was made last year for workers at Murata's Rockmart, Ga. capacitor plant (Vol. 15: 45 p13). LD rejected request for aid by former workers at Arvin's compact stereo plant, ruling that ratio of imports to domestic compact production declined from 232% in 1974 to 180.5% in 1975. In report granting adjustment assistance for former Sylvania color tube workers (Vol. 16:31 p13), LD noted that Sylvania's production of color tubes declined 39.2% in 1975 from 1974 and 62% in first-quarter 1975.

Videonotes: MDR magnetic record-&-play video-disc system, first described in 1973 in Television Digest dispatches from Berlin (Vol. 13:36 p7 et seq.), is being promoted to N.Y. financial community by Brookville Marketing, 420 Lexington Ave., N.Y. (Jerry Shapiro). Shapiro is said to be demonstrating color version, but refuses to comment or accept phone calls from press... **Vidcom**, Sept. 23-28 in Cannes, will give more emphasis this year to consumer aspects of video, with special conference, "Video 76." Exhibits & demonstrations will include MDR system, Eumig color videocassette recorder, Betamax, V-Cord II, Advent & Zygma-vision projection TV... **Bimonthly "magazine"** about video—on videotape—has been inaugurated by ITA. First 30-min. version is available for \$5 on loan, with permission granted to copy program. Contact ITA, 10 W. 66th St., N.Y. 10023.

RCA distributor changes: Hamburg Bros., Pittsburgh-area distributor, takes over Cleveland area. Assoc. Distributors, which handles Indianapolis, adds Toledo & Ft. Wayne. Both replace Main Line Inc., no longer authorized RCA distributor.

X-RAY CASES LISTED: Some 1,752,931 TV sets were involved in 18 "compliance cases" since Radiation Control Act became effective in 1968, according to Bureau of Radiological Health. Listing (BRH Bulletin July 1976, Supplement No. 1) covers most electronic products found defective or in non-compliance—total of 140 cases—excludes those in which action was testing-program (not product) non-compliance, product was subsequently found to be in compliance or corrective action plan hadn't been approved. Bureau points out many reported cases now are closed.

Although TVs were largest in number of individual products, far more cases (54) involved X-ray machines. Listed are 20 cases of non-compliance or defects involving 127,897 microwave ovens, 3 involving 120,863 picture tubes, 4 involving 200 TV projectors.

Largest number of TVs involved in single case was 1,265,000 color sets in 1975, for which Zenith was granted exemption on grounds that sets posed no significant risk of injury (Vol. 16:5 p9). Next largest was 3-brand recall (Panasonic, Grant, Penney) of 427,127 Matsushita-made sets in 1974 (Vol. 14:48 p7). Many of earlier cases haven't been reported previously by BRH.

Here's list of TV compliance cases by year, manufacturer (or brand name) and number of sets: 1969—Philco-Ford, 12,802 sets. 1970—Admiral, 4,326 sets; Conrac, 107 sets; Magnavox, 343 sets; Wells-Gardner, 982 sets. 1971—Magnavox, 110 sets; Zenith, 13,701 sets. 1972—Alexander, 8,000 sets. 1973—Sony, 951 sets. 1974—Electrohome, 1,254 sets; Panasonic, 308,118 sets; W.T. Grant, 15,456 sets; J.C. Penney, 103,553 sets. 1975—Quasar, 2,482 sets; Toshiba, 5,805 sets; Sharp, 9,490 sets; Hitachi, 558 sets; Zenith, 1,265,000 sets.

TV projector cases involved Kalart Victor, Display Sciences, Digital Devices and Image Magnification. Picture tube cases involved RCA and Allied Sales & Engineering. Some TV non-compliance cases merely involved omission of certification labels, others leakage in excess of standard. TV defect cases generally involved radiation emission in excess of manufacturer's design specifications. No TV receiver defect cases were listed after 1971; all later cases were non-compliance.

Add projection-TV systems: (1) New Products Co., 27 Devon Court, Maple Shade, N.J. (F.J. D'Imperie, mgr.), single-tube system, 23-x-40" Kodak Ektalite screen, ceiling-mount unit \$1,595, floor unit \$1,795, all-channel remote unit \$350. (2) Sunyet TV, 21630 McNichols Rd., Detroit, advertises 2-piece floor or ceiling-mountable system, with adjustable wall screen—"40-x-40" to 7-x-7-ft." Its "super low price" isn't revealed. Note: Our Directory of Home Projection-TV Systems (Vol. 16:28 p9) contained 2 errors—PM Systems Inc. says it doesn't use Toshiba set as picture source; Tele-Theatre plans to produce 300 units monthly, not weekly.

Add FCC game approvals: Tele-Match 7700 & 8800.

SYLVANIA MONEY-BACK PLAN: "Satisfaction Guaranteed" promotion, rivaling in scope & flair RCA's "Trades Fantastic" (Vol. 16:28 p11), will be kicked off by Sylvania on GTE-sponsored NBC Perry Como special Sept. 11. Company will offer consumers 30-day money-back guarantee on fall line of GT-Matic color sets purchased through participating dealers Sept. 11-Oct. 10.

Offer will include 44 color sets, 13-25". Consumer will have 30 days to decide whether set was satisfactory. If he's dissatisfied in any way, dealer will pick up set, refund purchase price, "no questions asked." Refund wouldn't include finance or related charges incurred by buyer.

Sylvania dropped in 9 color sets, including first 1977-model 13V" series, starting with 2 models at \$320, same as last year's price (but up \$20 from current close-out price), GT-Matic step-up at \$340 (down \$10 from last year). In 19", lowest-priced GT-Matic II is \$480, with new GT-Matic at \$550. Four new GT-Matic II consoles are \$639, two combos at \$1,195. Monochrome 19" is \$125. Sylvania also introduced 4 compact stereos at \$180-\$270, 2 stereo consoles at \$230, 4 at \$340.

QUASAR REORGANIZES: "To establish more effective communications with distributors," Quasar has realigned sales & mktg. dept. under Vp Alex Stone with naming of 4 sales directors: Victor Croft, ex-national sales dir., becomes eastern div. sales dir.; John Fortino, ex-Zenith Kansas City branch mgr., central div. sales dir.; Philip Cunningham, western div.; William Finnegan, Quasar branches sales dir. Robert Molitor, ex-Apeco Corp., becomes Sales & Mktg. Dept. controller. Jerome Hellman & Anthony Mirabelli, ex-product mgrs., are now mktg. mgrs. for color & b&w TV, respectively. Gilbert Ravelette, ex-mktg. services mgr., gets new post of commercial planning mgr. Under Ravelette are Robert Peck, now mkt. research & sales statistics mgr.; William Strong, now sales forecasting mgr.; William Schultz, distributor orders & shipments; John Willis, mktg. systems. Mitchell Samaha, formerly a zone mgr. becomes gen. mgr. of new Quasar Tampa branch.

CB Scene: Antenna Inc. expanded Cleveland production facilities by 40,000 sq. ft., 4th major expansion since firm was organized in early 1975... **Channel Master** introduced wing-shaped capacitive loading CB antenna which is said to offer higher average current & greater radiating efficiency than inductively-leaded models... **Communication CB CO-OP Ltd.** (Oklahoma City) is licensing CB specialty stores to offer consumers range of discount privileges, equipment registration, I.D. numbers and other services.

RCA is considering sale of 5 million common shares late this summer, Chmn.-Pres. Anthony Conrad says. Company currently has 75 million shares outstanding.

RCA topped Zenith in b&w TV retail sales in 2nd quarter, according to latest Trendex survey. In other Trendex order changes for 2nd quarter, Panasonic jumped from 5th to 3rd, passing Sears & GE.

Trade Personals

John W. Lane appointed Midland chmn. & chief exec., succeeded as pres. by Robert McFadden, former exec. vp... Philip Welch, ex-BSR(USA) national sales mgr., named to same post at Philips High Fidelity Labs, hq Ft. Wayne... Robert Gray, ex-national branch mgr., named Admiral western mgr.; Richard Walker, central mgr., succeeded as national accounts mgr. by James Gilroy; William Smith named eastern mgr... Don Palmquist, ex-Altec International Div. vp-gen. mgr. and onetime IHF chmn., appointed Kenwood mktg. vp.

Richard Lovisolo, ex-radio & recorder national sales mgr., promoted to Panasonic asst. gen. mgr., audio products (including CB), new post; Dan Stoltz named asst. national sales mgr. for radio; Michael Aquilar asst. national sales mgr., recorders... Michael Indiana promoted from national sales & service dir. to mktg. vp., Mesa Electronics... Guido Francolucci appointed Koss national sales mgr., succeeded as stereophone sales mgr. by Jeffrey Martin... Raymond Pettit named vp-gen. mgr. of GE Credit Corp's Consumer Financing Business Dept.; Leo Halloran becomes GECC finance vp... William Ramsey, formerly Quasar & Motorola, resigns as Dynascan Cobra Communications national sales mgr. to return to TV field sales, succeeded temporarily by Western Sales Mgr. Dan Geaney.

Charles Marshall, ex-Appliance Div. new products mgr., named Gillette group product mgr., electronic products, in preparation for introduction of digital watch line... George Newman elected asst. treas., Hewlett-Packard, succeeded as gen. mgr. of Calculator Products Group by Robert Watson, ex-gen. mgr. of H-P's Loveland, Colo. calculator operation; Newman succeeds William Crowley, resigned; John Doyle, H-P personnel dir., elected vp... Charles Phipps, mgr. of corp. strategic planning, elected TI asst. vp.

Raymond Haskin named vp & administration dir., ITT Cannon Electric, succeeding Carl Peacock, now ITT Rayonier vp... Henry Rainone, ex-ITT Semiconductors N.Y. district sales mgr., named ITT Components eastern sales mgr... Robert Marker, ex-EDP mktg. mgr., named new products mktg. mgr., TRW/Cinch Connectors, new post... Lloyd Turner named Tandy Corp. vp.

Hank Skawinski, ex-Southeast Asia product mktg. mgr. for National Semiconductor, named product mktg. dir. for Far East; Dean Coleman, ex-hybrid product mktg. mgr. in Santa Clara, Cal., shifts to Tokyo as mktg. dir. of subsidiary NS International/Japan... Marvin Cohn, ex-talent contracts vp, promoted to CBS Records business affairs vp. succeeding Larry Harris.

Integrated Display Systems, maker of watch modules, LCDs & LEDs, is now wholly owned subsidiary of Solid State Scientific, which has purchased GE's interest. GE subsidiary Business Development Services (BDS) transferred its interest for 150,000 shares of SSS common stock. BDS now owns 13.4% of SSS's outstanding stock.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Automatic Radio			
1976-9 mo. to June 30	64,648,000	5,240,000 ^a	2.16
1975-9 mo. to June 30	34,130,000	(688,000)	--
1976-qtr. to June 30	25,344,000	1,879,000	.78
1975-qtr. to June 30	14,623,000	(244,000)	--
Bartell Media			
1976-6 mo. to June 30	7,732,000	(389,000)	--
1975-6 mo. to June 30	7,321,000	(999,000)	--
1976-qtr. to June 30	4,344,000	146,000	.03
1975-qtr. to June 30	4,008,000	(223,000)	--
BBDO International			
1976-6 mo. to June 30	41,000,000	3,528,000	1.40
1975-6 mo. to June 30	34,700,000	2,946,000 ^a	1.17
1976-qtr. to June 30	22,100,000	1,966,000	.78
1975-qtr. to June 30	17,700,000	1,596,000 ^a	.63
John Blair			
1976-6 mo. to June 30	51,348,000	2,055,000	.85
1975-6 mo. to June 30	39,098,000	674,000 ^a	.28
1976-qtr. to June 30	27,185,000	1,366,000	.56
1975-qtr. to June 30	19,642,000	574,000	.24
Interpublic Group			
1976-6 mo. to June 30	93,239,000	5,041,000	2.13
1975-6 mo. to June 30	83,802,000	4,012,000	1.75
1976-qtr. to June 30	51,800,000	4,187,000	1.76
1975-qtr. to June 30	46,665,000	3,265,000	1.43
Major Electronics			
1976-qtr. to June 30	6,485,000	202,000	.21
1975-qtr. to June 30	3,166,000	(286,000)	--
Oak Industries			
1976-6 mo. to June 30	73,354,595	1,647,461	.90
1975-6 mo. to June 30	53,189,828	443,635	.17
1976-qtr. to June 30	37,681,309	872,984	.48
1975-qtr. to June 30	26,617,230	229,027	.09
Ogilvy & Mather			
1976-6 mo. to June 30 ^b	51,974,479	2,920,797 ^a	1.58
1975-6 mo. to June 30 ^b	45,670,484	2,250,651 ^a	1.25
1976-qtr. to June 30 ^b	27,796,363	1,877,361 ^a	1.02
1975-qtr. to June 30 ^b	24,587,809	1,405,363 ^a	.77
Pathcom			
1976-6 mo. to June 30	63,709,305	6,250,728	2.18
1975-6 mo. to June 30	15,687,470	1,417,769	.58
1976-qtr. to June 30	34,213,109	3,221,430	1.10
1975-qtr. to June 30	9,753,663	976,851	.40
Premier Cablevision			
1976-9 mo. to May 31	25,036,000	2,519,000	.76
1975-9 mo. to May 31	19,979,000	1,936,000	.61
Seaport			
1976-6 mo. to June 30	9,226,000	216,000 ^a	.08
1975-6 mo. to June 30	9,068,000	11,000	--
1976-qtr. to June 30	4,774,000	146,000 ^a	.06
1975-qtr. to June 30	4,641,000	44,000	.01
Telecor			
1976-year to May 31	77,083,554	3,219,698	1.15
1975-year to May 31	62,689,674	2,352,088	.84
1976-qtr. to May 31	19,497,694	889,855	.31
1975-qtr. to May 31	13,044,331	430,474	.15
Teleprompter			
1976-6 mo. to June 30 ^b	54,423,000	(2,076,000)	--
1975-6 mo. to June 30 ^b	46,010,000	(2,911,000)	--
1976-qtr. to June 30 ^b	28,288,000	(941,000)	--
1975-qtr. to June 30 ^b	22,998,000	(1,214,000)	--
20th Century-Fox			
1976-6 mo. to June 26	160,894,000	(2,543,000)	--
1975-6 mo. to June 26	168,185,000	12,381,000 ^a	1.64
1976-qtr. to June 26	77,379,000	(958,000)	--
1975-qtr. to June 26	86,676,000	7,846,000 ^a	1.04

Notes: ^aIncludes special credit. ^bRestated.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CARTER JOINS TV, FCC CRITICS: Candidate promises he'll use presidential powers to reduce TV violence, appoint activist commissioners to FCC. He says President has 'right' & 'obligation' to speak out on program content. Democrats want confirmations halted. (P. 1)

FTC REJECTS BAN on premium offers in children's TV ads, opts for case-by-case approach to protect children from abuses. (P. 2)

WHITE, FOGARTY LIST their qualifications to serve on FCC in advance of Aug. 25 hearing. Conflict charges against White continue. (P. 3)

EX-FCC AIDE BARRY COLE joins House Communications Subcommittee for renewal hearing. Ottinger renewal bill seeks 'public participation.' (P. 3)

GOVT. ROLE IN PTV PROGRAMMING continues to increase, according to update of internal OTP staff study. However, practice doesn't 'subvert intent' of Public Bctg. Act. (P. 4)

PTV SEEKS SATELLITE from FCC, filing applications for 13 receive-only earth stations, master origination terminal, satellite interconnection with WU. Other FCC earth station actions. (P. 5)

CARTER JOINS TV, FCC CRITICS: Democratic Presidential nominee Jimmy Carter promised last week that if elected he'll use presidential powers to make TV programmers reduce amount of violence on TV and to make FCC more responsive to consumers. In remarks to Ralph Nader-organized Washington luncheon on consumer & regulatory matters Aug. 9, Carter promised:

(1) "I will appoint consumer- or citizen-advocates to the FCC" as well as to other regulatory agencies. Calling "humorous now" plea by former President Franklin Roosevelt that regulatory agencies be forums for public interest, he said that his nominees "would be acceptable to Ralph Nader. That doesn't mean that I'm going to get his approval ahead of time or consult him on every appointment, but the thrust of my own commitment... is to fulfill the original concept which was that it would be a forum for the people and a protection for the people themselves."

(2) "As a matter of fact I don't watch TV too much [but] yes, I do think there's too much violence on TV. I think the President has a right, or an obligation, to express to the public displeasure or criticism of programming content... I believe it would have a great influence, to the extent the President was both forceful and trusted, to shape the opinion of viewers of TV programs." He added: 'I believe also that within the framework of the law that it would be appropriate to have a member of the regulatory agency prescribe some standards. I personally don't favor censorship as such. I think there's always a fine objective shading to be made between censorship and quality content.'

Consumer Electronics

ZENITH COUNTERSUIT MOTION filed by Japanese defendants in antitrust case alleges Zenith attempts to restrain & monopolize TV business. ITC judge limits Japanese right to appeal refusal to dismiss Sylvania unfair competition complaint. (P. 7)

IMPORTS TOOK RECORD 28.2% share of 2nd-quarter total color market at production level; 26.6% in first half. Six-month production & imports of TV rose 36.8% over 1975. (P. 8)

COLOR PRODUCTION DOWN sharply in July. Trimming of production seen in line with revised 1976 forecasts. Inventories decline from June after good sales month. (P. 9)

CB MARKET SHAKY after expansion decision. FCC clarifies type-acceptance procedure, but retailers exercise extreme caution in ordering. (P. 10)

IMPORT IMPACT AID for former Fisher Radio employees rejected by Labor Dept. Report shows Quasar increased color market share in 1975. (P. 10)

JAPAN'S EXPORTS of audio equipment to U.S. up sharply in first half. Auto radios pace gain with 590%; increases also shown for home radios, tape hardware, phonos. (P. 11)

In earlier remarks, Carter hit "sweetheartism" between "agencies and the industry they regulate," said he'd try to put a stop to "the revolving door" between agency and industry if elected—either by legislation or through executive order or simply carrying out those principles in his own appointments.

Two days later, Carter stepped up attack, telling ABA convention in Atlanta that Ford Administration was using regulatory agencies as "dumping grounds for unsuccessful candidates, faithful political partisans, out-of-favor White House aides and representatives of special interests." Carter campaign staff later released memo to support Atlanta speech. Listed under "faithful political partisans" were ex-FCC Chmn. Dean Burch and ex-FCC Comr. Charlotte Reid. Under "Out-of-favor White House aides" was name of Margita White (see p. 3). Carter said next day that his staff made "a serious mistake" in revealing memo, though only name on list he cited as in error was that of CIA Dir. George Bush, defeated for Tex. Senate seat by Lloyd Bentsen (D) in 1970.

In other matters, Carter: (1) Said he is "very much inclined" to engage in TV debate with Republican opponent. (2) Told reporters to "suit yourself" when they refused to join softball game being filmed by Carter Ad Dir. Gerald Rafshoon for possible use in campaign spots. (3) Said he supports Agency for Consumer Advocacy, portraying it as "a small group" that would help President do away with agencies which are a waste of govt. funds. (4) Opposes using federal money to underwrite public interest representation before regulatory agencies; pilot program currently exists at FTC and Reps. Moss & Burke (both D-Cal.) are pushing for similar program at FCC. "At this time I don't favor that. I would first like to try the ACA and the resultant change in the attitudes of the regulatory commissioners," Carter said.

* * * *

House Commerce Committee's 3 top-ranking Democrats—Staggers (W. Va.), Moss (Cal.) & Dingell (Mich.)—have written Senate Commerce Committee Chmn. Magnuson (D-Wash.) that Senate should approve "no further nominations of any Republicans for term appointments" for any regulatory agency until "a President, armed with the people's mandate, takes the oath of office in January 1972." They told Magnuson that they had just written Carter that President Ford's "last minute efforts to fill regulatory agency vacancies with party faithful [are] clearly an outrageous attempt to impose upon the American people as well as the incoming Carter Administration the views of a thoroughly discredited and unelected President."

FTC REJECTS PREMIUM BAN: In as-yet unannounced & unwritten decision, FTC voted unanimously not to ban premium offers in TV ads directed to children. Instead, Commission opted for case-by-case approach in protecting children from false, misleading or deceptive advertising, has instructed staff to draft recommendations. Decision—made at Aug. 3 meeting—follows by over 2 years promise by then-Chmn. Lewis Engman to put "at the top of the Commission's agenda" attempt to seek series of "substantive standards" for ad industry guidance on children's advertising (Vol. 14:23 p3).

In opposing proposal, Chmn. Calvin Collier argued that ban on premium offers in TV ads was too strong a step because it would have effect of banning all such offers. He also argued that TV-only ban would have been illogical since other media could continue to advertise premium offers without controls. Others within FTC questioned whether ban raised First Amendment questions.

During Engman's tenure as FTC chmn., he delayed vote on premium ban twice—in June 1975 to weigh George Washington U. study calling proposed guide "questionable" and suggesting NAB TV Code revision instead (Vol. 15:24 p6); again in Dec. 1975, reportedly to avoid controversy prior to his resignation in unsuccessful bid for GOP nomination to seek seat of retiring Sen. Hart (D-Mich.).

Chmn. Collier wasn't available for comment, but Senate Consumer Subcommittee Chmn. Moss (D-Utah)—who has pushed for strong controls on children's TV advertising—told us he was "surprised that the Commission would want to start over again. This [children's TV ad regulation] has been a particularly difficult field. I can understand why they would want to learn more about TV's effect on children, but I don't understand why the Commission would abandon Mr. Engman's proposal."

Karen Hartenberger, dir. of FCC's Children's TV Task Force, said she thought FTC action would have no effect on FCC's children's TV enforcement program. "Each agency is independent and has to interpret the law in its own area as it sees fit," she told us, stating that FCC felt that question of premium offers in children's TV ads was under FTC jurisdiction, not FCC.

WHITE, FOGARTY QUALIFICATIONS: FCC nominee Margita White has told Senate Commerce Committee that, if confirmed, she "will bring to the Commission an educational background in political science (including constitutional law & economics) and 18 years of experience in communications, journalism, public policy research and government service... Throughout my career, I believe I have demonstrated my commitment to public service and have established a record of being fair, open-minded and thorough." White & Joseph Fogarty comments came in response to Committee questionnaire—they still are to answer questions on communications policy—in advance of Aug. 24 confirmation hearing.

