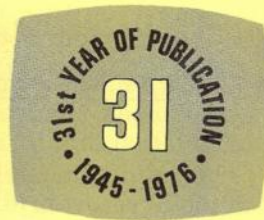


WEEKLY

# Television Digest®

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SEPTEMBER 6, 1976

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**DEBATES SHAPING UP QUICKLY:** League seeks historic spots. Reporters panel—one each from broadcasting, dailies, magazines. Burch & Minow concerned about live audience impact. (P. 2)

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**UTILITIES OPPOSE POLE BILL,** but Van Deerlin remains confident of House passage of combined forfeiture-pole attachment legislation. N.C. Utilities Commission jurisdiction disputed. (P. 5)

**'RADIO NEWSPAPER'** launched in Chicago, Detroit & Madison areas using FM subcarriers. (P. 5)

**GROUP W SEEKS NETWORK INVESTIGATION:** "The networks are now exerting undue power & influence over affiliated local stations to the detriment of both the stations and the TV viewing public," Group W charged last week in asking FCC to launch broad inquiry and rulemaking into network practices and their relationships with affiliates. Group W also asked Commission to freeze immediately, at present levels, amount of network programming and to require networks to permit affiliate pre-screening 4 weeks before program is aired.

Petition also asked FCC to "review the reasonableness of the networks' unilateral actions in virtually freezing compensation to their affiliates despite...expanded network programming and greatly increased network profits [and] sharply increased local station costs."

Pres. Donald McGannon told us Group W had been "talking about elements of this" complaint for couple of years but that decision to file at FCC was made just 2 weeks ago. "We didn't intend to move this fast," he added, but complaint was expedited because of expectation that all 3 networks soon will announce evening news expansions into station time. (Note: CBS-TV Affiliates' Board has special meeting on longer news Sept. 9-11 at Ala. resort.) McGannon said Group W didn't consider filing antitrust complaint against networks and that "I'm sorry we had to go to

### Consumer Electronics

**NEW CB PROBLEM** looms as makers petition FCC for relaxation of receiver-certification rules. Situation could slow type-acceptance procedures, delay Jan. 1 introductions of 40-channel CBs. (P. 7)

**FTC URGES HALT** to ITC probe of Japan color producers, says case should be turned over to Treasury. July color & total TV imports set new records. (P. 7)

**PRICE WAR LOOMS** in color TV as imports swell inventories, despite record 200,000-unit sales week at end of Aug. (P. 8)

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**LLOYD'S-CAPEHART** merger called off, no new talks planned. NYSE moves to delist Morse. (P. 9)

**CANADA'S COLOR** market rose 52.6% in first quarter, b&w jumped 114%. (P. 10)

**NOVATECH—NEW GAME** name—staffed by laid-off Admiral engineers. (P. 10)

**FIRST HALF IMPORTS** of audio products up sharply in most segments. Auto radios up 147%, home radios 49%, phonos 20%, record changers 157%. (P. 11)

**MAGNAVOX GAME PROGRAM** off-&-running, with another customer signed by Sentinel private-label div. In-house rivalry with Odyssey group sparked. (P. 12)

any government body." He continued:

"We have taken this action only after serious consideration of its implications and the circumstances involved. Were it not for the paramount public interest in a system of locally-oriented stations, it might be argued that the questions we are raising are simply private matters... Unfortunately, the industry has no effective means for dealing with the serious issues which have overriding public implications. During the past year, we have discussed these problems at length with each of the networks without success..."

"Today, the networks dominate the TV industry. Their impending unilateral decision to expand their evening news... the excessive amount of violence and adult material in so many of their prime-time programs, the threatened take-over of more, already scarce, local time... and the distortions of economic relationships for over a decade have prompted this initiative and commitment by Group W." Company, which has one ABC, 2 NBC & 2 CBS affiliates, said inquiry & rulemaking should consider these questions:

(1) Examine present structure of industry to determine if it's fulfilling FCC's original plan for TV. (2) Need for appropriate clearance procedures to deal effectively with excessive sex & violence. (3) Proper balance between network & local programming. (4) "Consequences of the increasing economic domination" of TV industry by networks. (5) Network-affiliate contractual relationship and its effect on public. (6) "Reasonableness" of station compensation paid by networks. (7) Influence of networks and their owned stations on national syndication.