Meanwhile, 3 powerful House Commerce Committee Democrats—Chmn. Staggers (W. Va.), Moss (Cal.), Dingell (Mich.)—have written Senate Commerce Chmn. Magnuson (D-Wash.) & presidential nominee Jimmy Carter urging that no more White House appointments of "party faithful" be approved; they specifically mentioned White (see p. 2).

Conflict-of-interest has been raised against White because of husband Stuart's membership in Washington law firm Hamel, Park, McCabe & Saunders (Vol. 16:30 p1), although Justice Dept. & White House say there's no conflict. White said that as comr. she won't vote on any matter "which involves a party represented by" husband's firm and that Stuart White won't share in any of firm's profits derived from communications clients (estimated 10% of his income). Whites set their net worth at \$230,350, said husband realized \$49,052 in "partnership income" from law firm in 1975 and estimates his membership in firm is worth \$25,000.

Dr. Everett Parker, United Church of Christ, has written Sen. Pastore (D-R. I.) opposing White nomination, said "the potential conflict of interest is a serious one." And, he said, if she disqualifies herself the FCC's work is hampered. NCCB Chmn. Nicholas Johnson has asked to testify against White.

Fogarty listed his chief qualification for FCC as fact he is communications counsel to Senate Commerce Committee, post which he said gave him "considerable expertise" in telecommunications. Fogartys listed their net worth as \$160,486, said wife had agreed to sell AT&T stock valued at \$11,550, GE stock at \$3,315.

Another go-round in lengthy Orlando Ch. 9 comparative case was ordered last week when FCC ordered 5 applicants to file new ascertainment and programming proposals within 90 days. Commission noted current proposals are more than 8 years old, were filed prior to adoption of ascertainment primer. FCC had granted Ch. 9 to Mid-Fla. TV; D.C. Appeals Court remanded case.

Key West cable system has been bought by Tele-Media, price undisclosed. System has some 12,000 subscribers.

Barry Cole, ex-consultant to FCC, has been named consultant on broadcast license renewal legislation to House Communications Subcommittee. Cole, whose appointment is through Dec., is Chmn. Van Deerlin's (D-Cal.) first appointment to Subcommittee staff inherited from late Rep. Macdonald. Meanwhile, Rep. Ottinger (D-N. Y.) has introduced bill designed to increase public participation in renewal process. Legislation was prepared with assistance of United Church of Christ, but Ottinger staff now is working with Congressional Black Caucus Chmn. Burke (D-Cal.), expects to propose 2nd version in time for House Communications Subcommittee's Sept. 14-16 hearing. Bill would provide: (1) Staggered expiration dates for licensees in same geographical area. (2) Immediate expiration of license if station makes major changes in programming format. (3) Require FCC to establish "quantitative standards" in all areas of licensee performance. (4) Give discovery powers to petitioners to deny. (5) Provide govt. reimbursement of legal expenses of local challengers.

Sens. Bayh (D-Ind.) & Abourezk (D-S. D.) joined Energy Action, citizens' lobbying group, in asking FCC to rule that NBC, ABC and 2 Washington stations (WRC-TV & WTOP-TV) had violated fairness doctrine by airing Texaco commercials on vertical ownership of oil companies. Senate Judiciary Committee has reported bill requiring divestiture; Senate will take it up in Sept. and complainants asked for expedited Commission ruling. Texaco spot, not aired by CBS, doesn't mention divestiture.

FCC received 95,683 complaints, inquiries & comments in fiscal 1976 (ended June 30), down slightly from 96,710 in 1975. Complaints by far dominated—FCC receiving 74,761 last year, up from 65,054 in 1975, with fairness doctrine complaints jumping from 3,590 to 41,861. Not included in above totals are CB inquiries (see p. 10) and over 1 million complaints about alleged FCC ban on paid religious broadcasting.

TIO signed dozen new members in July, including 4 Post Corp. stations—WLUK-TV Green Bay & WEAU-TV Eau Claire, Wis.; KTVO Ottumwa, Ia.; WLUC-TV Marquette, Mich. Others include KELO-TV Sioux Falls, S.D.; KFYR-TV Bismarck, N.D.; KTVV Austin, Tex.; KWNL-TV Waterloo, Ia.; WDAY-TV & KXJB-TV Fargo, N.D.; WTAF-TV Philadelphia; WTEV Providence.

WKYZ(AM) Madisonville, Tenn., has been denied license renewal by FCC for "false billing practices" between 1967-73. Commission ruled station obtained \$58,000—more than 20% of its gross income during period—from 11 advertisers that received double bills.

KCBY-TV Coos Bay, Ore. has been "admonished" by FCC for carrying program-length commercial on sewing. FCC said "commercial reference to products & services" of service center dominated program.

GOVT. PTV FUNDING STILL ON RISE: Direct funding by federal agencies of PTV programs continued to rise in 1975-1976, according to OTP update of internal staff study prepared last year by ex-staffer John Loftus (Vol. 15:32 p4). However, new report concludes that though this money isn't channeled through CPB, practice hasn't "subverted the intent of the Public Bestg. Act of 1967"—a conclusion reached earlier by Loftus.

Prepared by OTP staffer Marian Dix, update relies on information furnished by CPB, rather than from agencies themselves, concentrates on national programming, rather than that for individual stations. Report finds that for fiscal 1975 & 1976, direct grants to national programs from 5 federal agencies (HEW, Office of Education, National Endowment for the Arts, National Endowment for the Humanities and National Science Foundation) "made up about one quarter of the total" PTV national programming budget. "It is also clear," report continues, "that when internal sources (the station program cooperative & CPB) are excluded, the federal government emerges as the single largest external source of funds." With CPB and program co-op included, federal govt. "is ultimately responsible for approximately half of the national programs money."

Rather than condemn funding not channeled through CPB (as did earlier study), Dix concluded that Public Bestg. Act "actually encourages the pursuit of those monies." In support, she cited section of Act which specifically enables CPB "to obtain grants from and to make contracts with individuals and with private, state and federal agencies, organizations and institutions."

Dix recommended further study in following areas: (1) Possibility of govt. interference in PTV program content. (2) Uniform & centralized accounting system for all federal PTV funding, with better inter-agency coordination. (3) Establishment of standards for awarding grants. (4) Role of govt. in advertising. (5) Effect of growth of cable on PTV.

Sen. Magnuson (D-Wash.), chmn. of Commerce Committee, meets Aug. 16 in Seattle with 100 cable operators on pole-attachment legislation. Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee, plans to add legislation on pole fees to Senate-passed CATV forfeiture legislation (Vol. 16:31 p1), and cable men want to make sure pole attachments stay in bill during Senate-House conference.

National CableSystems subsidiary Anderson Cablevision Assoc. has acquired Anderson (S. C.) CATV from Davis Communications. System has 122 miles of plant, passes 7,500 homes, has 2,000 subscribers of whom 900 pay extra for movies. Broker Avpro Inc.

Several major firms will document successful campaigns at Tvb's first corporate advertising workshop Sept. 14, N.Y. Biltmore Hotel. Theme: "The Pressure Upon Business to Explain Itself."

Spring 1976 FCC telephone directories are available (\$1, plus 20¢ postage) from Downtown Copy Center, 1730 K Street N.W., Washington 20006.

"Frankly, I'm frustrated," commented black CPB Dir. Gloria Anderson following 2-day House Communications Subcommittee hearing on EEO enforcement for public broadcasting. It produced much talk but no conclusions on who is ultimately responsible for public station performance. Anderson said that all who testified (FCC, CPB, PBS, EEOC, HEW & Justice Dept.) merely pointed finger at other agencies, said they were doing best they could. However, Subcommittee staffer told us he expected Subcommittee soon would make recommendations to clarify situation—most likely concerning licensing by FCC or funding by CPB. Pres. Henry Loomis claimed that CPB is "a private, non-governmental corporation," and as such isn't able to enforce non-discrimination rules. He claimed CPB differed even from other private corporations in that First Amendment required that CPB be free of "undue government interference" because of its role as "heat shield" between Congress & stations. FCC Chmn. Wiley noted that 87% of full-time public broadcasting station employes were covered by FCC's new EEO reporting requirements, said public broadcasters showed "a continuous trend of increasing minority and female employment."

NCTA Pres. Robert Schmidt asked GOP Platform Committee to include legislation amending Communications Act to establish "clear national policy" on cable TV, pay cable and other broadband communications technologies. "We ask not that we be guaranteed a particular future but only that the government afford the cable industry the competitive opportunity to develop without regulatory constraints unless there is substantial factual evidence that a clearly defined public interest is being harmed," he said. Proposed platform had none of language sought by NCTA or CBS in earlier testimony (Vol. 16:32 p6).

Telephone cigaret commercials in recorded off-track betting announcements on N.Y. intrastate calls have been approved by FCC. In 1972, Commission denied Fonawin Corp. (which provides betting announcements) permission to insert cigaret commercials, saying there's no way to determine intrastate from interstate calls. However, N.Y. Telephone Co. supported new petition on grounds technological developments permit local calls to receive a different message from interstate calls.

TV shows in family viewing (FV) time portray women in stereotyped and "dehumanizing roles," according to study by United Methodist Church. Report said children who watch "adult" programs see more sex & violence "but they also see a somewhat more realistic portrayal of women." Conclusions were based on 19 situation comedies and 25 action shows.

GTE Sylvania has expanded CATV plant in El Paso to 50,000 sq. ft., increasing workforce 60%, CATV Gen. Mgr. David Cowden stating that sales increased 136% in first half and "we're entering the 2nd half with the largest current orderboard in our history."

FM shares in top 10 markets have increased 100% since April 1970 and 10% in last year, according to special Arbitron study. FM shares in Dallas-Ft. Worth (48.5) and Washington (46.2) lead AM listening (45.1 & 44.9, respectively).

PTV SEEKS SATELLITE GO-AHEAD: CPB, PBS, Western Union & 13 PTV stations have filed "lead applications" seeking FCC approval of satellite distribution system for public broadcasting. Filed last week were applications for 13 receive-only earth stations, main origination terminal and satellite interconnection, along with description of total system. If FCC acts favorably, applications for about 140 additional ground terminals will follow, with system completion schedule for early 1979.

"There are risks" in going to satellite distribution, according to CPB Project Dir. William Houser, "but independence has always been a primary goal of public broadcasting." He also cited "ease of growth" (adding additional stations to network), as well as ease of origination from stations outside Washington. CPB Pres. Henry Loomis called use of spare earth station capacity by others "a communications policy question in the lap of the FCC... It is not to be decided by us." He said that even if earth station already existed in PTV station community, "we would expect to build our own in most circumstances."

Meanwhile, FCC granted earth stations for cable use to Grand Junction, Colo.; Morristown & W. Lafayette, Ind.; Ada, Okla. & Auburn, Wash. CPs were granted Casper, Wyo.; St. Joseph, Mo. & Atlanta, Ga. (Latter is for delivery by RCA GlobCom of WTCG Atlanta programming to "unspecified CATV systems." CP for satellite transmission has been applied for, hasn't yet been granted.) Applications: Muscoy, Cal.; Naples, Fla.; Alexandria-Pineville, La. & Newport News, Va. (For details, see CATV Addenda).

Secy. of State Henry Kissinger, CBS Pres. Arthur Taylor and news panel will highlight CBS Radio affiliates' convention Sept. 14-17 in Williamsburg, Va. Among those on news panel are Pres. Richard Salant, Senior Vp William Small, correspondents Walter Cronkite, George Herman, Marvin Kalb, Charles Kuralt, Ed Bradley, Sharron Lovejoy & Bob Schieffer. Other speakers include ex-FCC Comr. Lee Loevinger, CBS Radio Pres. Sam Cook Digges and CBS Washington Vp Bill Leonard.

"Completely sold out" is claim of National Radio Bcstrs. Assn. for exhibit & hospitality space at Sept. 19-22 conference, Hyatt Regency, San Francisco. NRBA Exec. Dir. Abe Voron said there are only 95 booths for manufacturers, that space will be doubled at 1977 convention in Palmer House, Chicago. He added there'll be 47 hospitality suites, expects over 2,000 delegates.

Belgian court has ruled that CATV systems in that country must black out commercials in TV programs originating from another country. Theater owners had filed complaint with court, charging unfair competition. Broadcasting in Belgium is state-owned monopoly with commercials prohibited.

Popular "TV Day" will be resumed Oct. 18 in Atlanta under sponsorship of Ga. Assn. of Bcstrs., will feature FCC panel and "possibly... Jimmy Carter," GAB said. TV engineering session runs concurrently.

TV viewing hit new high in first 7 months of 1976, climbing to average of 6 hours, 14 min., breaking 1973 record of 6 hours, 12 min., for same months, according to Nielsen. Public's loyalty to TV was given as one factor in TvB's revised 1976 revenue estimates: Spot TV \$2.15 billion (earlier estimate \$2.07 billion), up 32% from 1975; network \$2.75 billion (earlier \$2.66 billion), up 19%; local \$1.665 billion (earlier \$1.66 billion), up 25%. Total ad investment in TV is forecast at \$6.565 billion, up 25% from \$5.272 billion in 1975. Despite claims by other media, TvB said, there still are plenty of spot TV availabilities for 3rd & 4th quarters, quoting reps & station groups as indicating no advertiser will be locked out of TV.

"At the [FCC's] earliest opportunity," National Black Media Coalition Chmn. Pluria Marshall has requested 3-hour, en banc meeting with Commission to decide "where we go from here" after FCC rejected most of Coalition's petition on minority ownership, employment & programming (Vol. 16:31 p5). Marshall said Coalition will ask agency to establish citizens' commission to deal with problems, said FCC's action is "a clear indication of the low priority the Commission has attached to the national black communications agenda." Of 62 points in Coalition's petition, only one (privacy in 2-way cable) was ever acted on favorably by FCC over 2-1/2 years, he complained.

"I think the report speaks for itself," FCC Chmn. Wiley told House Communications Subcommittee last week in referring to FCC study on impact of sports anti-blackout law (Vol. 16:24 p3). He said FCC found that law "has had no significant impact on the NFL at this point." However, Wiley declined to state whether Congress should permanently extend law, saying this was judgment Congress must make for itself. Conferees remain deadlocked, at least until conclusion of current congressional recess (Vol. 16:32 p4).

FCC has refused to reconsider Sept. 1975 denial of license renewal (because of fraudulent billing) for United Bcstg. 's WFAB(AM) Miami. Station said that punishment was "an overly harsh and unprecedented penalty" and that Commission had a bias against licensee... KROQ-AM-FM Pasadena asked D. C. Appeals Court to reverse FCC order canceling stations' licenses.

OTP's main focus will be on policy-oriented research efforts, new Dir. Thomas Houser told Concert Music Bcstrs. Assn. last week. To accomplish this, he said OTP has established new mission called "outreach" to put staffers in closer contact "with all the industries involved in communications and with their latest advances in technology."

Starr Bcstg. has sold WCYB-TV Bristol, Va. - Tenn. to Grit Publishing for \$7.9 million cash. Starr said sale is being made to reduce "senior indebtedness and to meet current obligations"; company also is negotiating sale of WLOK(AM) Memphis for \$725,000.

NAB Engineering Vp George Bartlett is seeking papers for March 27-30 engineering conference. Summaries (100 words) are due at NAB by end of Sept.

Personals

Rep. Lionel Van Deerlin (D-Cal.), chmn. of Communications Subcommittee, and Comsat Asst. Vp **Robert Briskman** headline IEEE Bcstg. Group Symposium Sept. 23-24, Washington Hotel, Washington... **Ex-NBC-TV Pres. Donald Durgin** has been removed as pres. of McCaffrey & McCall ad agency after year in post; Chmn. **David B. McCall** also becomes pres. "for the foreseeable future."

Retired CBS Washington Vp **Ted Koop** will receive RTNDA "Paul White Memorial Award" Dec. 15 at convention in Miami Beach; Koop also is ex-pres. of RTNDA, National Press Club & Sigma Delta Chi... **Michael Gursey**, ex-International Creative Management, joins CBS-TV as vp-variety programs, Hollywood, new post; **Neal Pilson**, ex-William Morris Agency, appointed dir. of business affairs, sports.

Christopher Payne, ex-KYW-TV Philadelphia chief engineer and one-time FCC, joins NAB as asst. to Vp for Engineering **George Bartlett**; **Roley Altizer**, ex-Arbitron, named assistant to NAB Research Vp **John Dimling**, succeeding **Russell McKennan**; McKennan's hq was in N.Y., Altizer will work out of Washington.

John Llewellyn promoted to mgr., NBC-TV Eastern TV spot sales; **Brendan Burke** advanced to placement mgr., NBC Personnel... **Sheldon Hoffman**, NBC news services dir., N.Y., appointed news dir., WMAQ-TV Chicago, succeeding **Ed Planer**, transferred to "Today" show... **Richard Tillery**, ex-KETV Omaha, named news dir., Neb. TV Network.

Gus Lucas advanced to assoc. dir., audience analysis, ABC-TV research; **Roy Rothstein** promoted to assoc. dir., mktg. & operations research; **Lance Taylor** advanced to ABC Entertainment program administrator.

Bruce Wilson, Justice Dept. Antitrust Div. senior deputy asst. atty.-gen., reassigned on personal request to be Antitrust Div. senior trial attorney; he's succeeded on acting basis by Special Trial Section Chief **Hugh Morrison**... **Robert Curwin** appointed eastern mgr., Cohu Electronics Div., will head new eastern office: 12 Lido Lane, Bedford, Mass. 01730, phone 617-275-0370.

Michael Hauptman, ABC Radio vp, elected senior vp, new post; **Stanley Simon** promoted to affiliate research dir., ABC TV Planning; **Johnna Levine** promoted to east coast business affairs dir., ABC-TV... **Jon Nottingham**, ex-KHOU-TV Houston, named gen. sales mgr., KOTV Tulsa.

John O'Connell, O'Connell & Co. investment & management firm, named pres., Perpetual Corp. (parent of Evening Star Bcstg.)... **Martin Edelman**, ex-RKO TV Reps, Chicago, named sales mgr., KBHK-TV San Francisco... **Steve Caminis** promoted to news dir., WJAR-TV Providence... **John Murphy**, Avco Bcstg. pres., re-appointed to Board for International Bcstg. for term ending April 28, 1979.

Mike Braker, ex-Avery-Knodel TV San Francisco mgr., joins KMPH Tulare, Cal. as national sales mgr., succeeding **Gary Waller**, now national sales dir., Weiner Group, L.A. program syndication firm...

Thomas Jokerst appointed engineering dir. for Continental Cablevision's Ill. & Ia. systems... **Anthony Esposito**, ex-Empire State Chamber of Commerce, appointed exec. dir., N.Y. State Cable TV Assn.

Carl Anderson, KREX-TV-AM-FM Grand Junction, elected pres., Colo. Bcstrs. Assn.; **Jack Miller**, KCOL-AM-FM Ft. Collins, pres.-elect... **William Ahlstrom**, ex-American U. asst. dean, joins NPR as vp-corp. relations... **Cecile Slagle**, Telecast accounting mgr., promoted to controller, replacing **James Schoonover**, resigned.

Harry Hensman advanced to gen. mgr., Memorex Video Div.; **David Berry** promoted to mktg. mgr... **Bob Curtiss**, BBD&O Syndication Div. sales mgr., appointed CATV local origination programming dir., Telemation... **Howard Goldfarb**, ex-CIC London, named dir. of international sales, NTA.

Thomas Zimmerman, ex-Daconics vp-gen. mgr., named Ch. 100 (pay-cable service) vp-operations... **Ken Page** promoted to vp-gen. mgr., domestic syndication, Columbia Pictures TV.

Patricia Brown & Stephen Bell, assocs. in Washington law firm Wilkinson, Cragun & Barker, become partners; **Charles Appler** named assoc... Air Force Col. **Wayne Kay** named OTP military asst.

John Lynch, Adams-Russell financial vp, named pres. of new Telecommunications Div., consolidating TV & cable operations; **William Henchy** remains dir. of cable, reporting to Lynch... **Donald Schmitt**, ex-Pierce-Phelps, named eastern distributor/OEM sales mgr., Telemation... **Joseph Taylor**, Ohio Valley Cablevision, Glasgow, Ky., resigns from NCTA board as Dist. 9 dir.

Mel Harris, Metro TV Sales research dir., advanced to vp... **Marjorie Bittel**, ex-NBC, joins Blair TV as data systems dir... **Matt Pouls** promoted to sales operations dir., Columbia Pictures TV International... **John Andrews** appointed technical dir., EMI Audio Visual Services Div.; **David Mackenzie** promoted to dir., EMI production company Emison.

"Your remarks... distorted the facts, to say the very least," CBS Washington Vp **Bill Leonard** wrote Sen. **Goldwater** (R-Ariz.) in responding to senator's complaints about commercials during July 4 programming (Vol. 16:31 p7). Leonard said CBS carried only 12% commercials, that revenues "came nowhere near paying for the day's costs of more than \$1.5 million." He told Goldwater "I cannot believe you seriously mean what you said about [becoming a 'dedicated advocate' of] cable. You must be aware that most of cable is simply retransmission of... TV coverage, including all commercials."

Obituary

James D. Cunningham, 76, original FCC staffer when agency was formed in 1934 and who retired in 1969 as chief hearing examiner, died Aug. 9 in Sibley Hospital, Washington. He was named examiner when div. was established in 1947, appointed chief in 1954, presided over many landmark cases—ex-parte hearings, ABC-ITT merger, network program inquiry, CBS "Pot Party" investigation, payola. He was retired Army colonel.

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STATE OF THE INDUSTRY

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

	July 24-30	1975 week	% change	July 17-23	7 months 1976	7 months 1975	% change
Total TV.	304,306	241,882	+25.8	209,357	6,337,102	5,898,187	+7.4
color	171,463	130,575	+31.3	124,778	3,721,501	3,280,054	+13.5
monochrome . . .	132,843	111,307	+19.3	84,579	2,615,601	2,618,133	-0.1
Total radio	1,841,564	1,460,059	+26.1	1,013,417	20,362,694	17,700,105	+15.0
home, portable . .	1,628,071	1,314,683	+23.8	830,878	13,448,746	13,029,108	+3.2
AM-only	563,502	328,144	+71.7	216,627	3,073,276	3,737,359	-17.8
FM & FM-AM . . .	1,064,569	986,539	+7.9	614,251	10,375,470	9,291,749	+11.7
auto.	213,493	145,376	+46.9	182,539	6,913,948	4,670,997	+48.0
Port.-comp. phono. .	84,982	69,921	+21.5	44,907	1,363,256	1,784,818	-23.6

Color TV 5-week moving average: 1976—141,874; 1975—113,098 (up 25.4%).

JAPANESE COUNTER-SUE ZENITH: Japanese TV manufacturers switched to offense in Philadelphia Federal Court last week, submitted plea for permission to file countersuit to Zenith's \$900-million antitrust action which has been in that Court since Dec. 1974. Judge Leon Higginbotham set Oct. 26 for oral argument.

Action was filed on behalf of defendants Hitachi, Matsushita, Sanyo, Sharp, Toshiba & their named affiliates, as well as Mitsubishi International. Not joining in were Mitsubishi Electric, its U.S. sales arm Melco Sales, Sony & Motorola. Latter is included as defendant in case because it sold TV business (now Quasar) to Matsushita.

Japanese charge Zenith with attempting to restrain & monopolize TV trade in U.S., say they will ask Court to determine damages due them, issue injunction to halt further illegal practices by Zenith and take whatever additional action is necessary to restore competition in production & sales of TV in U.S. to lawful level. Zenith said it regards motion "filed almost 2 years after the filing of the Zenith complaint to be a naked effort to delay the date of the trial, and Zenith will oppose it vigorously."

Many of Zenith's illegal acts were accomplished with help from independent distributors & component suppliers, as well as U.S. competitors, Japanese charge. Among specifics, Japanese allege Zenith: (1) Minimizes competition at retail by using price discrimination and other practices to maximize dealer profits and so discourage key dealers from handling other brands. (2) Accepts & encourages discriminatory rebates from parts suppliers, thus lessening competition at factory level. (3) Illegally hinders imports of TV by submitting and "conspiring with others to submit" complaints 'based upon sham, false & misleading allegations & information' about defendants' business practices with Treasury, Customs, International Trade Commission (ITC).

At ITC, Japanese TV producers subject to investigation because of Sylvania's unfair import competition complaint won partial victory when Administrative Judge Myron Renick granted them permission to appeal to full Commission his decision that agency has authority to look into specified allegations (Vol. 16:29 p7). In ruling, however, Renick said appeal must be restricted to question of whether it's ITC policy to probe into possibility of unfair export pricing (dumping) and acceptance of illegal export subsidies, in view of fact ITC's jurisdiction overlaps that of Treasury.

Commission, meanwhile, rejected RCA & Matsushita motions to quash extensive questionnaire ITC staff sent out as part of more sweeping review of Japanese TV business activities in U.S. (Vol. 16:31 p11). Commission said staff would discuss with companies how much of requested data they will supply voluntarily, pointedly noting ITC has authority to compel full response. In related move, law firm of Collier, Shannon, Reel & Edwards told D.C. Dist. Court that research firm Wolf & Co. won't comply with order to turn copies of a U.S. TV industry study over to Japanese. CSR&E said it commissioned study for undisclosed client and content is privileged. Issue is dead unless Japanese seek order to compel delivery.

Japan's growing success in U.S. color market and continuing troubles of domestic industry is spawning ground for major rumors. Latest making rounds, that Rockwell was negotiating sale of all or part of Admiral TV business to Hitachi, was shot down by Rockwell Consumer Products Pres. Charles Urban, who issued flat denial.

IMPORTS BOOSTED FIRST-HALF COLOR SHARE: Record imports surge in 2nd quarter & first half gave foreign producers all-time high shares of color & total TV markets, on new-supply level, our analysis of EIA & govt. data shows. Only unexplained leap in domestic b&w output in 2nd quarter kept imports from setting penetration records all down line.

Import performance bettered that of domestic output in relative (percentage increase) & absolute terms in first half, accounting for 56% of total TV increase in new supply in the period, including 57% of color, 55% of b&w. As result, imports captured 42.6% of first-half TV market, up from 37.7% in same 1975 period. Color share jumped to 26.6% from 14.8%, while b&w penetration slipped to 65.5% from 68.8%.

In 2nd quarter, import color market share jumped to 28.2% from 16.5%, though share of total TV rose modestly to 41.2% from 38.3% while b&w share sank to 60.8% from 71%. In first-quarter 1976, imports held 44.3% share of total TV market, with color at 24.6%, b&w at 70.5%.

In color, share figures don't give full picture, as imports compete only in portable-table area. Excluding consoles & combinations from market leaves imports with 37.4% color share in first half, up from 21.9%, and 39.4% in 2nd quarter, up from 24.5%. As for that leap in domestic b&w production, it's an aberration possibly stemming from U.S. -output wind-up efforts of Sylvania & Magnavox—Sylvania soon will be getting virtually all b&w from Taiwan, while Magnavox is starting to source small-screen b&w from Taiwan & Japan—or it could just be a statistical glitch. In any case, it certainly doesn't herald long-term recovery for U.S. b&w industry and figures should be more normal for rest of year.

Here's how domestic producers & importers performed in first half & 2nd quarter:

U. S. TV SUPPLY—FIRST HALF

	U. S. Produced	% change	Imports	% change	Total	% change
Total TV, 1976.....	3,713,000	+25.9	2,760,000	+54.7	6,473,000	+36.8
1975.....	2,949,000		1,784,000		4,733,000	
color, 1976.....	2,791,000	+20.1	1,010,000	+151.2	3,801,000	+39.5
1975.....	2,323,000		402,000		2,725,000	
b&w, 1976.....	922,000	+47.3	1,750,000	+26.6	2,672,000	+33.1
1975.....	626,000		1,382,000		2,008,000	

2ND QUARTER

Total TV, 1976.....	2,024,000	+33.2	1,416,000	+50.2	3,440,000	+39.8
1975.....	1,519,000		943,000		2,462,000	
color, 1976.....	1,487,000	+20.6	584,000	+139.3	2,071,000	+40.2
1975.....	1,233,000		244,000		1,477,000	
b&w, 1976.....	537,000	+87.7	832,000	+19.0	1,369,000	+39.0
1975.....	286,000		699,000		985,000	

COLOR TV MAKERS SEEN TRIMMING OUTPUT: Despite good color TV sales in July (Vol. 16:32 p7), domestic manufacturers appear to be applying production brakes—representing calculated risk of possible set shortage if business should surge in fall.

Color TV production in July totaled only 471,000 sets, including imports—which could represent as much as half that number. Figure is only 6.8% above production of July 1975, when many plants were shut down 3 weeks instead of normal 2. July is vacation month, and most plants were closed 2 weeks this year. June production (including imports) was up 49.1%, May production up 48.1% from year earlier.

Some manufacturers, such as Zenith (Vol. 16:31 p13), have lowered sales forecasts for year and presumably this is reflected in their production schedules. Median forecast continues to be about 7.6 million sets—and sales to dealers in July came to just above this annualized level using seasonal trends of last 5 years. Year-to-date sales annualize to about 7.44 million. After peaking in May to rate of 8.1 million, sales slipped to 7.9 in June, 7.65 in July.

Sales to dealers in July were nearly 60,000 units higher than production—and factory inventories fell by just about that amount during month, with distributor inventories unchanged. Total factory plus distributor inventories at end of July were about 2.2 million, up 12.4% from year earlier, down just under 1% from end of June. Factory inventories dropped almost 5% during month to 1.19 million, but still were 11.8% above year earlier. At distributor level, inventories stayed at close to 1.02 million during month, but were up 13.3% over year earlier.

Industry researchers express puzzlement over direction color TV market is headed. "There's just no way you can predict it" is common statement. Strangely, console business appears quite good, with some weakness showing up in 19" merchandise. Obviously, some influential manufacturers have chosen to play it safe in terms of production.

For year's first 7 months, color sales are up 13.5% over 1975, monochrome having fallen slightly behind last year (see State of the Industry). Here are EIA's July sales-to-dealers figures for consumer electronic products:

Product	July 1976	July 1975	% change	July 1974
Total TV	900,613	842,972	+6.8	1,011,162
color	527,841	441,540	+19.5	586,780
monochrome	372,772	401,432	-7.1	424,382
Total radio	3,895,659	3,644,429	+6.9	3,199,057
home, portable	3,155,443	3,080,414	+1.1	2,519,957
AM-only	916,628	770,377	+19.0	804,148
FM & FM-AM	2,198,815	2,310,037	-4.8	1,715,809
auto	780,216	564,015	+38.3	679,100
Port.-comp. phono	212,409	236,187	-10.1	316,341

Semiconductor laser pickup for optical videodiscs, developed by Hitachi, is claimed to require smaller power supply and to be 1/20 size of pickup used by Philips disc player. Laser has output power of 0.5 milliwatts, 1/2 of Philips', has reproduced optical disc material 40-db signal-to-noise ratio. Pickup detects auto-focusing signal, tracking signal & image signal with single beam, eliminating mirror & lens systems. Hitachi says its "buried heterostructure injection laser" is directly compatible with MCA/Philips-type videodiscs. Details on state of development and Hitachi's plans for unit were unavailable at press time.

Philco drop-ins: Color consoles at \$580, negative-matrix tube \$620 & \$630. Monochrome sets—AC 8" at \$90, AC 9" at \$100, AC-DC 9" at \$135 (battery \$45 extra), AC 12" at \$100, 19" at \$160. Four stereo consoles with 8-track player are \$290.

Initial shipment of Sanyo V-Cord II home video-cassette recorders to U.S. for Oct. market debut (Vol. 16:18 p9) will total 500-1,000 units, according to Sanyo in Japan. Oct. marketing will be confined to few major cities, including L.A., N.Y. & Chicago, with nationwide sales scheduled 6 months later. At last report, Sanyo & Toshiba each planned production of about 2,000 V-Cord II units monthly. Sanyo also plans 2 new audio products: Microcassette recorder and big-cartridge Elcaset recorder, both for marketing early next year.

Is Magnavox nearing decision on new Philips-styled portable products line? New line, including compact stereo, reportedly would resemble Philips European line, but carry lower price tags. Factory reps have been telling Magnavox dealers decision will come by year end, that line would be produced in Taiwan.

CB MARKET STILL SHAKY: CB industry continues search for signs of stability in wake of channel expansion, but situation remains confused. FCC issued clarifying statement on question of converting CBs from 23 to 40 channels, essentially rehash of comments made earlier by Chief Engineer Raymond Spence (Vol. 16:32 p7). Statement did say FCC "looks forward" to extensive sampling of equipment from every location where CB modification takes place, thinly-veiled warning that new type-acceptance rules covering 40-channel CBs will be rigidly policed & enforced. FCC said weekly bulletins on 40-channel-type acceptances will be issued beginning Nov. 1.

CB retailers apparently aren't being persuaded by FCC clarifications or upbeat statements from manufacturers that market is basically healthy. We sampled retail opinion across country, discovered that vast majority are putting temporary freeze on 23-channel orders—despite bargains being offered by some producers—and putting together inventory-liquidation programs. "Prices are breaking like there's no tomorrow," owner of multi-store electronics specialty chain in Midwest told us. "I've already seen \$68 in this area, and I've been offered a Johnson unit at \$99 cost which used to cost me \$118."

Others recited similar experiences, said orders are being reduced. Buyer for over 150-store chain in South said he has stopped shipments, has ordered all producers not to ship any goods previously allocated to him without telephone check beforehand. "If they send any without asking, I'll send them back." Curious aspect of situation is inability of retailers to determine whether channel expansion has caused drop in sales, primarily due to fact that CB market was soft before FCC decision was announced (Vol. 16:30 p9).

Process of converting to 40 channels is well underway at supplier level. It's estimated Japanese 40-channel exports in 4-month Oct.-Jan. period will hit 3.7 million units, with 23-channel output curtailed significantly by Jan. or Feb. We estimate monthly 40-channel production from major Japan producers beginning in Nov. at: Cybernet 900,000, Uniden 250,000, Interworld Group 170,000. Sanyo is expected to begin producing at 60,000-unit monthly rate in Oct., and Hitachi, Sharp, Toshiba, Mitsubishi & others are preparing for early conversion.

GE says high-end mobile unit (\$210) & base station (\$225) won't be in 23-channel line as planned, will be part of 6-model 40-channel line introduced in Jan. Through first of year, CB line will have 2 mobiles—\$125 & \$150—both set for conversion to 40 channels Jan. 1. Hy-Gain said 7 models in 23-channel line will be "re-manufactured" to 40-channel specs after first of year at \$25 cost to owner, called press conference in N. Y. this week to explain program.

IHF ad hoc show committee will be given tour this week of areas set aside for audio exhibits at McCormick Inn during next summer's CES. Whether new CES plans for audio firms (Vol. 16:30 p10) will head off proposal by dissident audio firms for separate show is uncertain, but spokesman for Charles Snitow Organization says option is being held on Las Vegas Convention Center during week of April 22 for International Audio Exposition, tentatively called AUDEX.

IMPORT IMPACT AID: Labor Dept. rejected import adjustment assistance for ex-workers at Fisher Radio facilities in Milroy, Pa. & Long Island City, N. Y. on grounds firm's sales of U. S.-made products haven't been hindered by imports. LD said production of speaker systems at Milroy plant—Fisher's only U. S. manufacturing operation—doubled in 1974, rose additional 40.3% last year, while sales at plant were up 51.3% in 1974, 4.7% in 1975. Engineering staff cutback stemmed from transfer of HQ from L. I. City to Cal., and shift of some functions to Japan, were not import-related, LD said. Changes at Fisher followed Emerson Electric's sale last year of 50% interest in hi-fi producer to Japan's Sanyo.

While approving aid for former color TV workers at Quasar (formerly Motorola) Quincy, Ill. plant (Vol. 16:32 p10), LD said it was turning down similar help for those who once produced b&w TV & auto radios & tape players at now-closed facility. LD said it couldn't find necessary link between imports and decision to close plant as it related to those products. Quasar consolidated all TV production at Franklin Park, Ill. in Sept. 1975, while Motorola, which was leasing space in plant it once owned, pulled out of Quincy last May. LD noted Quasar's over-all color production dropped 34% in 1974, slipped 23.3% last year, indicating market share dropped steeply in 1974, recovered modestly in 1975.

Game Plans: FCC extended new restrictions on access to information from lab (see below) to press, will no longer give weekly rundown on game approvals over phone. Earlier, lab said Fairchild VES game was still undergoing tests and approval apparently didn't come last week... Telepalette is new game which permits user to doodle, draw pictures on screen. Color unit will be priced in \$100-\$150 range, has been submitted to FCC, is produced by Teleplay Co., Sacramento... N. Y. Supreme Court ruled against Fairchild in complex legal hassle with GI over F8 microprocessor used in Fairchild game. Fairchild is expected to appeal ruling, which came during hearing on disposition of legal issues. GI alleges idea was pirated to Fairchild by former GI employee, after GI purchased design & concept from Olympia Werke, German business machine producer.

Don't drop in without appointment, FCC's Laurel, Md. lab advises. Due to increased workload caused by CB, video games and other new products brought under Equipment Authorization Branch, visits in connection with pending applications must be pre-arranged, will be limited to 20 min. Applicants also are being urged not to phone for information on status of products being tested. Lab visits can be arranged by writing Box 40, Laurel, Md. 20810 or phoning 301-725-1585. Applicants will be contacted if questions or problems arise with products submitted.

Telephone standards committee, headed by Gordon Orelli (GTE), has been formed by EIA Communications Div. Group will develop voluntary standards for all types of telephone devices.

Advent has been granted patent for LightGuide projection TV tube used in VideoBeam.

JAPAN'S HALF: While recovery in Japanese exports to U.S. was most spectacular in TV & CB (Vol. 16:31 p10), substantial gains also were posted by most audio products in first half of year, Finance Ministry reports.

Total radio exports for 6-month period leaped 231.9% to over 5 million, paced by 590% gain for auto radios. In home radios, total shipments rose 45.7% to 1.45 million, with major increases for FM models (excluding clock), which rose 35.3% to just under million, and AM-only. Total phonos were up 321.6%, with 100-fold gain shown by phono-only units, as radio-phonos rose 47% to 180,000. Total audio tape hardware exports climbed 22.9% to 5.9 million; automotive players rose 25.1% to 1.14 million, other types 22.4% to 4.77 million. Here are details:

JAPANESE EXPORTS TO U.S.

	First Half 1976	First Half 1975		
	Units	Value(\$)	Units	Value(\$)
Total TV	1,794,526	249,480,096	615,233	75,455,567
color	1,157,533	210,861,960	383,866	71,363,627
b&w.	587,928	35,005,563	231,367	4,091,940
chassis, kits.	49,065	3,612,573	—	—
Radio-phonos, stereo	16,559	1,497,176	67,556	6,170,376
Radio-phonos, mono.	163,060	10,979,640	54,519	1,023,876
Radio-rccrds. &				
other comb.	1,484,948	61,052,116	1,850,089	79,455,976
Auto radios.	3,556,530	131,101,043	515,133	12,931,657
Clock radios.	284,395	6,022,466	203,766	4,551,359
Radios, AM	161,231	2,277,036	49,452	380,393
Radios, FM	397,524	13,567,496	738,612	52,824,167
FM hi-fi rccrds. &				
tuners*.	602,011	75,743,820	—	—
CB trcvs., under				
100mw.	270,507	1,364,473	645,496	2,096,202
CB trcvs., other	6,310,864	336,756,303	1,113,170	61,075,914
Phonos.	350,615	19,524,096	3,696	16,143
Tape players, auto, cart.	741,155	12,325,370	912,848	16,297,732
Tape players, auto, other*.	400,807	8,432,710	—	—
Tape rccrds., reel.	45,082	2,355,386	21,120	2,009,174
Tape rccrds., cass. 1.	1,828,889	49,826,173	1,257,074	34,772,640
Tape rccrds., cart.	620,144	11,904,363	303,559	6,280,328
Tape decks, audio	793,680	52,454,823	488,024	31,765,150
VTR*.	40,621	28,196,183	—	—

*Not reported separately in 1975.

Ad notes: Meriton appoints David Hargreaves Ltd., N.Y., replacing Henderson & Dapper... Sanyo switches account to Keyes, Martin, Springfield, N.J., from Nathanson Inc., L.A... Gutzmer International appoints George M. Drake & Assoc., Northfield, Ill., for Handifone cordless telephone & Minifone pocket telephone lines... GE plans fall network TV campaign for TV-band radios, will promote VIR-control feature of color line in regional spot TV & magazine campaigns. GE says it's doubling ad outlays for TV this year... First Dimension (video games) appoints Daniel Roher Inc., N.Y., for PR.

"What's all the fuss about?" asks GE spokesman, referring to Sylvania money-back program on GT-Matic color sets (Vol. 16:32 p11). GE has had money-back promotion in effect since May on VIR 19" & 25" color sets. Provisions: If customer is not completely satisfied with set after 30 days, participating dealer will refund purchase price in full. Offer expires Dec. 31.

Trade Personals

Richard Osgood shifts from Sylvania Components Group to recently formed Consumer Electronics Products Business as planning & business development vp; Robert Pressley, ex-Allied Chemical & one-time RCA Labs, named laser applications mgr., Sylvania Electro-Optics... Robert Eggert, retired RCA staff vp & chief economist, forms Eggert Economic Enterprises to publish Blue Chip Economic Indicators newsletter (Box 1569, Sedona, Ariz. 86336)... Eric Schimmel, ex-NAM & Motorola, named head of Masco Washington office to represent Royce (CB) & Electra (scanner) Divs.

Walter Goodman advanced at Harman International from vp to senior vp, retains responsibility for International Div... Kenjiro Ito resigns as pres. of financially-troubled Crown Radio (Japan), succeeded by Managing Dir. Yojiro Suekado, appointee of Dai'e'i, Japanese retail chain, Crown's major shareholder... Olin Lippincott appointed Midland International mktg. services vp.

Dennis Barnhart appointed consumer & calculator product business dir. in realignment of Rockwell Microelectronics Div. Other business dirs.: Daniel Del Frate (Modems); Andrew Beall (Automotive), Al Secor (Microprocessor)... Albert Schadlick promoted at Litronix Component Products Div. from distributor sales mgr. to national sales mgr., succeeding Nels Johnson, new CPD vp... Marshall Bartlett, GI vp, named acting pres. of GI International (Japan), succeeding Richard Adler, resigned; Everett Meserve, ex-Bunker Ramo, appointed mktg. mgr. for GI's Chicago Miniature Lamp Works.

Ted Inahara leaves post as Superscope national sales mgr... Caroline Nemser, Radio Shack mdse. controller, named vp... Shelly Lasko, ex-Shelly's Audio (retail chain), joins Wald Sound as national mktg. dir... Jules Rubin appointed Jensen Sound Labs eastern sales mgr., succeeding Peter Fredericksen, who retains midwest; Lee Wilson named customer service mgr., new post.

Harry Hensman appointed Memorex Video Div. gen. mgr.; David Berry named mktg. mgr... Charles Trausch, ex-Capitol Magnetics, named Audio Magnetics midwest mgr... Jerry Borros promoted at Wabash Magnetics to quality assurance vp, new post; Frank Miller named chief design engineer... W. Paul Tippett, onetime Philco-Ford Home Products mktg. dir. & Ford vp, resigns as STP pres. to become Singer exec. vp & Sewing Products Group pres.

Eugene Porto advanced at International Electronics from exec. vp to pres., succeeding Benjamin Grossman, now chmn.; Herbert Brody named treas... Georgene Berglund advanced at National Semiconductor to Consumer Products Div. PR mgr... Abbe Cohen, ex-Zayre & one-time Webcor, forms New England rep firm, Michael Jared Assoc.