Group W also asked FCC to announce that it would be "appropriate" for affiliates to act as a group in bargaining with networks on such matters as programming, clearance procedures, compensation "and other matters of mutual concern." Company said it was serving each network with petition "so that they will be in a position to respond at an early date."

Only CBS responded immediately. Bcstg. Group Pres. John Schneider noted that Group W has "bitterly opposed" expanded news and "in order to get its way, it is now inviting government intervention on the basis of allegations that are totally without merit."

**DEBATES SHAPING UP QUICKLY:** Now that Ford-Carter TV-radio debates have been given go-ahead by both sides, principal issues are: (1) Can Eugene McCarthy, Lester Maddox and/or other minority party candidates block debates by court challenges of their exclusion? (2) What are details of debates?

Few lawyers think court suits could block debates—on basis of Sec. 315, fairness doctrine, federal election laws, what have you—but they agree such challenges could be nuisance.

As for details of debates, here are a few: (1) There will be 4 of them, 90 min. each. (2) Date has been set only on first, Sept. 23, on domestic & economic policies; 2nd is on defense & foreign policy. (3) Third is between Mondale & Dole. (4) Last will roam spectrum of issues. (5) Though dates aren't set for 2nd, 3rd & 4th, it's expected they'll run one a week in Oct., no specific day of week selected. (6) It's assumed networks will pool. PBS announced it will carry the works.

(7) Locations haven't been picked, but sponsor League of Women Voters would like historic spots, is looking at Knox College, Galesburg, Ill. (Lincoln-Douglas debates); Independence Hall, Philadelphia; Cooper Union, N. Y. Halls seating 5-600 are sought, to accommodate 2 groups—general audience and media. Attendance will be by invitation.

(8) There will be 3 reporters quizzing candidates, plus moderator. Reporter panel will consist of one from broadcasting, one from dailies & wire services, one from periodicals; new panel will be chosen for each debate. It hasn't been decided whether one moderator will handle all. (9) Reporter will be allowed to pose a question, then a follow-up.

Dean Burch, one of Ford's negotiators on debates, said: "Both sides are very concerned about the impact of the live audience, hoping they won't try to influence millions of viewers." "We hope that the moderator won't be self-serving," he said. "He's not required to come from the media, but probably will." Burch wasn't seriously worried that minority candidates could mess up plans.



Newton Minow, representing League, said: "I think we're right on the law. If there's sufficient interest in minority candidates, the League would consider another debate and invite TV coverage." He said League has been besieged by requests for invitations to attend sessions. As for possible influence of audience on viewers, he said: "The history of the League is of non-partisanship. I think they'll be OK." As for locations: "We have a strong preference for places of historic interest; it's the Bicentennial Year. We hope the debates will be a permanent thing." Moderator, he said, "should be someone respected by the whole country."

Minow recalled suggesting TV debates in 1956 to Adlai Stevenson, running against President Eisenhower, "but Stevenson thought it would be wrong to challenge a sitting president; I thought Stevenson was wrong." Of recent negotiations, he said: "I was very pleased by the level of the discussions. There was good spirit all around."

**FOGARTY & WHITE TERMS SWITCHED:** Last-minute compromise has cleared way for Senate confirmation of White House aide Margita White and Commerce Counsel Joseph Fogarty to FCC. Meeting in closed session Aug. 31, Committee agreed, at suggestion of Sen. Ford (D-Ky.), to suggest to White House that it switch terms, giving Democrat Fogarty 7 years, Republican White 2 years. While several panel members found 7-year term for White unacceptable due to appearance of conflict of interest (Vol. 16:35 p2), they found 2-year term OK.