Sony confirmed in Tokyo our report of last week that it is developing longer-playing cassettes for Betamax (Vol. 16:32 p9)—in 2- & 3-hour versions. However, it said they wouldn't be ready in time for start of Sony/Paramount Home Entertainment Center recorded tape market tests due in 6-12 months.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Allied Artists Industries 1976-qtr. to July 2	14,176,600	378,700 ^a	.05
1975-qtr. to June 28	14,477,700	(49,000) ^a	--
Downe Communications 1976-6 mo. to June 30 ^b	63,178,000	9,391,000 ^a	1.76
1975-6 mo. to June 30 ^b	52,081,000	1,392,000 ^a	.25
1976-qtr. to June 30 ^b	30,643,000	9,070,000 ^a	1.70
1975-qtr. to June 30 ^b	25,872,000	142,000	.02
Doyle Dane Bernbach 1976-6 mo. to June 30 ^b	30,058,000	2,795,000 ^a	1.54
1975-6 mo. to June 30 ^b	26,445,000	1,771,000	.98
1976-qtr. to June 30 ^b	16,928,000	1,846,000	1.02
1975-qtr. to June 30 ^b	14,436,000	1,488,000	.82
Foote, Cone & Belding Communications 1976-6 mo. to June 30	31,540,000	2,299,000	.99
1975-6 mo. to June 30	27,595,000	1,462,000	.69
1976-qtr. to June 30	17,171,000	1,700,000	.73
1975-qtr. to June 30	15,156,000	1,289,000	.61
Grey Advertising 1976-6 mo. to June 30	28,306,000	1,614,000	1.46
1975-6 mo. to June 30	23,906,000	1,047,000	.87
1976-qtr. to June 30	15,952,000	1,222,000	1.19
1975-qtr. to June 30	12,802,000	888,000	.74
ITT 1976-6 mo. to June 30	5,618,244,000	316,259,000 ^a	2.55
1975-6 mo. to June 30	5,497,129,000	206,129,000 ^a	1.66
1976-qtr. to June 30	2,925,004,000	196,967,000 ^a	1.59
1975-qtr. to June 30	2,858,962,000	99,515,000	.80
Lloyd's Electronics 1976-qtr. to June 30	17,041,000	(269,800)	--
1975-qtr. to June 30	15,924,000	(302,600)	--
Curtis Mathes 1976-year to May 31 ^b	38,623,749	1,943,816 ^a	.66
1975-year to May 31 ^b	32,018,318	232,461 ^a	.08
MCA 1976-6 mo. to June 30	372,293,000	44,253,000	2.54 ^c
1975-6 mo. to June 30	338,126,000	35,230,000	2.03 ^c
1976-qtr. to June 30	155,174,000	20,367,000	1.17 ^c
1975-qtr. to June 30	162,915,000	19,854,000	1.14 ^c
Meredith 1976-year to June 30	192,407,000	14,100,000 ^a	4.60
1975-year to June 30	161,476,000	6,258,000 ^a	2.08
1976-qtr. to June 30	49,697,000	2,803,000 ^a	.91
1975-qtr. to June 30	38,406,000	1,369,000 ^a	.45
Movielab 1976-6 mo. to June 26	13,470,401	342,220 ^a	.24
1975-6 mo. to June 28	11,352,714	305,698 ^a	.22
1976-qtr. to June 26	7,337,480	120,462 ^a	.08
1975-qtr. to June 28	5,959,667	121,697 ^a	.09
Pemcor 1976-qtr. to June 30	25,037,705 ^d	485,561	.24 ^c
1975-qtr. to June 30	20,306,516	114,469	.06 ^c
SBE 1976-9 mo. to July 31	26,835,000	2,464,000	2.60
1975-9 mo. to July 31	8,679,000	713,000	.93
1976-qtr. to July 31	10,100,000	940,000	.94
1975-qtr. to July 31	3,277,000	251,000	.33
Sonderling Bcstg. 1976-6 mo. to June 30	13,889,000	946,000	1.30
1975-6 mo. to June 30	11,912,000	565,000	.78
1976-qtr. to June 30	7,955,000	757,000	1.04
1975-qtr. to June 30	6,513,000	472,000	.65
Times Mirror 1976-6 mo. to July 11	473,913,000	31,360,000	.93
1975-6 mo. to July 13	381,744,000	17,680,000	.52
1976-qtr. to July 11	271,710,000	19,822,000	.59
1975-qtr. to July 13	220,229,000	10,227,000	.30

Company & Period	Revenues	Net Earnings	Per Share
Trans-Lux 1976-6 mo. to June 30	5,610,422	192,952 ^a	.10
1975-6 mo. to June 30	4,723,849	(187,121)	--
1976-qtr. to June 30	2,980,242	111,411 ^a	.06
1975-qtr. to June 30	2,340,011	(87,265)	--

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

^dFrom continuing operations.

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U.K. color market was down 25% in first half 1976 to 613,000, as factory sales of domestic-made sets dropped 23% to 534,000 and imports slipped 36% to 79,000, BREMA reports. In b&w, total market rose 10% to 490,000 as 19% drop in domestic-made sales to 222,000 was offset by 55% jump in imports to 268,000. As result, import share of color market dropped to 13% from 15% in same 1975 period, while b&w share rose to 55% from 39%. Other market totals for period: Audio systems 259,000 (down 24%), phonos 71,000 (down 31%), radio-phonos 20,000 (down 62%), radios 1.57 million (down 30%).

Obituary

Leonard C. Truesdell, 73, retired Zenith mktg. exec. vp & Zenith Sales Co. pres., died Aug. 3 in Bellaire, Mich. He joined Zenith in 1949 as vp-sales mgr. after holding posts at Hotpoint, Bendix & Frigidaire. He was known for crusty admonitions to competitors against "getting down into the [price] gutter," was significant contributor to Zenith's rise to leadership. Survivors include wife, sons Leonard & Bruce, latter pres. of Truesdell Distributing (Zenith), Omaha.

Jane Temple, 64, Zenith asst. mgr., consumer information, died Aug. 6 after long illness. She joined Zenith in 1948 as PR writer. Mother survives.

WEEKLY

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AUGUST 23, 1976

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Broadcast

TV DEBATES ON; CONVENTION COVERAGE: Ford & Carter 'eager.' Sept. 28 suggested for first of 3 sessions. Kansas City logistics good for TV-radio, but delegate hoopla forces late hours for major events. Nessen criticized. (P. 1)

ENTERTAINERS ASK END to FV 'censorship.' Hearing termed 'predictable,' politically motivated. Producers & writers admit violence is problem, propose artistic community work out solution on incident-by-incident basis. (P. 3)

CANADA STANDS FAST on tax law disallowing deduction for Canadian ads in U.S. media, but sets further discussions on cable ad deletion. (P. 4)

PTA ANTI-VIOLENCE PLAN: National Congress of Parents & Teachers organizing nationwide series of public hearings, 'action plan.' (P. 5)

ARMED SERVICES given okay to use paid broadcast ads for recruitment, expect to spend \$8.5 million in year beginning Oct. 1. (P. 5)

POLE LEGISLATION ADVANCES: Bill to be introduced in House this week; Van Deerlin & Wirth optimistic on House passage. Magnuson 'sensitive' to industry's needs. (P. 6)

TV DEBATES ON; CONVENTION COVERAGE: The big TV news of GOP convention came at very end, when President Ford announced he's ready to debate Carter. Before that, convention coverage benefited from tight Ford-Reagan race and good Kansas City logistics. Broadcasters' efforts were diluted, on other hand, by delegate-demonstration delays pushing important developments into late hours—as late as 3 a.m. in East.

Suggested date for first Ford-Carter debate is Sept. 28, in St. Louis, under aegis of League of Women Voters. League proposes 2 more, in Oct., in unidentified cities, plus a Mondale-Dole face-to-face. Networks, of course, all said they'll carry debates; they've been trying unsuccessfully for such confrontations ever since 1960 Kennedy-Nixon series.

Since League is sponsoring debates, FCC has said they're exempt from Sec. 315 equal-time rules, coming under "bona fide" news. Late last week, CBS renewed effort to get Sec. 315 lifted entirely, wiring congressional leaders; elimination or suspension of 315 would give broadcasters broad latitude in covering presidential & vice presidential appearances—without having to give same attention to Vegetarian, Gay and similar candidates.

Format of debates will undergo hassle—if 1960 experience is prologue. There were four 60-min. sessions—on Sept. 26, Oct. 7, 13 & 21. Two featured face-to-face debates; in other 2, candidates were questioned by 4 reporters (2 broadcast, 2 print), and a network correspondent moderated. Each candidate had 2-1/2 min. to respond to each question, plus 1-1/2 min. to

Consumer Electronics

RCA TRIMS PRICE on 19" color, offers new leader at about \$388, broadens margin on ColorTrak 19", lowers starting point \$30. Quasar drops \$20 to \$400 for 19", unveils new 15" leader. (P. 7)

HOME VTR BATTLE shaping up in Japan with playing time main issue. Sony insists it will stick with Betamax. Matsushita admits interest in new JVC 2-hour system. (P. 8)

CB SALES DATE for 40-channel models coming under fire from suppliers who want FCC to advance shipping timetable. FCC may clarify position this week. (P. 9)

TV GAMES FACE potentially stormy fall as would-be producers woo retailers with tales of plentiful supplies, low prices. Discounting already started. Coleco unit going for under \$50. (P. 9)

GE & JVC RUN AFOUL of Bureau of Radiological Health. Agency rejects GE bid for exemption from 36,000-microwave oven recall. JVC modifying 5,000 19" color sets to eliminate X-ray potential. (P. 11)

WARRANTY ACT RULES: FTC offers batch of proposed interpretations, sets Sept. 15 deadline for comments. Manufacturer can't require return of registration card, use of designated servicer. (P. 11)

comment on response of opponent. Audiences & reactions were tremendous, with repeats, film shipments all over world, etc.

(Networks vied, naturally, for largest audiences during simulcasts. They argued, too, as to which network first suggested series, called "Great Debates." There was considerable discussion about allowing commercials—finally rejected. And one big complaint about first session was that cameras showed only backs of heads of correspondents; they faced camera thereafter.)

* * * *

At GOP convention last week, networks & stations were happy with Kansas City. "It was 100% better than New York," one told us. "The logistics helped, but we also had the Reagan-Ford question here... This was a non-media convention; it killed future gavel-to-gavel coverage." Cox Bcstg. Vp Thomas Frawley said GOP convention "was much easier to cover than N.Y. because there were more stories to follow... We had a very congenial atmosphere with the Republicans."

Frawley's sentiments were echoed by networks and other group newsmen. CBS News Washington Vp Sanford Socolow said Kansas City was "sensationally better than N.Y. in every way." NBC News Pres. Richard Wald said network had no serious problems, just "continuing irritating ones... Nothing worth talking about... It was very easy to cover the town and move about." ABC News Pres. William Sheehan said that Kansas City was much better than N.Y., that "we have nothing to cry about."

Only exceptions were CBS & NBC complaints, along with those of some stations and groups, about treatment by Ford's people, particularly nomination night when TV reporters first were denied entry to Ford's hotel suite—finally were given only a 10-min. pool. (Note: Newspaper reporters supported TV on this one, refusing to cover Ford when they first were granted access and TV wasn't.)

"The Ford [press relations] situation is a disaster," Socolow said. "We had no similar problems with Reagan's people." Wald said Ford placed restrictions upon media, "none of which made us happy." NBC News Vp Richard Fischer said major complaint of media was lack of information from White House News Secy. Ron Nessen. "Ron has been away a lot, eating & drinking, and his lackeys can't speak for him," Fischer said.

Vice Presidential nominee Robert Dole, senator from Kan., is well known and well liked by broadcasters. He has been active on broadcasters' side on nearly all major issues. "He'll be a very knowledgeable voice in the White House and we'll be able to get him to listen to us," network vp told us. Dole's wife of 8 months, Elizabeth Hanford, is member of FTC, and White House lawyers have concluded that she wouldn't be required to resign if Dole is elected.

Dole is very close to former FCC Comr. Robert Wells, recently pressed for latter's appointment as OTP dir. Wells' son Kim is Dole's legislative asst. Dole also was friend of Grover Cobb, late NAB senior exec. vp.

Broadcaster opposition to Democratic presidential nominee Jimmy Carter's comments about violence on TV (Vol. 16:33 p1) arose in Kansas City. NAB Radio Vice Chmn. Donald Jones—alternate delegate from Wis.—said NAB is trying to arrange meeting between Chmn. Wilson Wearn and Carter. "I was literally shaken by what he said and how he said it," Jones told us. "I find it very scary... He wants to be the nation's program director." Other broadcasters in Kansas City expressed similar views although they didn't want to be quoted. (Note: CBS Washington exec. Roger Colloff will resign post to work in Carter campaign. Colloff worked for Democratic Vice Presidential nominee Sen. Mondale (D-Minn.) before joining CBS 10 months ago.)

Jones was sole broadcaster we found playing official role in Kansas City and he told us that he's very concerned that industry principals don't play greater role in politics. He said that delegates were very surprised to learn that he was in broadcast management, that they were "so enamored with TV personalities," that they were surprised to see broadcast exec. on floor

in official role. He feels broadcasters are well equipped to get involved in politics on local level, said: 'I'll very definitely bring it to the attention of my colleagues on the NAB board.'

Along with networks, individual and group broadcasters were happy with facilities, logistics and over-all goodwill in Kansas City. Frawley and WGN Continental's Bob Foster had particular praise for work of staffer of TV-radio correspondents' galleries, in charge of issuing credentials, floor passes, etc. House Supt. "Mike Michaelson and his crew have done a hell of a job," Foster said. Michaelson said only problems were logistics (work hall 100 yards from Kemper Hall) and shortage of floor passes (50 fewer than in N.Y.).

Broadcasters are upset by plank in platform stating: "Citizen action should let the television industry know that we want it to curb violence in programming because of its effect on our youth." Platform also endorses copyright payments for performers, as does Democratic platform. Among GOP convention sidebars:

(1) NBC Washington exec. Robert Hynes, former House Rules Committee minority counsel, took leave to serve as convention assistant sergeant-at-arms.

(2) Police problems were minimal. There were demonstrations by Jesus people, yippies, and homosexuals—but no major confrontations. However, there were shouting matches between gays and Jesus people in separate wired-off compounds 100 yards from convention hall.

(3) Indiana chmn., in announcing a vote, noted that state is home of Indianapolis Speedway "and the future home of the retirement of Senator Vance Hartke."

(4) Ford campaign committee—near its spending limit of \$10.3 million—saved money by putting 2-3 staffers in each hotel room. "There just wasn't enough money to do a good job in Kansas City," White House staffer told us.

(5) ABC's Bob Clark scooped NBC and CBS by several minutes with announcement that Dole would be vice presidential nominee.

(6) Among happiest in Kansas City were cab drivers, who told us income from conventioneers had doubled. One said it went up from \$50 a day to \$100; another, from \$65 to over \$130.

END TV 'CENSORSHIP'—HOLLYWOOD: Representatives of west coast TV industry had their say on family viewing (FV) and TV violence last week before House Communications Subcommittee's 2-day L.A. hearing—and they amplified their well-known views.

Writers, producers, actors, et al. alleged FV was result of govt. "censorship" through FCC pressure on networks, insisted that TV would be less violent and better if program judgments were left to artistic community—to be worked out between broadcaster & producer, or among producers, directors, writers & actors.

Question of whether hearing was "stacked" against pro-FV position—as broadcasters charged (Vol. 16:32 p1)—persisted in hearing. Chmn. Van Deerlin (D-Cal.) & Rep. Waxman (D-Cal.) lamented that networks declined to testify because of L.A. FV court suit, said this created "gap" in hearing. Waxman said he intended to "fill the gap" even if he had to subpoena network testimon

CBS Washington Vp Bill Leonard, who attended as observer, commented: "The hearing was predictable. It was a replay, without the legal procedures, of the L.A. trial. At the last minute, there was an effort to make the hearing fairer. But let's be frank, an important part of Rep. Waxman's constituency is the Hollywood so-called creative community. There was no pretense that this hearing would lead to any legislation, so why hold the hearing?"

Charges of unfairness extended outside hearing room. Some 30 pickets brandished signs such as: "TV Producers: Stop Teaching Our Kids to Kill" and "The Family Needs the Family Hour." Van Deerlin offered to keep hearing in session "as long as necessary...to hear anybody who wants to be heard."

Few witnesses denied there's a lot of violence on TV, but they differed on how to reduce it. Allen Burns & Grant Tinker, producers of Mary Tyler Moore Show, said networks' FV standards are vague & subjective, said they preferred to work out problems with networks and broadcasters on one-to-one basis without intrusion of FV. Said WGA's Larry Gelbart: "Bad taste in

limited quantity is preferable to the status quo." Producer David Gerber said he didn't think violence was problem because networks were "tough enough" about excessive violence before FV. Producer Norman Lear called FV "a cancer on the creative process," hit network "hypocrisy" in soliciting "action shows" while "throwing a bone" to public by implementing FV. He said vagueness of FV standards caused network officials to make unreasonable judgments, fearing superiors' reactions. He said networks refused to testify because they were unable to defend FV.

Producer David Levy, of "The Caucus," hit FCC private meetings with networks leading to industry adoption of FV. Waxman picked up on Levy's charge, asking former FCC Chmn. Rosel Hyde—appearing for Bonneville Bcstg. in favor of FV—whether he ever had private meetings while at FCC, whether Chmn. Wiley's conduct in FV negotiations surprised him. Hyde said he didn't recall any private meetings, declined to answer 2nd question, saying he didn't have all the facts.

Thomas Elmendorf, past pres. of Cal. Medical Assn., called TV "a school of violence and a college of crime." He noted that AMA had recently called TV violence "a major health threat" (Vol. 16:27 p5), but admitted that psychiatrists were the only AMA group which didn't support anti-violence resolution because they believe evidence of TV's effects on health isn't conclusive. Fred Williams & Gerhard Hanneman, USC Annenberg School of Communications, presented local survey on FV which concluded that more families are watching TV together since beginning of FV, but that FV had no significant impact on children's viewing habits. Waxman concluded this meant that FV was PR success but little else.

UCLA's Geoffrey Cowan suggested increasing children's programming during prime time, installation of "lock" enabling parent to shut off set, to decrease TV violence. SAG Pres. Kathleen Nolan and producer Gene Roddenberry said that pay TV—if it offered increased choice to viewers—also would decrease violence.

There's still too much violence, in opinion of some FV supporters—Phyllis Roberts, of Cal. American Mothers, and Frank Orme, of National Assn. of Better Bcstg. They want it reduced—through govt. or private action.

Group of 18 senators led by Commerce Chmn. Magnuson (D-Wash.) apparently failed last week in attempt to force confrontation between Canadian External Affairs Secy. Allan MacEachen & U.S. Secy. of State Kissinger on Canadian policy toward U.S. border TV stations (Vol. 16:31 p3). Senators attempted to make Canada & U.S. combine talks on recently-passed Canadian legislation disallowing tax deduction for Canadian ads placed in U.S. media with problem of deletion of U.S. ads by Canadian cable systems. Following day-long session with Kissinger, MacEachen told reporters that tax measure "has already passed both Houses of Parliament. It's the law of Canada... There is no intention on the part of the Canadian Govt. to amend that law." MacEachen said he was aware that group of U.S. senators had threatened boycott of Canadian films, records & TV programs, said he saw "no immediate danger" of damage to Canadian TV industry. As for cable ad deletion, he said he & Kissinger "agreed that it would be useful to have a further discussion on this," said U.S. & Canadian representatives would meet on issue in late Sept. or Oct.

"Busy" signal tariff—charging public for incomplete calls in call-in programs—would bring in \$1,253,000 yearly but cost phone company only \$257,000, according to petition filed by ABC before N. Y. Public Service Commission. ABC seeks rejection of tariff or suspension and hearing.

Ohio & Mich. TV stations are analyzed—in programming & employment—in first of state-by-state reports planned by National Citizens Committee for Bcstg. Report ranks stations according to time programmed in news, public affairs & other non-entertainment material and according to minority & women employment. Study notes: "It appears that licensees in states with a history of [license] challenges make a greater effort to improve their performance than stations in states without such a history. An overview of Ohio & Michigan stations supports this premise since stations in Michigan (a high citizen activity state) look better in employment and programming than their Ohio neighbors." For copy: NCCB, 1346 Connecticut Ave. NW, Washington, D. C. 20036.

Optical fibers have been in use at Rediffusion's Hastings, England, cable system since March, according to Corning, which furnished fibers to cable-maker BICC Telecommunication Cables Ltd. Fibers are used in 4,700-ft. segment of system. According to Charles Lucy, gen. mgr., Corning Telecommunications Products Dept., fibers "right now are competitive" with conductors in high quality cable, at \$1 per meter. He said Corning is prepared to take orders at 10¢ per meter, and price will come down to "a few pennies per meter" as volume increases—making it competitive with ordinary copper pairs.

PTA ANTI-VIOLENCE PLAN: National Congress of Parents & Teachers (PTA) will unveil in next week or 2 a year-long program designed to pressure broadcasters into reducing TV violence. Organization has 6,620,000 members in 33,364 units, and program contemplates enlisting members in program monitoring, letter-writing, possible boycotts, legal actions and personal visits to govt. officials, stations, networks & sponsors.

Project has 3 phases: (1) Leadership seminar beginning Sept. 27, with briefing by researchers, industry representatives, advertisers, etc., and selection of 9-member PTA commission to direct rest of project. (2) Public hearings in each of PTA's 8 regions—Pittsburgh Nov. 30, Chicago Jan. 11, Atlanta Jan. 18, Minneapolis Jan. 25, Dallas Feb. 1, Portland, Ore. Feb. 8, Boston Feb. 15, L.A. Feb. 22. (3) Development of action plan, training program and instructional materials.

Though plan hasn't been finalized, among possibilities being considered are: Training parents to monitor children's TV viewing—with their judgments to be compiled for publication on local or national level; formal program-rating system offered for publication in newspaper & magazine program schedules; local and national boycotts of programs and sponsors' products; individual and group visits to stations, networks, sponsors & govt. officials, and letter-writing campaigns. Project's organizers also contemplate license challenges, formal complaints to FCC, litigation against stations charging that programs harm children's health.