White House quickly approved switch, and Committee meets again on nominations in open session tentatively scheduled Sept. 8. Though some opposition to White remains at Committee level and in full Senate, confirmation of both appointees is expected. Communications Chmn. Pastore (D-R.I.)—whose vote usually is key to other Democrats' leanings—told Providence Journal he's "inclined" to accept compromise, though he stressed it wasn't because former aide Fogarty would get longer term.

Sen. Ford moved to suggest to White House that terms be switched because, though "appearance" of conflict of interest troubled many senators, it didn't constitute legal bar to confirmation. He also argued that 2-year term would serve as "test period" to determine whether White could avoid appearance of conflict, said he was concerned that a "no" vote would be "disincentive" to govt. service by wives. After 7 of 8 senators present agreed to compromise—only Sen. Cannon (D-Nev.) reportedly still opposed to White—Sen. Baker (R-Tenn.) phoned White House congressional liaison Max Friedersdorf, who called Baker back in less than 15 min. with word that President would agree to switch.

Immediately after compromise was made public, NCCL's Nicholas Johnson wrote all members of Commerce Committee asking why "very serious conflict issues" raised by White's 7-year term "are affected in the slightest by reducing the nomination to 2 years," urged Committee to reject her.

**NCTA Exec. Committee forms 3 new committees:** Ad Hoc Minority Ownership, Translator, State & Local Govt. Relations. Said Pres. Robert Schmidt: "We need closer contact with minority franchise holders. The translator issue is becoming more important. And some refranchising requirements are absurd; they're getting bad advice—lots of blue sky; we're concerned about more municipally-owned franchises."

**"Govt. in Sunshine"** legislation has been approved in final form by Congress. President Ford hasn't stated whether he'll sign bill; it passed House 384-0, Senate by routine voice vote. Bill gives agencies such as FCC & FTC 180 days to issue rules opening most agency meetings to press and public, barring ex parte contacts, giving citizens power to go to court to bar agency from closing meetings illegally.

**Wometco is buying WZZM-TV-FM Grand Rapids** for \$14 million cash from West Mich. Telecasters.

**Three FM sales in San Francisco conclude with CBS acquiring better facilities, black group entering field.** CBS sells facilities of KCBS-FM for \$850,000 to black-owned Golden Gate Radio, buys plant of KEAR-FM for \$2 million from Family Stations. Family Stations buys KMPX-FM facilities for \$1 million from National Science Network. CBS and Family will retain old call letters and formats; Golden Gate will seek new call. Brokers: Blackburn for CBS, Hogan-Feldmann for National Science Network.

**Arbitron will extend ADI markets for Nov.** sweeps to 140, up from 115 in May. Also, Arbitron said it no longer will "knowingly include" industry employees—or members of their families—in TV sample. Move was taken after consultation with BRC to "eliminate the question of impropriety." Previously, Arbitron had permitted any person "randomly selected" to participate in sample without regard to occupation.

**MORE STAFF CHANGES AT NAB:** Major reorganization of NAB staff structure—mandated by board in June (Vol. 16:25 p1)—continued last week with approval of Exec. Committee & Task Force. Among changes:

(1) Washington attorney Erwin Krasnow, member of Kirkland, Ellis & Rowe law firm, was appointed gen. counsel, effective Oct. 1. He succeeds John Summers, named exec. vp-gen. mgr. month ago (Vol. 16:31 p5). Krasnow has specialized in communications law, written couple of books, teaches law, once was administrative asst. to Rep. MacDonald (D-Mass.).