"It's going to be a whole new ballgame," according to Project Dir. William Young, pres. of Urban Dynamics, educational consulting firm, Oak Park, Ill. "The training sessions, especially, involving the PTA's over-32,000 organized local units, will make a significant impact. We're going to educate the parents in all the possible legal and social remedies available to them in our society." Young, who designed project at request of National PTA Pres. Carol Kimmel, told us he also has "a personal interest" in project: "I believe because of the evidence I have seen that TV is having a negative impact on children. I've seen a lot of reports, but nobody is really doing anything." Young formerly was Chicago State U. dean of education, and he produced several Chicago radio & TV education programs.

Kimmel has been communicating by letter with networks and NAB TV Code Authority since end of 1975, following adoption by National PTA at 1975 convention of resolution demanding reduction in TV violence. In response, networks described their efforts, outlined research programs, explained family viewing concept. CBS asked Kimmel to meet with network execs. to discuss matter. NBC urged parental control of children's viewing. ABC explained how network's research findings taught how to mold portrayals of violence "to emphasize justice...and the maintenance of order." Following exchanges of letters, Kimmel wrote PTA board of managers that she had concluded project was needed because, "although the networks regret our unhappiness with their programs, they feel that they are obeying the rules in TV programming, and that nothing is going

to change soon." PTA doesn't consider family hour concept "a sufficient response because children are watching TV all the time," Young explained. "It's not even a palliative."

Cost of project for year is estimated at \$111,300. Chicago Mayor Richard Daley has promised to raise \$50,000 from his own sources—not city money. Kraftco has pledged \$5,000, McDonald's \$3,500, International Minerals & Chemical \$1,000, Chicago Bridge & Iron Foundation \$250. What happens at end of year "depends upon whether the recommendations—if implemented—can ultimately effect positive changes in programming, be feasibly supported by the National PTA, meet the needs of PTA membership, and concur with the PTA's philosophy and goals," according to PR Dir. Sandra Fink.

Armed services have been given permission by Defense Dept. to use paid broadcast advertising for recruiting. While broadcasters long have offered free time for recruiting spots, Congress barred funds for paid broadcast ads in fiscal 1972, reportedly because all of \$6 million spent in fiscal 1971 went to networks, angering small broadcasters (Vol. 14:24 p5). Though congressional ban expired, policy continued. In explaining reversal, Defense Dept. said free ads weren't aired during most effective times of day, while paid ads will be shown during hours with largest audiences of potential recruits. Services are expected to spend \$8.5 million on broadcast ads in year beginning Oct. 1.

Kaiser Bcstg. revenues for 2nd quarter 1976 increased to \$11,654,000 vs. \$6,072,000 year earlier, \$7,595,000 in 1976's first quarter, according to financial report to stockholders. Parent Kaiser Industries' 77.5% interest in Kaiser Bcstg. 's 2nd-quarter pre-tax earnings "increased significantly" to \$3,316,000 compared with earnings of \$545,000 for first quarter 1976, loss of \$412,000 for 2nd quarter 1975, firm reported.

Black TV audience viewing patterns in 15 markets are being analyzed by Arbitron, will be reported soon. They cover N.Y., L.A., Chicago, Philadelphia, Detroit, Washington, Atlanta, Baltimore, New Orleans, Norfolk area, Birmingham, Richmond, Jacksonville, Baton Rouge.

Wometco has bought 3 S.C. cable systems for \$750,000 from Davis Communications: Georgetown (1,900 subscribers), Lake City (1,200), Bishopville (500). Broker: John H. Vondell Jr. Davis recently sold Anderson, S.C. system (2,000 subscribers) to Anderson Cablevision for \$500,000.

July network TV expenditures were \$208.8 million, up 40.3%, according to Tvb-BAR. ABC-TV Olympic coverage contributed substantially to increase. For 7 months, network total was \$1.6 billion, up 21%.

NCTA "Blue Ribbon" committee has been formed to review over-all Assn. policies, dues, membership. Robert Hughes, CPI, heads 15-man group; staff liaison are Thomas Wheeler & Wally Briscoe.

Personals

FCC Chmn. **Richard Wiley** speaks on "The Year Ahead at the FCC" to Sept. 9 IRTS Newsmaker Luncheon, Americana Hotel, N.Y....**James Donaghy** promoted to ABC TV systems dir., new post; **John Monarch** to production administrator for west coast tape production operations & administration; **Jo Ann Emmerich** appointed east coast daytime programs mgr., ABC Entertainment.

Bridget Potter assumes expanded responsibilities as east coast prime time development dir., ABC Entertainment; **Joseph Cohen** promoted to eastern sales mgr., ABC TV Spot Sales...**Thomas Fisher** promoted to gen. counsel, Meredith Corp...**Robert Morse**, ex-WCAU-TV Philadelphia, named vp-news, WHAS-TV-AM & WNNS(FM) Louisville; **Robert Taylor** advanced to TV station mgr.

Thomas Wall, ex-WPRI-TV Providence, named gen. sales mgr.; **WEHT** Evansville; **Dave Preston**, ex-KOVR Stockton, appointed news dir.; **Douglas Padgett**, ex-Sears, Roebuck, Terre Haute, is Evansville Div. controller...**Dan McCarthy**, ex-Leo Burnett, Chicago, named national sales mgr., KHOU-TV Houston, succeeding **Jon Nottingham**, now KOTV Tulsa gen. sales mgr.

Leticia Ponce, ex-U. of Colo., Boulder, named minority affairs projects dir., KWGN-TV Denver; **Sylvia Morgan** advanced to community relations coordinator; **Molly Burke** to promotion mgr....**Alan Rowley** advanced to production mgr., WHO-TV Des Moines, replacing **Gary Fisher**, named local origins mgr., Gulf Coast CableVision, Naples, Fla....Elected NPR Class A Dirs.: **Consuelo Burrell**, KIPC(FM) Albuquerque; **Donald Forsling**, WOI(AM) Ames, Ia.; **Wayne Roth**, KCFR(FM) Denver.

John Boatman, ex-RCA International broadcast products sales mgr. for Europe, Middle East & Africa, named mgr. of international sales, Harris Corp. Bcst. Products Div....**David Newborg** promoted to radio station equipment product management mgr., RCA Broadcast Systems....**Pete Megroz** promoted to Arbitron vp-broadcast sales & mktg., retains present post as gen. mgr. of Arbitron Newspaper Advertising Reports....**Joseph Friedman**, ex-Telerep Boston mgr., appointed mgr. of Avery-Knodel TV San Francisco.

Frances Chetwynd, recent George Washington U. law school graduate, joins Washington firm Cole, Zylstra & Raywid...**Paul Abbate**, ex-ABC, named program development dir., new Viacom pay-cable subsidiary Showtime...**Robert Francis**, ex-NCR, named material control mgr., Magnavox CATV Div....**Nicholas Worth**, Telecable engineering dir., elected vp-engineering.

Cable earth station applications: El Cajon, Cal., Cox Cable; Kalispell, Mont., Teleprompter. Courier Cable, Buffalo, has installed its station, will start HBO service Sept. 10. PBS & CPB have filed for transmit-receive station in Fairfax Co., Va., Washington suburb, will use two 11-meter antennas. Construction estimate is \$3,387,000, yearly operating \$800,000. (For details of these and other public TV earth station applications, see CATV & TV Addenda.)

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POLE LEGISLATION ADVANCES: Pole attachment bill is expected to be introduced in House this week—sponsored by either House Communications Chmn. Van Deerlin (D-Cal.) or Rep. Wirth (D-Colo.), perhaps both—and Senate Commerce Chmn. Magnuson told Wash. state cablemen last week he's concerned about pole situation, left door open to accepting pole attachment language in House-Senate conference on FCC forfeiture bill.

Van Deerlin & Wirth told Denver Cable Club Aug. 13 they thought chances for House passage of combined forfeiture-pole bill were good, urged industry representatives to push their congressmen. Anticipating House passage, Wash. State Cable Assn. telegrammed Magnuson to attend Aug. 16 meeting in Seattle on pole issue (Vol. 16:33 p4). About 50 operators told Magnuson about importance of FCC jurisdiction over poles in meeting that lasted almost 2 hours. Magnuson staff later termed meeting "very amicable," said that though senator made no promise to support attaching pole measure to FCC forfeiture bill in conference, he urged operators to assure House passage first, will decide what to do later. "He said that if he sees the bill in conference, he'll be sensitive to the industry's needs," NCTA Exec. Vp Thomas Wheeler told us. Final form of bill still hasn't been determined. NCTA continues to push for measure requiring FCC to take jurisdiction over poles immediately, while Subcommittee staff argues that states should have grace period to allow them option of taking jurisdiction first. NCTA argues that utilities will hit industry with rate increases and cancellations in interim period.

Meanwhile, FCC has set Sept. 7 for pole attachment meeting with members of NARUC, state cable commissioners "and other interested municipal officials." Public is invited to "observe."

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Aug. 6 (31st week of 1976):

	July 31- Aug. 6	1975 week	% change	July 24-30	1976 to date	1975 to date	% change
Total TV.....	171,317	204,114	-16.1	304,306	6,508,419	6,102,301	+6.7
color.....	99,950	102,240	-2.2	171,463	3,821,451	3,382,294	+13.0
monochrome . . .	71,367	101,874	-30.0	132,843	2,686,968	2,720,007	-1.2
Total radio.....	595,754	709,730	-16.1	1,841,564	20,958,448	18,409,835	+13.8
home, portable . .	366,510	561,694	-34.8	1,628,071	13,815,256	13,590,802	+1.7
AM-only.....	101,937	153,776	-33.7	563,502	3,175,213	3,891,135	-18.4
FM & FM-AM . .	264,573	407,918	-35.1	1,064,569	10,640,043	9,699,667	+9.7
auto.....	229,244	148,036	+54.9	213,493	7,143,192	4,819,033	+48.2
Port.-comp. phono.	51,937	65,083	-20.2	84,982	1,415,193	1,849,901	-23.5

Color TV 5-week moving average: 1976—125,558; 1975—108,756 (up 15.4%).

RCA TRIMS 19" COLOR PRICES: In move certain to start its domestic competitors rethinking pricing structures, and importers worrying about their relative market position, RCA cut prices on high-end 19" ColorTrak models, dropped in pair of under-\$400 XL-100 19" color models. Also trimming prices last week was Quasar which introduced new 15" & 19" leaders.

Unveiled at Chicago RCA distributor meeting last week were: (1) 19" ColorTrak at \$450, down \$30 from current leader. (2) Pair of open-list 19" XL-100 models, with low end designed to sell at about \$388, down \$12. (3) Drop-in 25" ColorTrak console at \$700. (4) Pair of new open-list 12" b&w, starting at under \$100, down \$20. (5) Special 19" b&w with stand at \$175.

Quasar's new leaders, both termed World Series Specials, are 15" at \$360, down \$10, 19" open-list at about \$400, down \$20. Also dropped in were pair of furniture-styled 19" table models with Super Module chassis at \$480 & \$500, latter with 20-channel varactor tuner.

Along with new sets, RCA announced lower factory sales prices on all other 19" ColorTraks, all open-listed, which could translate into higher margins for distributors & dealers, but more likely to mean retail price cuts, as happened when Zenith boosted margins last May. It's understood RCA also is extending price reductions to cover distributor inventories dating back to May.

Aggressive pricing move gives RCA lowest price 19" among domestic majors, positions ColorTrak in volume segment of market for first time. ColorTrak now is in "mainstream of consumer purchases," Mktg. Vp Jack Sauter told distributors, pointing to recent Trendex survey showing 29.9% of color retail sales in \$400-\$500 range. He said expansion of 19" ColorTrak offerings earlier this year resulted in a near 4% increase in RCA's share of 19" market in first half, added expectation new prices would bring substantial boost in over-all sales rate. He also indicated trade-in promotion on 25" ColorTrak consoles (Vol. 16:28 p11) has been success, said target for program is something over 60,000 sets.

RCA's color price cuts are first of significance in industry since manufacturers started stiffening collective financial spine in 1974, could lead to adjustments throughout industry. In particular pricing bind at this time are Japanese who saw value of yen rise above 288-to-dollar last week, highest level in 17 months, and nearly 6% above high for year. While most were aware of pending valuation change and were able to hedge in money markets on short-term basis, there are strong indications they'll be forced to consider price increases or figure out some way to cut costs in Sept. & Oct. when their fiscal years end. Still subject to dumping duties under

Treasury's 1970 ruling and currently being investigated for alleged unfair business practices by International Trade Commission, Japanese color producers know they will have to justify whatever pricing decisions they make.

* * * *

RCA is going national with campaign, telling consumers "find a better set than ColorTrak and we'll get it for you," promising to replace set with any comparable other brand model. Campaign was test marketed by some distributors last fall (Vol. 15:49 p11). Quasar launches TV campaign next month, expands national magazine schedule. Magnavox's campaign, starting in mid-Sept., is "heaviest in recent years," with TV & print media both on schedule. Ads will focus on selected areas, including firm's 19" color-video game combination, video games, touch-button color tuning.

PLAYING TIME NOW HOME VTR BATTLEGROUND: Sony last week promised family of Betamax "standard" home videocassette machines, while competitors appeared ready to make playing time rallying cry in their fight to substitute another standard—one which may be very similar to, but incompatible with, Betamax (Vol. 16:30 p8).

"Another company cannot win" against Sony's magnetic tape experience and know-how, Chmn. Akio Morita told group of U. S. trade journalists in Tokyo last week. Just day earlier, Matsushita Pres. M. Matsushita told news conference his company has a strong interest in home videocassette system developed by subsidiary Japan Victor Corp. because of its 2-hour playing time. Matsushita, he said, might offer JVC unit as step-up from VX-2000 which plays 100 min., sells in Japan for about \$700; version of VX-2000 is slated for introduction in U. S. at end of year by subsidiary Quasar.

Ironically, new JVC machine apparently uses recording technique developed by Sony for Betamax and available to Matsushita through membership with Sony in Japanese VTR consortium. This is azimuth recording method in which tracks are laid down virtually side-by-side, without guardband, cutting tape consumption. JVC M-type machine, not yet demonstrated, will sell in Japan for about \$865, according to Matsushita, vs. \$1,000 for comparable Betamax, about \$1,100 for Sanyo-Toshiba V-Cord II. JVC's cassette is 30% larger than one used for Betamax, though deck is slightly smaller.

Morita, commenting on reports that Japan's MITI has asked industry there to develop single home VTR standard, said: "They should choose the system developed by the company with the most magnetic recorder experience in the world." He said Sony has already produced 70,000 Betamax units, 200,000 U-Matics, has 80% share of videocassette recorder market outside Japan, has hit 10,000 monthly Betamax production rate (Matsushita says it has sold 20,000 VX-2000 machines). No matter what MITI does, "we have no intention to change," Morita said flatly.

Denying reports Sony already has 2-hour Betamax cassette, Morita said 80% of TV programming is hour or less. "We are preparing to make" machine with longer playing time as well as programmed Betamax Home Recording Center which can record for many hours, switching channels automatically. Play-only machines are also on tap. Sony Pres. K. Iwama said simplicity, size, weight & cost were major considerations in settling for hour playing time. Morita said future Betamax model might sell for price of color TV—\$500 or less, and Iwama expressed hope that cassette price eventually would be halved to about \$8 an hour.

Meanwhile, Sony is working on all types of videodiscs, Morita said, but emphasized video-cassette will be "door opener" for home video age. "Video works in 10-year cycles," he said, forecasting next 10 years would be videocassette age, followed by 10-year videodisc age. "We will be the leader in both," but cassette must pave way because of programming problems involved with discs. As to viability of present disc systems, Iwama said it was "doubtful" that Philips-type unit could be made to retail profitably for \$500, indicated \$1,000-\$1,500 would be more realistic. He said RCA's player has cost advantage, might be built to sell for under \$1,000.

Morita also revealed Sony plans service in U. S. to transfer consumers' 8-mm home movies to Betamax tape cartridges. Once movies are on tape, consumer could use Betamax recorder to add sound track. Service is already being offered in Japan with copy charge of \$11 for 10-min. film, \$20 for 30-min., \$33 for hour, plus cassette cost.

CB SALES DATE CAUSING PROBLEMS: FCC is being pressured to modify ruling which would prohibit shipment of domestic-made 40-channel CBs from factory and their import into country until Jan. 1, date set for legal sale of expanded-channel units. Chief Engineer's Office told us "safest answer at this point" is that domestic CBs must be kept at point-of-manufacture location, imports in bonded warehouses, until Jan. 1. But Research & Standards Div. Chief Julian Dixon added there is "great deal of interest in this question," and said some modification of ruling is possible. Formal clarification will come soon, possibly this week.

Problems created for CB industry if FCC sticks with strict interpretation of decision on channel expansion—which says only that new CBs "may not be sold" before Jan. 1—are many, and several producers said they want relaxation. Hy-Gain Pres. Andrew Andros said at N. Y. press conference last week that he's asking FCC to permit sale to wholesalers before Jan. 1, that literal interpretation of ruling places "heavy financial burden" on firm.

Others pointed out that: (1) Cost of storing goods in bonded warehouses is high. (2) Only limited facilities exist. (3) Quality control, including testing of imports, is virtually impossible while merchandise is in bond. Additional problem for FCC is avoiding potential inequities. Regional importer, for example, would be permitted to keep CBs in local bonded warehouse, essentially have goods at distributor level on Jan. 1.

"There has been some discussion of asking for a new shipping date," EIA Communications Div. spokesman said, but he added that there are no definite plans for appeal to FCC. Pace Pathcom Sales Mgr. Robert Morrison said firm "would appreciate clarification," since FCC has already told public through interviews with wire services that consumer will be able to buy 40-channel units on Jan. 1. SBE Pres. David Thompson told us shipping date is not severe problem, since firm has 48-hour delivery anywhere in U. S. "It would be nice if we could bring in imported units and inspect them, though."

Number of CB suppliers offering retrofit or up-date programs, meanwhile, continues to grow. Thompson said SBE has adopted program covering 10-12 23-channel models guaranteeing conversion for \$35-\$95 premium if unit is purchased between Aug. 1 & Dec. 31. In N. Y., Hy-Gain released details of re-manufacturing plan (Vol. 16:32 p8). Under program, customer pays shipping cost to conversion facility, Hy-Gain pays for return. Conversion could be done at either Lincoln, Neb. or Puerto Rico—or warranty stations could be equipped to do job—but final decision hasn't been reached.

Andros said 500,000-700,000 CBs could be involved, isn't sure how many users will accept offer. "We've been thinking about it," he said. Other comments: (1) By Nov., all Hy-Gain production will be 40-channel but it will be summer before supply catches up with demand. (2) Conversions will be warranted for 90 days. (3) Only 40% of total industry CB production is now PLL (phase-lock loop). (4) Total 1976 CB unit sales will be in 8-million range.

Sharp is avoiding re-manufacture route, will replace trio of 23-channel units in line purchased from July 26 to Jan. 31 with "comparably featured" 40-channel model at \$30 cost. Under program, consumer will be given registration certificate when he purchases 23-channel CB, can redeem it with Sharp dealer through April 30.

FALL GAMES MARKET—PLENTY OF IFs: While major suppliers in fledgling video games field insist market will remain stable through Christmas, there are disturbing signs at retail level that industry may already be heading into difficult period. Though discounting—already underway in some parts of country—is cause for concern, major worry centers on furious efforts by would-be suppliers to line up last-minute retail accounts.

To make deals attractive, many latecomers to field are promising volume shipments, often at bargain-basement prices, through fall, convincing number of retailers we contacted that talk of shortages before year end is just that—talk. "At first, I was worried about shortages," buyer for 100-store-plus hardgoods chain in South told us. "Now, I can apparently get all I want, and I'm still being approached by new manufacturers. So, from our standpoint, the supplies are there!"

Whether true or not, feeling on part of retailers that game supply will keep up with demand through fall is potentially dangerous, since some are now pushing back timetables on ordering

to mid-Sept. and later. That could cause trouble, say producers now lining up fall delivery schedules. "Deliveries will be tight," according to Atari Consumer Products National Sales Mgr. Malcolm Kuhn. "There's no question about it." Kuhn said Atari is "well over" 50% booked on what firm will ship through remainder of year, adding that prices will be stable through Christmas season.

Others in field issued similar warnings on tight deliveries, urged retailers to move now on game orders. APF Pres. Sy Lipper said many firms now tantalizing dealers with attractive offers either won't make it to market at all this fall, or will manage one shipment before year end. "A lot of potential suppliers are coming in, saying they can offer games at a nice price, and they're shaking retailers up," Lipper said. "The pattern is the same as it was in calculators & watches in the beginning. Many dealers got hurt running ads for merchandise, and then not having the merchandise to sell."

"We think there will be out-and-out panic in the middle of September," First Dimension Mktg. Mgr. Neil Andrews told us. "Some retailers are already beginning to panic and make orders final." Andrews said his firm is receiving increasing number of inquiries from retail accounts, asking about newer suppliers offering attractive deals. Many have no intention of delivering in quantity, Andrews believes, are simply using fall season to get foot in door, even if it means loss-leader pricing. Another producer speculated that late-comers are trying to line up enough retail accounts to get large chip commitments from GI, only major producer now supplying market. GI's Product Line Mgr. Richard Norwood says order backlog is such that new customers probably won't be taken on until Oct.

Majority of new firms eyeing market are importers or assemblers, but we've learned Epoch Co. of Japan plans to enter market under own name with 6-game color unit in near future, first sign that Far East producers are interested in non-OEM market. Epoch, first Japanese game firm to sign Magnavox license, now has license to market game in U.S. Firm also has proprietary video game chip made for it by Japanese IC firm, is planning to offer chip for sale to other game producers in U.S. & Far East.

Despite concern over growing number of companies looking at market, established producers forecast firm prices through Christmas season—with major exceptions. Dealers across country are already closing out Odyssey 100 and other old games at prices which are frequently below wholesale, and toy producer Coleco is delivering substantial quantities of new Telstar game, which is already being discounted in N. Y. and other areas at \$48-\$50 level.

"There will be some retail price cutting," according to John Vurich, National Semiconductor Video Games (Adversary) Mktg. Mgr. "There will always be the discounters, but they'll just be cutting into profits this year, and they don't need to." Problem, according to dealers we talked to, is fact that discounters will do it—whether they need to or not—forcing others to cut prices & margins in effort to compete. "We'll start out with 40% to 50% margins, and then we'll go down if we have to," buyer for large chain said. "It's crazy, but even if there's a shortage, we may have to do some of our own discounting just to keep up."

"You'll see them at \$29.95 before the year is out," N. Y.-based electronics buyer for department store chain said. "A lot of manufacturers have lowered prices substantially, and Bradley's is already advertising Atari's Pong for \$53. That game started at \$99, so you can see how volatile it is. We're holding back and waiting to see what develops."

Morse announced agreement with lenders for short-term credit agreements to permit it to continue U.S. & Hong Kong operations. Company reported unexpected \$36 million loss for fiscal 1976 (Vol. 16:29 p9), says it's negotiating to restructure long-term debt. Part of creditor demands, it's understood, is extensive trimming of marginal operations, which some observers believe could mean elimination of Ross Div. (portable products), dropping of plan to enter component business either under Morse or recently acquired Pilot brand name.

While Rockwell flatly denied rumors of negotiations to sell Admiral TV business to Hitachi (Vol. 16:23 p7), Hitachi simply declined comment. Sources inside Hitachi indicated company has interest in acquiring U.S. color TV manufacturing base.

Litton is spending \$5.5 million on 250,000-sq.-ft. microwave oven plant in Sioux Falls, S. D. Slated for completion in March, plant will double Litton's 750,000 annual oven production capacity, add 600 to current 2,100 employes.

GE, JVC & BRH: GE & Japan Victor Corp. are latest industry members to get unfavorable radiation compliance rulings from FDA's Bureau of Radiological Health.

In decision revealed last week, BRH rejected GE's request for exemption from recall for some 36,000 microwave oven-range combinations which agency says don't meet standards for maximum microwave emissions (Vol. 16:17 p11 et seq.). GE had contended that only a few units, all made since Nov. 1973, were likely to radiate in home use and that situation didn't present significant health hazard. To back up its conclusion, BRH prepared 360-page report. By statute, GE had until Aug. 20 to file notice of intent to appeal BRH decision to FDA, or as alternative, until Aug. 30 to submit program for modification of ovens, all of which are in consumer hands. Because GE will need time to study report, BRH said, deadlines will be extended.

JVC has already launched recall and modification program for some 5,098 19" color TV receivers & monitors which BRH says have potential for excessive X-ray emission. While none are known to have radiated in use, BRH says forced failure of high voltage hold-down capacitor by agency's lab has made samples emit X-rays through picture tube face at 1.2 milli-Roentgens per hour, well over 0.5 mR/h standard. JVC is modifying sets by changing 3 circuit modules. Involved are 4,000 sets produced in 1973-74, 1,098 monitors produced in 1973-75, all in customer use, plus 18 monitors in inventory.

TV export quotas may be imposed by Taiwan, but reason isn't clear. News release from Chinese Information Service last week says Taiwan's Board of Foreign Trade, at request of U.S., is developing export quota system for locally-made b&w sets shipped to U.S., is prepared to offset losses suffered by manufacturers there. Report indicates move doesn't affect U.S.-owned export-assemblers. We've checked report with State, Treasury, Commerce, President's Office for Trade Negotiations, Taiwan Embassy, can find no one who has heard of quota request being made or received by Taiwan govt. Locally-owned producers account for only 10%-20% of 2-2.5 million b&w TVs U.S. imports from Taiwan annually.

Taiwan Kolin has become Mitsubishi color TV technology licensee through sublicense from Chung Hsin Electric, Mitsubishi's prime licensee on island. Kolin, formerly Nippon Columbia licensee, was forced to suspend color output when NC's parent, Hitachi, ordered NC out of TV business, starting producing Columbia-brand color in own Taiwan plants. Kolin says it's resuming color production at 2,000-3,000 monthly rate.

Mergers & acquisitions: Illinois Tool Works completed acquisition of Devcon, Danvers, Mass. producer of sealants & adhesives, for shares valued at about \$13.6 million...**Hamlin** has acquired Alma Components, U.K. producer of capacitors, resistors & relays, for undisclosed cash sum. Hamlin said Alma will be expanded to produce liquid crystal displays and solid-state relays for sale in Europe.

WARRANTY RULES: FTC last week released collection of proposed interpretations of Warranty Act, set Sept. 15 deadline for comments. Among interpretations:

(1) While Act covers written warranty on consumer products only, questions of applicability to products which have both consumer & commercial use will be "resolved in favor of coverage." (2) Though Act applies only to products selling for \$10 or more, a multiple package of cheaper items selling at, say, 10 for \$10 is covered unless customer has right to break open package and buy individually. (3) Consumer products installed in homes, boats, etc., by builders, are covered by Act. (4) Manufacturers may not require consumers to return warranty registration cards as condition to granting full warranty, though proof of purchase date may be demanded before warranty is honored. (5) Under limited parts-only warranty, manufacturer may not force consumer to use designated servicer for installation. (6) Statements that use of other than authorized replacement parts or service centers voids warranty are prohibited, however manufacturers may disclaim warranty responsibility for damages stemming from such repair.

Game Plans: Price tag on Fairchild Video Entertainment System (VES) will be \$150 when it hits market in late Sept. (pending FCC approval), company spokesman says. Earlier, firm said programmable VES would be in \$120-\$130 range...**National Semiconductor** began shipping 3-game Adversary last week, will hit full production stride in mid-Sept. Product Mktg. Mgr. John Vurich says output during year will be less than 300,000...**GI** is showing new color game chip to "selected" customers, plans delivery start-up in first quarter 1977. Product Line Mgr. Richard Norwood says "1 or 2" customers probably will introduce game which has higher degree of difficulty and competitiveness than games using current chip, early in year...**TI** making 6 game circuits (\$1.25-\$4.54 in 100-unit lots) available, first in family of universal circuits. In combination, circuits can be used for relatively complex games...**Atari** shipping 3 Super Pong games for every Pong, Consumer Products National Sales Mgr. Malcolm Kuhn says, but ratio would be closer to 5-to-1 if market were based on demand, not production considerations...**First Dimension** breaks ground for 2nd Nashville facility, 110,000 sq. ft., to meet anticipated 4th quarter demand. Firm expects to sell nearly 500,000 games this year.

Ad notes: National newspaper advertising in top 20 markets for consumer electronics & recordings last year was valued at \$6.64 million, up 2.7% from 1974, Ad Age reports. Value of ads for TV & radios dropped 16.6% to just under \$4.1 million, while cost of ads for phonos, tape equipment & recordings rose 63.7% to \$2.54 million...**Sharp** has hired Alex Karras to do TV spots...**Union Carbide** will spend \$250,000 this fall on TV & magazine ads for Eveready watch battery line...**Pioneer** has budgeted \$300,000 for fall print & radio spot campaign for FM auto radios...**Antenna Specialists** has budgeted \$2 million for current radio spot campaign for CB antenna line.

Trade Personals

Howard Stewart, ex-Wackenut Systems, named sales dir. for Hy-Gain's Lincoln, Neb. facility; **Sandy Enos**, ex-Ill. Auto Electronics, named sales dir., and **Fred Tamkin**, ex-Motorola, named engineering R&D dir. for Puerto Rico plant; **Robert Morrill**, ex-Pioneer, named western sales mgr.; **John Kuijvenhoven**, ex-Motorola, joins as marine radio products mktg. mgr... **Dan Geany** upped at Dynascan Cobra Communications Product Group from western sales mgr. to acting national sales mgr., succeeding **William Ramsey**, resigned; **Russ Trennert** named national sales promotion mgr... **Barry O'Connell**, ex-Admiral Audio Products Div. mktg. dir., appointed mktg. exec. vp of First Dimension (video games).

Martin Dubilier, one-time Sterndent chmn.-chief exec., joins financially-troubled Morse as consultant with title of chief operating officer; **Leonard Lapine**, former Great Lakes Div. branch mgr., now West Coast Div. mgr. with added responsibility for Northwest Div. operations; **Kelly Goff** resigns as senior vp for portable products, Ross Div., duties assumed by **Yale Sherman**, who continues as senior vp for purchasing & admin... **Hank Powell** promoted at Transistor Electronics from sales & mktg. mgr. to vp-gen. mgr., succeeding **David Monks**, now gen. operations mgr... **Allan Marcy**, ex-Dymo Industries, joins Pioneer America (car stereo) as mktg. dir., new post... **Donald Marro** advanced at Sony from mkt. planning post to Video Products Div. national dealer relations mgr.

V.J. Christianson, formerly consultant with West Coast Industrial Relations Assn., joins Altec as industrial relations dir.; **Robert Rufkahr** resigns as Sound Products Div. mktg. vp... **Clarence Betten** appointed Utah Electronics special accounts national sales mgr.; **Doris Swain** advanced from sales admin. mgr. to customer service mgr... **Larry Jones**, Litronix consumer products national sales mgr., adds duties as eastern sales mgr., succeeding **Samuel Borofsky**, now Unitrex special mktgs. dir. Litronix has closed N.Y.C. sales office.

John Clark, ex-NASA, joins RCA corp. engineering staff as space applications & technology dir... **John Sussenberger**, ex-Monolithic Memories, joins Fairchild Semiconductor as Timepiece Div. vp-gen. mgr., succeeding **Greg Reyes**, Consumer Products Group vp-gen. mgr., who held post on interim basis... **William Schoenberger** advanced at Hughes Aircraft to Microelectronic Products Div. mktg. mgr.; **William Eckess**, formerly sales mgr. for MPD & Solid State Products Div., named SSPD mktg. dir... **William Schwidder**, ex-General Telephone, shifts to affiliate Sylvania as Circuit Module Operation personnel supervisor, replacing **Elwood Beckwith**, resigned.

Douglas Stark, Westinghouse Motor Div. vp-gen. mgr., advanced to Components & Materials Group exec. vp, succeeding **Edwin Clarke**, now Transmission & Distribution exec. vp... **David Levin**, ex-Chemetron, joins Zenith as corporate tax dir., new post.

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
Ampex			
1976-qtr. to July 31	65,449,000	1,812,000 ^a	.17
1975-qtr. to Aug. 2	63,655,000	1,559,000 ^a	.14
Capehart			
1976-qtr. to June 30	9,719,049	(944,829)	--
1975-qtr. to June 30	8,708,127	(2,167,046)	--
Comcast			
1976-6 mo. to June 30	5,155,066	303,018	.18
1975-6 mo. to June 30	4,109,421	181,746	.10
1976-qtr. to June 30	2,723,246	161,435	.10
1975-qtr. to June 30	2,102,466	109,849	.06
Gladding			
1976-9 mo. to June 30	59,810,000	5,372,000 ^a	1.54
1975-9 mo. to June 30	46,883,000	(320,000)	--
1976-qtr. to June 30	20,520,000	1,074,000 ^a	.31
1975-qtr. to June 30	17,129,000	(152,000)	--
Philips NV ^b			
1976-6 mo. to June 30	5,270,000,000	86,800,000	--
1975-6 mo. to June 30	4,500,000,000	32,200,000	--
1976-qtr. to June 30	2,680,000,000	47,900,000	--
1975-qtr. to June 30	2,340,000,000	9,700,000	--
Regency Electronics			
1976-year to June 30	57,110,193	9,058,686	3.43
1975-year to June 30	34,110,687	5,203,598	1.98
1976-qtr. to June 30	14,660,598	1,950,520	.73
1975-qtr. to June 30	9,642,078	1,401,176	.53
Tandy			
1976-year to June 30	741,700,000	67,500,000	3.73 ^c
1975-year to June 30	528,300,000	34,600,000	1.90 ^c
1976-qtr. to June 30	184,700,000	18,200,000	1.01 ^c
1975-qtr. to June 30	137,100,000	7,500,000	.41 ^c

Notes: ^aIncludes special credit. ^bAt guilder's current rate. ^cAdjusted.

Gross margins of appliance-TV sales & service retailers were 28.2% in 1975, up .2% from previous year, revised & final NARDA Costs-of-Doing-Business survey shows. Before-tax profits were 2.7%, up .5%. Service-only operations had gross margin of 50.6%, up from 41.7%, before-tax profits of 8.9%, up from 4%. Growing TV trade-in business is reflected in survey; 42% of all sales in larger stores (\$500,000 volume & over) involved trade-in, compared to 33% last year. NARDA said "1975 was one of the strangest of all survey years, with recession & prosperity occurring in different parts of the country at the same time." Complete survey is available at \$25 to non-members from NARDA, 2 N. Riverside Plaza, Chicago 60606.

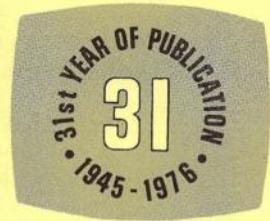
Obituary

Maj. Gen. Harry Ingles (USA-ret.), 88, retired pres. of RCA Global Communications, Chief Signal Officer during World War II, died in Washington suburban nursing home Aug. 14. Gen. Ingles retired from Army in 1947 to head the RCA subsidiary, retired from company in 1953 but remained on boards of RCA & NBC until 1969. A 1914 West Point graduate, Gen. Ingles served, among other assignments, as WWII commander of Panama Mobile Forces and as deputy commander of European Theater. Survivors include wife, son, daughter.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

BUILDING UP TO TV-RADIO DEBATES: Negotiators report progress, though differing on timing & format. Networks assure Congress they'd carry League of Women Voters sessions but stress advantages of Sec. 315 modification. (P. 1)

PASTORE 'SHAKEN' over White nomination to FCC, but Fogarty's confirmation appears assured. Baker fears finding of conflict of interest in husband-wife relationship as 'disincentive to govt. service.' (P. 2) Nominees present opinions on variety of communications issues. (P. 4)

HOUSER ON OTP POLICY: Won't be critical of FCC. Isn't pushing VHF drop-ins, but expects 'some new allocation' out of it. (P. 3)

POLE ATTACHMENT BILL introduced in House by Wirth, Van Deerlin & Rose; would give FCC 3 months to issue rules asserting jurisdiction, allow states meeting FCC minimum standards to 'recapture' pole regulation. Mark-up set for Sept. 2. (P. 3)

JUDICIARY OKAYS COPYRIGHT: Full Committee sends bill on to Rules by 27-1 vote, Eilberg opposed; he sought break for small cable systems. NAB goals also rejected. (P. 4)

BUILDING UP TO TV-RADIO DEBATES: Ford-Carter TV-radio debates continued to shape up last week, as: (1) Candidates' negotiators still disagreed on details but gave assurance arrangements would be worked out, and (2) networks guaranteed Sen. Pastore (D-R.I.) they'd carry debates under sponsorship of League of Women Voters but argued that much more can be done if Sec. 315 is suspended or appealed.

Principal differences between Ford & Carter negotiators appear to be that former want debates to start right after Labor Day and to concentrate on one issue each (defense policy first), while latter want some delay and coverage of many topics in each session.

(Ford is represented by William Ruckelshaus, former deputy attorney gen., & Dean Burch, former GOP chmn. & ex-FCC chmn. Carter's negotiators are Press Secy. Jody Powell & TV-Radio Advisor Barry Jagoda.)

Networks were quick to tell Pastore, Rep. Van Deerlin (D-Cal.), et al., that they weren't trying to take debates away from League; that they're prepared to carry sessions set up by League—but that removal of Sec. 315 restrictions has many advantages for public and candidates.

CBS provided most extensive discussion of problems raised by League sponsorship and of advantages of lifting Sec. 315. It asked: (1) Should debates be designed for live audience or for millions of viewers? (2) Can production problems be controlled more easily in studio? These factors "can in part literally affect the outcome of any such debate." (3) Is there danger audience will distract "or give supporting or negative emphasis to one participant or another?" (4) Isn't

security problem less in studio? (5) Won't studio atmosphere provide "less of a personal physical & psychic drain" on candidates?

CBS also warned that League's proposal is subject to court challenge, which could delay or abort plan. (Former Sen. McCarthy [D-Minn.] already has launched such challenge.) Network said that change in Sec. 315 also could be challenged—but that chances of success in court are slim.

NBC Pres. Herbert Schlosser also assured Congress that network would carry League-sponsored sessions but that easing of Sec. 315 would "permit a broader range of broadcast appearances by the candidates, in a variety of programs, than is now practical under the equal-time restriction."

ABC said it has always supported suspension of Sec. 315 but doesn't expect Congress can act in time—so it's ready to cover any debates under any auspices.

Another problem involves funds to pay for League-sponsored debates. CBS submitted lawyers' statement which noted that Federal Election Commission is considering issuing opinion to effect that League may raise such funds—but not from corporations, labor organizations or govt. contractors. Also, attorneys said, such FEC statement seems bound to be challenged in court. On other hand, they noted, law permits broadcasters to stage debates at own expense. (FEC expects to issue ruling Aug. 30.)

NAB Pres. Vincent Wasilewski added voice to those seeking Sec. 315 change, saying it would provide "much greater flexibility in scheduling and formats...would result in more time for debates...more information being supplied directly by the candidates to the electorate..."

PASTORE 'SHAKEN' OVER WHITE: Nomination of White House aide Margita White to FCC seemed in deep trouble in Senate Commerce Committee following day-long hearing last week, while confirmation of Senate aide Joseph Fogarty appeared assured. Though Communications Subcommittee Chmn. Pastore (D-R.I.) insisted to us following hearing that he won't decide how he'll vote until Aug. 31 closed-door Committee meeting, he commented repeatedly during Committee deliberations that he was "very much disturbed" and "shaken" by possibility of conflict of interest involved. White's husband Stuart is member of Washington law firm Hamel, Park, McCabe & Saunders, which has communications clients, including AT&T.

However, amidst growing speculation that Democratic-controlled Senate might refuse to consider any more Ford appointees in waning days of 94th Congress in anticipation of Democratic victory in Nov., Sen. Baker (R-Tenn.) told us he was "personally convinced the Committee will deal with the nomination and not postpone action on it."

Pastore took unusual step of calling Stuart White to testify, asking him: "What would be the legal remedy of the Congress" if White decided later not to follow steps he promised to take to insulate himself from firm's communications matters. White stated he could offer only "my word of honor," while Sen. Stevens (R-Alaska) maintained that White could be disbarred for reneging on promise made to congressional committee. Pastore disagreed, lamented that White House had not honored his request to name Mrs. White to non-communications post. "If ever I've agonized over a nomination, I've agonized over this one," he said.

Pastore also questioned whether steps Whites promised to take to avoid conflict (Vol. 16:33 p3) were sufficient: "Now don't you think that if your wife is a member of the FCC that there will be a gravitation of clients to that firm?.. You're a practical man. You've been around a long time." White admitted "the possibility of perceiving a conflict," but said he was certain there would be no actual conflict.

Reaction of other members of panel was mixed, but none was enthusiastic. "We're really dealing with the 'appearance' of conflict," commented Baker, announcing he'll support confirmation of both White and Fogarty. "Increasingly, many husbands and wives are going to be involved in government service. While we must be careful to avoid the appearance of a conflict of interest, we must also be careful not to create a disincentive to government service." Sen. Ford (D-Ky.): "I suspect that you will be confirmed, but I doubt that you will be able to travel that road [of FCC commissioner] for 7 years and avoid the appearance of a conflict." Stevens—whose home state retains White's firm for communications matters before FCC—would only say, "I tend to support

Mrs. White's nomination."

Backing up senators' doubts were advisory opinions sought by Committee from GAO and Library of Congress, as well as testimony of several public interest groups opposed to White nomination. Though Justice Dept. and FCC found White technically free of conflict (Vol. 16:32 p5), GAO found "the appearance of conflict...troublesome on its face," concluded: "These are essentially policy questions which must be left to the judgment of the Committee and the Senate as a whole." Library of Congress noted: "Arguments might possibly be raised that such a situation creates the appearance of conflicting interests, or arguably the appearance of an unwarranted opportunity for favoritism or partiality which may derogate the confidence of the public in the integrity of the governmental process."

Harvey Shulman, Media Access Project exec. dir., suggested that parties contemplating cases before FCC, in which Mrs. White's position is known, could decide to choose—or not to choose—Hamel, Park as attorney in order to eliminate—or obtain—her vote in 4-3 or 3-3 situation. Similarly, he said, attorney could file complaint against traditional Hamel, Park client in order to eliminate her vote, file against different party instead in order to obtain her vote. In this way, Mrs. White's offer to abstain in cases involving husband's firm constitutes "wild card" situation, Shulman argued. He said that White also should abstain from voting on all political broadcasting complaints involving Ford Administration because of her close ties to White House staff. NCCL's Nicholas Johnson said that recent meeting of White with public interest group representatives convinced "all who attended that she would not be the voice of the consumer on the Commission," in contrast to Fogarty's "demonstrated sensitivity to citizen interests." (For White & Fogarty answers to Committee questions, see p. 4.)

HOUSER & OTP POLICY: New OTP Dir. Thomas Houser, former FCC member, spent most time on common carrier issues during his first news conference Aug. 25, but here's his comment on broadcast matters:

(1) "We're not pushing VHF drop-ins. It's up to FCC. I'm inclined to believe some new allocations will come out of it."

(2) "OTP is moving away from the role of critic of the FCC to one of long-range planner." He said "we'll differ with FCC...but it's not our job to be critical." When he was at FCC, he said, "we felt very unhappy" about criticism from former OTP Dir. Whitehead.

(3) He has no position yet on direct broadcasting from satellites or its distribution by cable or translators.

(4) Among issues under consideration in broadcasting: "Broadcast license renewal—can we deregulate?" "Broadcast captioning for the deaf." "Direct broadcast satellite." "Translator vs. cable re local distribution of TV signals."

Houser didn't discuss cable policy, but he has been emphasizing lately that he's not pro-cable. Broadcasters have been putting on heat, claiming that his record at FCC tarred him with pro-cable brush.

—————
Meeting with Jimmy Carter, to discuss candidate's views on President's role in TV programming (Vol. 16:33 p1), is being sought by NAB Chmn. Wilson Wearn & Pres. Vincent Wasilewski. Their letter to him states: "We would like to have an opportunity to discuss major issues affecting radio & TV, and to dispel some of the unease within the industry resulting from your recent remarks..."

Pole attachment legislation has been introduced in House by Reps. Wirth (D-Colo.), Van Deerlin (D-Cal.) & Rose (D-N. C.), as expected (Vol. 16:34 p6). Bill would require FCC to issue rules asserting Commission jurisdiction within 3 months of enactment, allow states to "recapture" authority to regulate poles upon showing that state regulation meets or exceeds minimum FCC standards. Standards are expected to provide incentive for state recapture, according to bill's sponsors, and FCC will be required to consult with advisory board of representatives of Federal Power Commission, Interstate Commerce Commission and state regulatory commissions before adopting standards. House Communications Subcommittee has set additional hearing on pole attachment bill for Sept. 1; FCC will submit written testimony. Subcommittee will mark up combined pole attachment-forfeiture bill Sept. 2. Meanwhile, FCC testimony on cable, earlier delayed until Sept. 2, again has been postponed—until Sept. 22—due to conflict with meeting of full House Commerce Committee.

NAB/RAB regional radio conferences have been set for Houston Oct. 18-19, Denver Oct. 21-22, Portland Oct. 25-26, N. Y. Nov. 11-12, Atlanta Nov. 15-16, Chicago Nov. 18-19, Washington Nov. 22-23. Conferences feature sessions on small market radio news, investigative reporting, renewals, increasing revenues, meetings with FCC and industry officials. FCC Chmn. Wiley addresses Houston luncheon.

International Video Corp. expands marketing in Eastern Hemisphere, with International Mktg. Mgr. David Edmonds named Eastern Hemisphere Operations dir., and Corp. Treas. Dennis Sheehy appointed Eastern Hemisphere Operations finance dir. Both will relocate from U. S. to regional hq in Reading, England.

WHITE-FOGARTY QUIZ: Here are responses of Margita White and Joseph Fogarty to written questions posed by Senate Commerce Committee in hearings on their nominations to FCC (see p. 2):

Fogarty: (1) Favors open FCC meetings. (2) Supports principle of reimbursing indigent citizen groups appearing before FCC. (3) Said FCC should "encourage the growth of the cable industry through enlightened regulation while at the same time protecting the legitimate rights of over-the-air broadcasters." (4) Favors ascertainment and local programming to meet what community "really needs," rather than "programming merely consisting of syndicated quiz shows used as fillers until the network programming resumes" during prime-time access, for example. (5) 'VHF drop-ins, the growth of cablecasting and the promotion of public broadcasting by attaining UHF-VHF parity will ameliorate the scarcity of spectrum problem and make it possible to attain...broader access.' (6) Favors fairness doctrine, but doesn't feel that its violation constitutes grounds for denying license except in "conscious contempt for the law." (7) Said FCC must "maintain constant surveillance of the licensee to insure that the broadcaster is adequately serving the needs of the broadcast public."

White's views: (1) Submission of FCC legislative proposals to OMB before Congress for "clearance" is appropriate to study legislation's "financial implications" as well as its impact on other agencies. (2) Opposes opening FCC meetings to public, but leaves ultimate decision to Congress. (3) Leaves to Congress decision on whether to reimburse public interest participation in FCC proceedings. (4) Agrees with current FCC approach to cable regulation. (5) Is "troubled" by exemption from reporting requirements of small stations, wants "active" FCC role in EEO enforcement. (6) Opposes further FCC actions aimed at increasing access. (7) 'I would approach with caution the extreme sanction of denying license renewal...if the fairness doctrine were the only issue in question.' (8) Though fairness doctrine seems to have worked in "encouraging the discussion of important issues," Sec. 315 "appears to have had some inhibiting effect upon broadcast coverage, especially at the national level." (9) Longer license term "may help expedite the renewal process by reducing the heavy volume of applications to be processed each year."

SMPTE technical conference Oct. 17-22, Americana Hotel, N. Y. covers program production, post-production, distribution and exhibition, new technology, labor, and computer control & signal distribution in TV. CBS Bstg. Group Pres. John Schneider speaks at opening luncheon.

Sale of KBSC-TV Corona, Cal. and its subscription-TV authorization to Oak Bstg., by Kaiser Bstg., has been approved by FCC which rejected opposition of KWHY-TV L.A.

Harmon & Co. announced long-term refinancing with \$1.5 million loan from Firstmark, acquisition of cable systems in Stamford, Haskell and Munday, Tex.

JUDICIARY OKAYS COPYRIGHT: Copyright revision bill sailed intact through House Judiciary Committee last week, now must go to Rules Committee before final House action. Vote was 27-1, sole dissenter being Rep. Eilberg (D-Pa.), who told Committee he had slew of letters from small cable operators opposed to payment of fees. Both Copyright Subcommittee Chmn. Kastenmeier (D-Wis.) and full Committee Chmn. Rodino (D.N.J.) argued that bill as approved by Subcommittee represented numerous compromises and already was fair to all parties. Chairmen also opposed NAB-proposed changes (Vol. 16:32 p5), arguing they might trigger Commerce Committee referral, killing bill for this session of Congress. "Though some may think this is a good idea, we hope this Committee won't let it happen," Kastenmeier said.

Committee staff now must write report on bill, arrange to get it through House, into conference with Senate. Tentative goal is to complete report by Sept. 2, through Rules Committee week of Sept. 7, on House floor week of Sept. 13.

Teleprompter won decision, 3-0, in D.C. Appeals Court, reversing FCC's denial of certificate for Johnstown, Pa. cable system. TPT had received franchise in 1966; TPT and its then-pres., Irving Kahn, were convicted of bribing city officials to obtain the franchise. Last April, city conducted hearing, granted TPT new franchise. Despite this, FCC still found franchise "tainted." In decision written by Judge Tamm, Court held that Commission might conclude, under "Root Refining" precedent, that TPT should still be denied fruits of original corruption, but, it said, this took place in 1966-6 years before Commission established certificate process. "Consequently," Court said, "in 1966 there was no federal process to corrupt." Other judges in case were Bazelon and Christensen—latter a Utah Dist. judge.

House Ethics Committee, following unsuccessful 4-month investigation and 5-day hearing to determine source of leak to CBS newsman Daniel Schorr of House CIA Committee report, voted to issue 22 subpoenas, continue investigation. Subpoenaed were: (1) Schorr, by 8-4 vote on motion of Rep. Bennett (D-Fla.). (2) Village voice editor-in-chief Clay Felker, New York magazine writer Aaron Latham, New York senior editorial dir. Shelly Zalaznick, by 8-3 vote on motion of Rep. Teague (D-Tex.). (3) Eighteen former staffers on CIA Committee, by 10-0 voice vote. Ethics Chmn. Flynt (D-Ga.) voted with majority in each case but declined to state reasons. Schorr, Felker, Latham & Zalaznick are to appear Sept. 15, staffers Sept. 8. Schorr said he would appear and answer questions but wouldn't disclose his news sources.

NAB top-level shifts (Vol. 16:32 p5), expected to be finalized this week, include designation of William Carlisle as TV vp. PR Exec. Vp James Hulbert is due to become exec. vp for station services, and Station Relations Exec. Vp Burns Nugent plans to return to industry. Among major jobs yet to be filled are gen. counsel, PR chief, stations relations dir.

Comments on circular polarization, filed with FCC, split strongly. Prime proponent ABC said CP is "significant improvement... without adverse effects." CBS was thumbs down, said only small part of public might benefit, but at great cost to viewer and broadcaster; also, it said, test data doesn't prove CP "would be desirable or even beneficial to any significant degree." RCA was all for it, but subsidiary NBC wasn't. Latter said benefits might come only after public spent a lot of money on antennas. It supported CP "in principle" only, called for more tests. NAB wasn't pro or con—but complained that FCC asked for data that it should have requested much earlier. AMST offered extensive technical analysis holding that tests were inadequate, sometimes producing contradictory results; that CP appears to degrade service in some situations; that more experiments are needed.

If translator rules are eased, they should be eased for cable, too, Cablecom-General (C-G) stated in petition for rulemaking filed with FCC. C-G noted that Commission has pending rulemaking to allow translators to use microwave relays and says National Translator Assn. seeks changes and would attempt "to put cable out of business." C-G said that restrictions should be taken off cable or that translators should have same burdens of origination, local complaint procedures, signal carriage requirements, exclusivity restrictions, copyright liability, cross-ownership, notification requirements, etc. C-G finds ominous CBS's statement that it's "looking at the whole issue of translators and is encouraged by the possibilities."

Charging that Soviets will use 1980 Olympics for propaganda purposes "unless the U.S. and other democratic nations establish ground rules on all conditions concerning the news media," Sen. Byrd (D-W. Va.) asked FCC to monitor negotiations between networks and Soviet officials over awarding of contract for Olympic TV coverage. He commented: "According to the U.S. network executives, Soviet negotiators have made it clear that matters other than objective reporting... will be weighed before the contract is awarded."

Impact of distant ETV signals on local ETVs, via cable imports, must be analyzed 11 ways by stations seeking restrictions, FCC stated in issuing guidelines. Factors include amount of program duplication, cable penetration, viewing patterns, budgets, contributions, etc.

Short reporting form for cable systems, for benefit of lenders, is being worked up by Warburg Paribas Becker, whose David Wicks reports co-operation of most group system owners. He said purpose is to get better understanding of subscriber counts, etc.

Ohio State University request for radio auction to raise funds for Columbus Symphony Orchestra was denied by unanimous FCC which declined to waive rule limiting auctions by educational licensees to fund-raising for their own operating expenses.

"Our performance in your survey was not chance, but rather design," Oscar Meyer Vp Jerry Ringlien wrote NCCB, commenting on latter's 6-week study of prime-time TV violence which found Oscar Meyer among sponsors of least-violent programming (Vol. 16:31 p6). Ringlien said firm's ad plan "is a carefully conceived plan to avoid violence of any kind in our TV programming"—examining all pilots, studying shows selected for coming season, reading scripts for "what, in our subjective view, would be violence." Meanwhile, Samsonite Corp. said in recent statement that it also would seek to support only "those programs which, in our judgment, attempt to achieve high standards in TV performance," avoid violent shows.

Use of earth stations smaller than 9 meters for cable reception should be allowed, NCTA states in response to CATA petition filed with FCC. NCTA said station owner should be given option of operating without FCC license and accepting whatever interference is present or taking Commission license and getting protection. NCTA claims that 9 meters "was a relatively arbitrary choice and is not applicable to a distribution such as satellite/cable operations." It submitted technical analysis of consultant Richard Gould, who said dishes as small as 4.5 meters can do adequate job. NAB filed opposition to CATA proposal, said it "inevitably would jeopardize the most efficient usage of the 4/6 GHz band."

FCC Review Board—at request of Citizens Committee to save WEFM(FM) Chicago—will consider whether GCC, in attempting to buy WEFM, intended to "traffic" in license. Citizens' petition opposing sale was denied by FCC in 1972, but Citizens asked board to enlarge issues following finding in parent General Cinema's 1975 annual report that firm intended to sell all its broadcast holdings—including WEFM. GCC argued that it intended to operate station for minimum of 3 years after FCC's final approval of sale.

N.J. Gov. Byrne hit N.J. "special service obligations" (Vol. 16:27 p1) as "a prime example of the FCC's failure to meet its clear responsibility to insure adequate VHF TV service for the citizens of New Jersey." Byrne said he'd wait on possible appeal until Commission decides whether to require N.Y.C. & Philadelphia stations to maintain studios in N.J.

Compu/Net has added TV System Div., offering stations automated service for sales, traffic, logging, etc. Joseph Chaplinski, ex-Storer, is product mgr. in charge; starting date is mid-1977.

Variety of meter-reading rules for transmitters have been deleted or modified by FCC in its re-regulation process. Amendments to Part 73 are effective Sept. 8.

CableEquities Corp. has been formed for system brokerage & management by Arthur & Robert Baum, onetime Vikoa: 35 Mayflower Dr., Tenafly, N.J. 07670, 201-567-5575.

Personals

Rep. Lionel Van Deerlin (D-Cal.) speaks to Southern Cable TV Assn. convention Sept. 13, Atlanta... FCC Comr. Benjamin Hooks, Tenn. Gov. Ray Blanton, NAB Pres. Vincent Wasilewski, Southern Baptist Radio-TV Commission Pres. Paul Stevens & NBC Vp Herminio Travlesas address Tenn. Assn. of Bcstrs. convention Sept. 15-17, Glenstone Lodge, Gatlinburg... OTP Dir. Thomas Houser addresses Sept. 21 luncheon of National Radio Bcstrs. Conference, Hyatt Regency Embarcadero, San Francisco.

FCC Chmn. Richard Wiley reappointed chmn. of ABA Special Committee on Lawyers in Govt... Barry Cutler promoted to FTC asst. gen. counsel; Edward McConaughay, ex-American Management Systems, appointed asst. exec. dir. for management... James Ragan, WU Washington-area vp, advanced to vp-broadcast services, will direct TV-radio use of Westar satellite; he's succeeded by Michael Passaro.

Nicholas Gilles, NBC vp-financial planning & treasury operations, promoted to new post of vp-finance; David Bivins advanced to NBC-TV business affairs business administration dir... Kevin Cox advanced to sales dir., NBC Radio News & Information Service; John Patt promoted to new business development mgr... Patrick Lofaro promoted to east coast financial controls dir., ABC-TV & ABC Entertainment.

James Way, NBC vp-controller, promoted to vp-financial services; Josh Kane, NBC public information dir., joins TV network program dept. as gen. program exec.; Matt Steinbuch, ex-CBS-TV, named NBC-TV comedy program development dir... Fred Rappoport advanced to N.Y. special programs dir., CBS-TV; Robert Kipperman promoted to Network Sales nighttime sales dir., Dennis Considine to N.Y. assoc. program development dir.

Russell McCorkle, Westinghouse Bcstg. asst. controller, promoted to Group W Productions controller, new post... Sarah Weber advanced to research dir., Serge Valle to program research dir., both new posts, in expansion of Kaiser Bcstg. Spot Sales research dept.

Donald Baker confirmed by Senate as Justice Dept. asst. atty. gen. in charge of Antitrust Div... Henry (Jeff) Baumann advanced to chief, FCC Renewal Branch... Thomas Maney, Boston Bcstrs. vp, elected pres., New England Bcstg. Assn., succeeding James Coppersmith, WNAC-TV Boston vp-gen. mgr... Doyle Thompson, Landmark Bcst. Div., Greensboro, named chmn., NAB 1977 Engineering Conference Committee.

F. Van Konyenburg, WCCO-TV-AM-FM Minneapolis exec. committee chmn., retires Oct. 1; Pres. Lawrence Haeg also retires, remains consultant to WCCO(AM); Secy. W.T. Doar elected pres. & chief exec. officer; James Rupp, ex-Cox Bcstg., elected exec. vp & chief operation officer; C.J. Mulrooney elected chmn., H.W. Dornself, vp-treas., J.E. Murphy, secy., and WCCO-TV Gen. Mgr. Sherman Headley & WCCO(AM) Gen. Mgr. Philip Lewis, vps.

Thomas Burkhardt, one-time WHAS-TV Louisville gen sales mgr., named local sales mgr., WDRB-TV

Louisville; Jim Lucas, ex-NBC, appointed sales service dir... Wanda Henegar promoted to promotion dir., WATE-TV Knoxville; Ron Watkins advanced to gen. sales mgr... Helen Dudman, ex-Post-Newsweek Stations PR dir., named special asst. to pres., WETA-TV-FM(ETV) Washington, new post.

Michael Peacock, ex-Warner Bros. TV, appointed pres. of Video Arts, U.S. subsidiary of Video Arts Ltd., British firm... Dolores White, MMT Sales business mgr., appointed vp-financial administration; Sid Gurkin, San Francisco office mgr., and Tom Rice, mgr. of Detroit office, named vps... Alice Samuels, Nielsen TV index N. Y. sales staff, elected vp; Roy Anderson, advanced to product mgr., Nielsen station index... William Morris, Blair TV Sales Strategy Div. dir., named a vp.

Bert Wolf promoted to vp-sales, Jerrold Electronics... Jack Forde, ex-Jerrold, joins C-COR Electronics as sales & mktg. dir... S.J. DeLuca named finance mgr., Magnavox CATV Div... John Egan promoted to eastern mgr., Anixter-Pruzan... David Russell, IDR engineering mgr., advanced to vp-engineering & development... Fred Samuel, Calvert Electronics Broadcast/CCTV Div. mktg. dir., promoted to national mktg./sales mgr... Frank Nowaczek, ex-Blackburn & Co., appointed Warner Cable vp-Mid Atlantic mgr., new post.

Despite Canada's position (Vol. 16:34 p4), it is State Dept.'s "firm expectation" that next U.S.-Canadian meeting on border TV "will be concerned with both C-58 [Canadian legislation disallowing tax deduction for Canadian ads placed in U.S. media] and commercial deletion," State Dept. Asst. Secy. Robert McCloskey wrote Sen. Magnuson (D-Wash.) in wake of meeting of Secy. Kissinger with Canadian External Affairs Secy. Allan MacEachen. McCloskey said Kissinger agreed that next meeting should take place before C-58 is promulgated, added that it's "premature" at present to discuss possible legislative or executive branch retaliation "should the discussions fail to lead to a modification of Canadian policies."

Food & Drug Administration has proposed rules allowing payment by FDA of attorney fees for consumer groups, indigents, etc., and petition requesting similar action is pending before FCC. Current opinion at Commission is that favorable action is unlikely. Law passed in 1975 gave FTC up to \$500,000 to spend on such purposes in fiscal 1976.

Program logging rules for non-commercial stations would be changed under rulemaking started by FCC "to give better recognition to operational differences" between non-commercial & commercial stations. Comments are due Oct. 7, replies Oct. 18.

Obituary

Mrs. Henry Rines, 89, pres. of Maine Radio & TV Co. and widow of founder, died Aug. 24 in her home in Cape Elizabeth, Me. Firm is licensee of WLBZ-TV-AM Bangor and WCSH-TV-AM Portland. Mrs. Rines had been pres. since 1938, also served as pres. of Portland hotel firm. She's survived by daughter Mrs. Philip Thompson and sister Mrs. Edwin Crawley.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Aug. 13 (32nd week of 1976):

	Aug. 7-13	1975 week	% change	July 31- Aug. 6	1976 to date	1975 to date	% change
Total TV	215,160	196,087	+9.7	171,317	6,723,579	6,298,388	+6.8
color	129,739	108,794	+19.3	99,950	3,951,190	3,491,088	+13.2
monochrome	85,421	87,293	-2.1	71,367	2,772,389	2,807,300	-1.2
Total radio	537,720	462,696	+16.2	595,754	21,496,168	18,872,531	+13.9
home, portable . .	297,997	299,368	-0.5	366,510	14,113,253	13,890,170	+1.6
AM-only	96,906	66,318	+46.1	101,937	3,272,119	3,957,453	-17.3
FM & FM-AM . . .	201,091	233,050	-13.7	264,573	10,841,134	9,932,717	+9.1
auto	239,723	163,328	+46.8	229,244	7,382,915	4,982,361	+48.2
Port.-comp. phono .	39,177	54,971	-28.7	51,937	1,454,370	1,904,872	-23.7

Color TV 5-week moving average: 1976—131,624; 1975—110,964 (up 18.6%).

'COMPACT' FORMED TO FIGHT COLOR IMPORTS: Union-industry group that financed survey of state of domestic TV industry as first step toward seeking import relief (Vol. 16:26 p7), has firmed up into formal organization—COMPACT—for Committee to Preserve American Color TV Industry, plans to bring case for help to International Trade Commission within next 2 months.

Unlike earlier independent group, Electronic Industry Committee for Fair International Trade, which successfully pressured Treasury to clean up backlog of dumping & countervailing duty cases in 1972-3, COMPACT is union, rather than industry dominated. Unions on board are Industrial Union Dept. of AFL-CIO, Allied Industrial Workers, Flint Glass Workers, Communications Workers, Glass Bottle Blowers, Independent Radionic Workers (Zenith in-house union), International Assn. of Machinists, IBEW, IUE, United Electrical Machine Workers, Furniture Workers, Steel Workers.

In contrast, industry representation is light, consisting of Corning, Owens-Illinois & Wells-Gardner. Unions listed cover virtually every American-owned color TV & components operation in U.S.; Corning & O-I handle representation by component manufacturing segment of industry; W-G is color producer COMPACT needs to be able to say it also speaks for end product producers.

COMPACT Co-Chmn. are Allen Dawson (Corning) & Jacob Clayman (IUD). Exec. Committee consists of John Andrews (O-I), Paul Cullen (Corning), Donald DeKieffer (attorney with Collier, Shannon, Reel & Edwards), David Fitzmaurice (IUE), George Parker (Flint Glass), Charles Pillard (IBEW), Floyd Smith (IAM). Group has hired PR man out of Pittsburgh, William Gill, and while it doesn't have permanent office yet, it has D.C. phone: 202-785-1062.

Petition for relief to ITC is expected to be filed under Tariff Act. Sec. 201, also known as escape clause, which gives U.S. right to protect efficiently run domestic industry being threatened or injured by increased imports. Help could be in form of import quotas, higher duty rates or combination of both, that is, a duty rate increasing in stages as imports rise past specific trigger quantities. In past, when ITC has found industry eligible for such relief, first step is usually attempt to negotiate voluntary export quota agreement with source countries. Other possibility would be filing of request for industry-wide import adjustment assistance with Commerce. Aid then would be in form of low-cost loans for modernization, technology & training plus tax breaks. But feeling is COMPACT isn't interested in that kind of help.

Aug. is turning into "New Assn. Month." Members of group planning to participate in April audio show being put together for Las Vegas by Charles Snitow Organization—formerly managers of CES events—are considering starting Audio Industry Assn., which would probably become sponsor of show. Announcement of show date & program may come this week. In Cal. new group, Assn. of Electronic Importers, has been launched with prime aim being to fight state's plan to levy retroactive net asset tax on imports destined for shipment outside state. Levy of state tax on imports was made possible by Supreme Court ruling last Jan. (Vol. 16:4 p1).

Call for import quotas or other protective measures to protect jobs of U.S. color TV workers was issued last week by IUE Dist 3 (N.Y.-N.J.) Pres. William Bywater. Bywater is challenging Fitzmaurice for IUE presidency, and import question is expected to be major topic at union's Miami Beach convention opening Sept. 20.

JAPAN SHATTERED TV EXPORT RECORDS IN JULY: All-time high monthly records for color TV & total TV exports to U.S. set by Japanese in June (Vol. 16:31 p10) lasted just 31 days, according to Finance Ministry figures showing both were easily topped in July. Addition to worries of U.S. color producers over expanding import competition is news that Taiwan will have full-scale color tube production capability by 1979, making island's industry a significant factor in color for the first time.

Japanese exported 479,200 TV to U.S. in July, up 164% from same month last year, including 340,400 color, up 214.3% & 138,700 b&w, up 89.5%. Through the first 7 months, Japan's total TV exports to U.S. topped 2.22 million. That figure is up 179.2% from same year-earlier period, and exceeds full-year totals for 1973-4-5. In color, cumulative figure of just under 1.5 million was up 202.4% from same 7 months last year, and is larger than shipments in any calendar year in history. B&w 7-month total of 726,700 was up 138.6%.

Japanese continued to enjoy benefits of U.S. CB boom, as July shipments leaped 480% to 1.66 million, for 7-month total of 7.97 million, up 469.6%.

Color tube plant for Taiwan is being planned by Dutch Philips, which won govt. approval of \$50 million project. Philips will invest \$22 million itself, borrow rest. Plant is to be located in Chupei, in northern Taiwan, where in 1970 Philips built \$25 million plant for b&w TV tubes, glass & electronic components. Construction is to start in Dec., with completion in 2 years. Facility is expected to employ at least 800. Meanwhile, Taiwan's Chungwa, b&w tube-making subsidiary of local TV giant Tatung, is continuing negotiations for color tube venture with Japan's Mitsubishi, already has color tube technology arrangement with Taiwan Refractory, another Tatung affiliate.

All U.S. TV majors, with exception of GE, now source or are about to source bulk of b&w requirements from Taiwan. Only thing keeping many from transferring at least small-screen color production there is lack of local color tube supplier; most Taiwan-made color sets use Japanese tubes. Establishment of major tube facility by Philips, emergence of Chungwa as second-source supplier and probability Corning will add color capability to b&w glass operation there, should remove only barriers stopping Taiwan from occupying same production powerhouse position in color as it holds in b&w.

SONY STRIKES BACK ON VIDEO 'STANDARD': Sony's strategy in fight for home videocassette recorder market is becoming clear—major weapons are technology & patents. Although JVC denies its upcoming machine is designed to stop Betamax (Vol. 16:34 p8, 30 p8), there's no question Sony considers unit most serious threat of any home VTRs introduced to date.

While JVC obviously will make its major stand on issue of playing time—2 hours for its cassette vs. Sony's one—Sony is believed to be preparing counterattack. JVC's cassette, although larger, appears to be remarkably similar to Sony's. It contains 803.8 ft. of tape against Sony's 492.1 ft. (both are 1/2"). Recording technique is azimuth method, similar to that developed by Sony. While similar to Betamax in many respects, JVC unit uses M-type tape wrap as opposed to Sony's U-type. Sony says it explored M system, rejected it because of excessive tape stress.

Though Sony denies it has 2-hour cassette in works, it's conceivable—even probable—it will field new Betamax version which will get 2-hour performance out of same length cassette by

sophisticated electronic technology, and without sacrificing picture quality. Sony officials declined comment, but made clear they intend no changes in cassette—or amount of tape—in future models. Presumably any new machines would also handle cassette recorded in one-hour mode. It's believed Sony will be ready to move soon on 2-hour machine, if necessary, to head off competition.

Putting 2-hours playing time on present cassette would be remarkable achievement in tape economy—Betamax already is most tape-economical VTR system on market.

Sony's second weapon is patent position. JVC, along with Matsushita, Nippon Electric & 3M, is member with Sony of home video patent licensing pool, is therefore able to use Sony developments without royalty. But other producers can't. In other words, if JVC machine should become "standard," non-members of pool would still have to obtain license from Sony for its principles used in system.

Would Sony use patent position to insist that licensees make "Betamax or nothing?" we asked Chmn. Akio Morita in Tokyo last week. "Personally, I don't want to use our patent rights to too great an extent," he replied, cautioned "but we may be forced to do this reluctantly to protect our own interests."

Sony already has large investment in Betamax. We were first outsiders to visit new automated 400-employee production plant in Koda, Japan, now turning out Betamax at 10,000-monthly rate, due to step up to 15,000 in Sept. Plant alone has already cost Sony \$11 million, and \$3-\$4 million more will go into next month's production hike. Existing building there can accommodate 20,000 monthly output, but there's space for 60,000—indicating ultimate near-term annual goal of some 720,000. New Sony tape plant in Dothan, Ala. will concentrate exclusively on Betamax cartridges when it opens next year.

As to MITI's request that VTR manufacturers set single standard for home units, Sony officials reiterated they'd ignore any "standard" unless it's Betamax. Arbitrary standards, explained Honorary Chmn. Masaru Ibuka, tend to stop progress of technology and "ignore the consumer."

JVC, meanwhile, has supplied samples for test purposes to Sanyo & Toshiba, supporters of competing V-Cord II system, and to Sharp, currently a fence sitter. JVC spokesman told us Matsushita's recent endorsement of JVC system was not aimed at stopping Sony's drive, but was to give other producers alternative to Betamax for standard MITI is insisting upon. In fact, JVC indicated, there could well be 2 non-compatible home VTR standards.

Another key company in Japanese standard struggle, Hitachi, says it's still evaluating whole home video situation, said it expects it will be "quite a while" before it decides on either a home VTR or videodisc system. On videodisc, spokesman said Hitachi has not discussed semiconductor laser pickup it developed for optical discs (Vol. 16:33 p9) with Dutch Philips, offered view that Philips system may be too sophisticated for mass market production, added that Telefunken's TED system didn't seem to fill consumer bill either.

STANDARDS FIGHT SHAPING OVER GAMES: Before first cartridge-based video game even hits retail floor, games industry is warming up to question of software standards; prospects for major battle over issue appear strong. With raft of 2nd-generation microprocessor games set for introduction by year end (see p. 11), several in industry are voicing hope that early standardization will prevent extended period of confusion & dissension in field. At this point, chances of early agreement on cartridge interface or compatibility—allowing programs of one producer to be played on competitor's unit—appear dim.

One of first to raise issue is Donald Schneider, pres. of Lloyd's Monte Verde Div. "We're very interested in 2nd- and 3rd-generation games, but we'd like to see some form of standardization or common ground emerging." With range of varying or "oddball" standards for game software, Schneider said, "market can become totally fragmented." "This is a very volatile thing," he said, "and I for one would feel much more strongly about the strength of the market in the future if there were compatibility, even if I did lose some exclusivity."

Response of Fairchild—first to show cartridge game—was essentially: "Yes, if it's ours."

Product Mktg. Mgr. Michael Hatcher said his firm "would like to become the standard. We're hoping by the time others get them [cartridge games] out, we'll already be the standard of the industry." Hatcher said although he now doubts standard will emerge, long-range planning with TV set makers here and abroad over possibility of built-in cartridge game could serve to bring about certain amount of standardization.

NEW FACE IN CB: In move reminiscent of how Japanese won position in TV & audio industries, one of big-3 Japanese CB makers reportedly is preparing assault on U.S. market, decision which could spell trouble for domestic importers. Under tie-up with new firm headed by Malcolm Parrish, former Pearce-Simpson vp-gen. mgr., Uniden CBs would be marketed here under President label, source said. Parrish acknowledged he is setting up new CB company, is "not affirming or denying" that Uniden is backer. Uniden is supplier to P-S, Dynascan, Fanon Courier, others. "This is an American company, not a Japanese company. I've got partners, but their names are my business."

"It's Panasonic all over again," source close to situation told us. "It's the way they cracked the American TV market." He said his information indicated Uniden was supplying bulk of financing for venture, speculated that joint-venture set-up might be dropped, once firm establishes foothold in U.S. Timetable for market entry isn't available, but move is obviously keyed to 40-channel expansion. As noted (Vol. 16:33 p10), Uniden is expected to begin producing 250,000 40-channel units monthly beginning in Nov.

Those plans could run into problems, however, since tight labor supply in Japan may slow down production of new 40-channel units, conversion of 23-channel CBs to 40 channels. Export leader Cybernet has launched crash recruitment drive to meet projected goal of 900,000 units monthly beginning in Nov., but heavy labor demand from booming TV industry is making search difficult.

Meanwhile, list of U.S. firms struggling to shore up sagging 23-channel market through conversion plans continues to grow, latest being P-S which will re-manufacture "most" 23-channel CBs bought after Aug. 20 to 40-channel capacity for \$25 premium. Deal is being extended to both dealers & distributors, with priorities on re-manufactured 40-channel units tied to volume of 23-channel purchases July 1-Dec. 31.

Calculator business of American Microsystems Inc. was sold to group headed by John Ready, former AMI consumer product mktg. dir., for undisclosed cash sum. New firm, called Cal. Technology International, also has rights to AMI's Calculine brand, will market only through direct-mail & premium outlets, avoid sales through retailers. AMI, which previously announced plan to quit consumer products, still is seeking buyer for watch business... **Texas Instruments** cut price \$3 to \$95 on calculator line. Basic 8-digit unit is now \$10, high-end scientific \$300... Pocket calculators are in 43% of American homes, 70% of homes with incomes of \$20,000 or more, according to research firm R. H. Bruskin Assoc... **Casio** introduces matchbox-sized 8-digit model, claimed as world's smallest calculator, for \$30.

Taiwan's quota on b&w TV exports is voluntary program aimed at limiting shipments to U.K., not U.S., as was indicated in original announcement from Chinese Information Service (Vol. 16:34 p11). Request for quota was made by U.K. govt. in response to concerns over growing imports expressed by U.K. producers. Through first 7 months, Taiwan has shipped about 50,000 b&w sets to U.K., some 40,000 more than in same period last year. Three producers—Tatung, United Electronics & Oscar Electronics—say they have contracted to supply U.K. importers with 120,000 sets this year. Hoping to achieve same success in obtaining voluntary export restraint from Japan, U.K. govt. has turned down group of manufacturers who sought imposition of TV import quotas (Vol. 16:30 p10). Undaunted, U.K. industry spokesmen say they'll keep up protectionist pressure. In related move, Mullard, a Dutch Philips subsidiary, is proposing that govt. invest \$1.8 billion over next 10 years to help U.K. industry compete with U.S. & Japanese manufacturers.

Ad notes: GE & RCA were only TV firms in Ad Age's list of top 100 national advertisers for 1975. GE's outlays in measured media were estimated at \$70 million, down 12.5% from 1974. This year, Ad Age says, GE will spend about \$8.5 million to push TV, has put \$3 million in first quarter "Happy Birthday America" promotion, \$1 million into TV spots for home fire detector. In measured media, GE spent \$923,000 for TV ads last year. Total excludes co-op, which accounts for bulk of budget. RCA's spending rose about 6% last year to \$89 million, including estimated \$10 million for TV... Nutone Div. of Scoville Mfg. signs Angie Dickinson for home security alarm radio spot campaign... Sparkomatic shifts CB & auto accessory account to Levine, Huntley, Schmidt, Plapier & Beaver... Craig buys full sponsorship of Bob Dylan's Sept. 14 NBC-TV special, will promote home & auto sound products line... Kraco's first consumer-oriented campaign will be TV & radio spots in 35 markets, featuring CB line, at cost of \$2 million.

CB Scene: CEDA (Communications Equipment Distributors Assn.) embarks on ambitious campaign to combat "rumors" & "garbage" about 23-channel market. Included is 13-point fact sheet discussing consumer benefits of 23-channel units and recommendation that all CB suppliers offer distributors price protection on existing inventories. Task Force will meet with FCC Sept. 1 to discuss issues... Samkee Electronic (Korea) opens \$200,000 factory for monthly production of 10,000 CB units... Regency's CB sales shot up 438% over previous year in FY 1976, accounting for \$19.3 million of \$57.1 million total sales.

Sanyo plans to build new auto tape plant to meet rising demand in U.S. Company said if boom continues it will ship 1.4 million units this year, nearly double fiscal 1975 total.

GAME MAKERS PLAN FUTURE: Race to hit market with 2nd-generation microprocessor game is accelerating, and half dozen or more firms are expected to introduce sophisticated, cartridge-based unit in \$100-\$150 range by year-end. Reaction to Fairchild VES (Video Entertainment System) at June CES is responsible for stepped-up efforts by Allied Leisure, APF, First Dimension & several others to offer more complex games at Jan. show.

Allied Leisure will show 5 new games at Winter CES, ranging \$89-\$169, including cartridge models. "Some will have cartridges, some will use other techniques," Mktg. Dir. Arnold Fisher said. "They will be capable of doing much more than the Fairchild game." Fisher said new games will go to FCC in Dec., with deliveries starting in Feb. & March. "We're using our first games (2- & 4-player ball-&-paddle units) to penetrate the major department stores, then we'll be ready to go in with our 2nd & 3rd-generation games."

APF will show 2 advanced games at CES: Microprocessor unit using cartridges and multiple-game model with dedicated chip. Microprocessor game will be under \$150, feature "2 or 3" built-in games with additional games or models available on optional cartridges. Firm will insist on proprietary microprocessor, is now negotiating with 2 semiconductor sources. Hardware will be completed in Nov., and game will probably hit market sometime in 2nd quarter.

First Dimension hopes to hit market with microprocessor game in Dec., start volume deliveries early in Jan. Unit will have 6 built-in ball-&-paddle games, 8 games on optional cartridges which will be in \$8 range. Plan now calls for game to be in \$130 range, but Pres. Norvell Olive said final price will depend on cost of memory used. Firm will use outside microprocessor source, but has purchased technology "from a company already in the game field."

Others are obviously working on microprocessor games, and executive with leading material supplier to industry told us firm is working with Magnavox, Tele-Match, Microelectronics and several others. "We're being impressed with lead times. Everyone we talk to is pushing very hard to get something ready for the FCC as soon as possible." Magnavox wouldn't comment on plans, and Microelectronics spokesman said microprocessor game "is only in the research stage at the present time. We may follow through with something in the early spring, but right now it's just experimental."

Semiconductor sales by U.S. companies, worldwide, totaled \$321.3 million in June, with ICs providing \$187.9 million, discrete devices \$133.4 million, WEMA reports. Bookings for month were \$374 million, including \$226.8 million for ICs, \$147.2 million for discretes. Comparable 1975 totals aren't available.

Philips-brand hi-fi line will debut by Magnavox at Winter Consumer Electronics Show. Line will include U.S.-made receivers & recorders. If successful, Philips brand is expected to replace MX line currently being marketed.

MAGGIE'S GAME PLANS: First video game to hit market under Magnavox's expanding Sentinel private-label program (Vol. 16:32 p10) apparently will be Triple Challenge game sold by Gulliver Products, subsidiary of Chicago attache case producer Stepco. We've learned that game—as Odyssey 300—will be delivered to retail accounts in Sept. with \$69-\$79 list. Approved by FCC last week, game will be shipped from Odyssey plant in Jefferson City, Tenn. Magnavox won't comment, but Sentinel is apparently umbrella name being used for private-label program.

Other newcomers to game field include Concept 2000 & Kings Point, latter a subsidiary of Realtone of Japan. Concept game, now pending at FCC, will join First Dimension unit at low-end of market with \$39.95 suggested list. Dealers are being offered Concept game, called TV+4, at \$29.95. Spokesman said 4-game unit uses GI chip, will be imported from Hong Kong factory once FCC approves. Firm says it can deliver 150,000 units by end of year. Kings Point unit, also 4 games with GI chip, won FCC approval last week, is slated for Nov. delivery. Game is made in Far East, pricing not set.

Allied Leisure (The Name of The Game) 2-player unit was also approved, 4-player game still pending. Other approvals: Dyn (Model V), Phoenix International (1000 A), Atari, Unisonic (variation of Tournament 2000 approved earlier), E&P Electronics (Hong Kong).

Matrix quadraphonic FM broadcast standard should be established by FCC to end industry and consumer confusion over which matrix system is best, CBS told agency in petition for rulemaking. CBS said such confusion "is, and will continue to be, a seriously impeding factor" in growth of 4-channel stereo. CBS recommends that its SQ matrix format be adopted as standard, suggests 55 kHz tone be included in quadraphonic broadcasts to serve as identification signal. Tone could also be used to switch properly equipped receivers automatically from 2-channel to 4-channel. Adoption of matrix standard wouldn't preclude later issuance of standards for more complex discrete quadraphonic broadcasts, CBS said. It's expected Sansui, developer of competing QS matrix system, plus those who have taken "discrete-or-nothing" posture on FM 4-channel, will oppose CBS request... Schwann is discontinuing special catalog section for 4-channel discs because of decline in new releases. Discs available in 4-channel will be specially marked in regular catalog.

Mergers & acquisitions: **Switchcraft** purchased specialty switch business of Chicago Dynamic Industries for undisclosed cash sum. CDI continues as producer of coin-op video & pinball games... **Intersil & Advanced Memory** agreed on merger terms calling for AM to issue shares worth about \$17.5 million in exchange for Intersil stock.

Audiovox claims damages in excess of \$5 million in trademark infringement suit filed in N.Y.C. on packaged miniature FM converters sold by Solitron Devices. It's understood Solitron had been supplier of devices to Audiovox, began marketing own line early this year. Solitron has issued general denial.

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with
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Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Electrohome 1976-26 wk. to June 25	44,854,000	(1,961,000)	--
1975-26 wk. to June 25	40,234,000	(2,703,000)	--
Morse Electro Products 1976-qtr. to June 30 ^a	21,630,000	(2,716,000)	--
Scientific-Atlanta 1976-year to June 30	45,300,000	2,020,000	1.40
1975-year to June 30	35,700,000	1,247,000	.97
1976-qtr. to June 30	12,800,000	660,000	.42
1975-qtr. to June 30	10,000,000	384,000	.30
Tele-Communications 1976-6 mo. to June 30	22,312,000	386,000 ^b	.04
1975-6 mo. to June 30	19,555,000	(499,000)	--
1976-qtr. to June 30	11,433,000	208,000 ^b	.02
1975-qtr. to June 30	9,981,000	77,000	--

Notes: ^aNo comparable figures available. ^bIncludes special credit.

national service dir., succeeding **Marshall Brown**, retired... **Caroline Nemser**, Radio Shack mdse. controller, named vp.

R. J. Dumesnil advanced at Altec to national customer service mgr.; **Gabriella Engebretson** named order mgr., succeeding Dumesnil... **Marshall Lewis**, ex-American Can, appointed Union Carbide corp. communications dir.

Gary Barbera advanced at Oak Materials Group from operations vp to acting group vp, succeeding **Raymond Peirce**, now corp. operations exec. vp; **William Guerra**, former Components Group vp-controller, named corp. controller... **Steven Sharp** promoted at Signetics Logic Div. to gen. mgr., succeeding **Norman Miller**, now ITT Semiconductor U.S. operations chief; **Gary Smith**, ex-TRW Semiconductor, joins as industry sales mgr., new post... **Ronald Eckert**, ex-Motorola Semiconductor, now American Microsystems Microprocessor & Memory Group product engineering mgr... **Robert Pepper** promoted at Analog Devices Semiconductor Div. from R&D dir. to gen. mgr., succeeding **Modesto Maidique**, now Harvard Business School professor.

RCA established \$20 million 3rd quarter reserve to cover estimated loss on possible disposal of U.K. food subsidiaries. **RCA** said net for period, after deduction for reserve, should be about same as \$32.8 million reported for same 1975 quarter... **Soundesign** voted 3-for-2 stock split... **Curtis Mathes** declared 5¢ 4th quarter, 5¢ year-end special dividends, said it will continue paying 5¢ quarterly if earnings record continues... **Hewlett-Packard** blamed 3rd quarter profit decline on losses from calculator business... **Globe-Union** increased quarterly dividend to 37.5¢ from 25¢, announced 3-for-2 stock split... **Morse** showed \$2.7 million loss on sales of \$21.6 million in quarter to June 30. While it didn't report comparable 1975 results because, it's believed, of retroactive changes, last year it showed \$1.3 million loss on sales of \$24.4 million for same period.

Trade Personals

Lawrence LeKashman, ex-Lafayette exec. vp, former Olson pres., joins Gladding as Electronics Group vp, responsible for CB & marine radio product mktg. of subsidiaries Pearce-Simpson, Keytronics, U.S. Fiberglas/Electronics... **Mitchell Samaha** advanced at Quasar from zone mgr. to gen. mgr. of Quasar Sales, new Tampa factory distribution branch, assuming territory formerly serviced by independent Handwerg Distributing... **Dennis Telfer**, ex-Sylvania Audio Products, appointed eastern sales mgr. for Hitachi's Audio Div., newly formed to handle hi-fi line; **Phil Goldstein** named western sales mgr... **Lou Soroka**, ex-Apollo Distribution, named Zenith N.Y. operations & personnel mgr... **Robert Reid**, ex-Admiral sales promotion mgr., joins Bell & Howell Audiovisual Products Div. as mktg. services mgr... **John Kearney** resigns as Sony national hi-fi sales mgr.

Charles McDonald promoted at Fairchild to Consumer Products Div. mktg. vp; **John Donatoni** advanced from national accounts mgr. to national sales mgr., succeeding **Phillips Conklin**, now time products mktg. dir.; **Charles Jacoby**, ex-Polaroid, joins as home entertainment products mktg. dir... **Sol Gertzis**, ex-Micro Components, named General Instrument Microelectronics Div. consumer products line mktg. mgr... **Philip Schweibert**, ex-Gould, named vp-mktg. for Bunker Ramo Amphenol Div. Consumer & Instrumentation Center... **Willard Hauth** advanced at Motorola Semiconductor from sensor operations mgr. to automotive electronics systems program mgr., new post.

B. Paul Worsham joins Teac as ad mgr., succeeding **Charles Overstreet**, resigned... **Brooks Van Dyke**, Craig product design mgr., adds duties as product planning mgr.; **Larry Tinkler** promoted to