(2) As expected, PR Exec. Vp James Hulbert was shifted to senior vp for renamed & restructured Station Services Dept., succeeding Burns Nugent (Vol. 16:32 p5), whose last day at NAB was Aug. 31; Nugent received 6 months severance (about \$25,000), plans to return to industry. Moving from PR to Station Services with Hulbert are Radio Information Office (headed by Vp Charles Jones), weekly membership publication Highlights (edited by Candy Greene) and Office of Community Affairs (Patti Grace, dir.). Shifted from Station Services—to report directly to Summers—were Research Vp John Dimling and Engineering Vp George Bartlett.

(3) Responsibility for liaison & lobbying of regulatory agencies was shifted from legal to govt. relations dept. under Senior Vp Donald Zeifang, whose dept. now is in charge of all lobbying and govt. contacts.

(4) NAB will go outside for new senior vp-PR, TV vp and dir. of station services; latter 2 are expected to be filled by ex-broadcasters. "Somewhere along the line, we're going to have to bring in some new blood or this whole thing will be a facade," Exec. Committee member said.

Under new delegations, only Summers & Secy.-Treas. John Kinzer will report directly to Pres. Vincent Wasilewski, who said of changes: "We're looking at it in a very positive vein and it will result in a very effective NAB serving our membership well." Exec. Committee member added: "I'm really pleased with the way it's been accepted and the speed with which it's being carried out."

In other actions, Exec. Committee: (1) Directed staff to prepare budget analysis in time for Oct. 4 meeting. NAB is over budget on expenses, primarily because of family viewing suit (which has cost about \$100,000).

(2) "In order to further the autonomy" of radio & TV at Assn., recommended that separate, non-concurrent meetings of TV & radio boards be held each fall in Washington. First such meetings will be in 1977.

(3) Mandated that board itself, at Jan. meeting, establish one- & 5-year goals for NAB to "allow more specific direction to the staff."

**FCC's Sept. schedule** "is rather light & loose" because of several congressional hearings, features telephone matters, according to Chmn. Wiley. "Oct. & Nov. will be extremely heavy," he said.

**NCTA TO OPPOSE BELL BILL:** Though broadcast industry hasn't paid much attention to Consumer Communications Reform Act being pushed in Congress by AT&T, cable industry recently concluded that bill has important implications, plans to oppose it. Legislation has been introduced in variety of forms, and more than 165 congressmen and 15 senators have agreed to sponsor it.

Bill is concerned principally with home phone service, but one section would require FCC to deny permit to provider of any specialized common-carrier service that resulted in either increased charge for home phone service or "in wasteful or unnecessary duplication of communications lines, facilities, equipment and instrumentalities of any telephone or telegraph common carrier..." Another section would establish procedures for FCC to approve AT&T acquisition of such non-AT&T carriers.

Net result of legislation probably would be to eliminate competition in non-AT&T and non-WU satellite and microwave video distribution. In addition, bill would bar cable in future from offering potentially-competitive services such as home bank terminals, firm alarms, etc.

NCTA Exec. Committee last week voted "full opposition" to bill, told Pres. Robert Schmidt to "take whatever steps necessary" to stop it. On other hand, networks are waiting. "What you're talking about is so far down the line that no one here is worried about it," commented CBS executive. Noted NBC official: "AT&T is spending too much money on this to make it worthwhile for us to be active on it. At this point, we're just watching it to see what will happen." FCC Chmn. Wiley opposes bill, supports competition in specialized common-carrier areas.

House Communications Subcommittee has set hearing on role of competition in common carrier industry for Sept. 27-29. Chmn. Van Derlin (D-Cal.) told us that "a lot of people are waking up to the fact that under this bill, many who now have a choice of carrier would be at the mercy of a single source." He stressed that though he was going into hearing with "an open mind," he felt that in next Congress, "there'll be a lot fewer people sponsoring this bill" as result of what they learn during House hearing.

**Canadian plans** to delete commercials from American TV programs aired on Canadian cable systems will be principal subject of Washington meeting Oct. 6 between representatives of 2 govts. Canadians reportedly have said that legislation passed by Parliament (but not yet effective) disallowing tax deductions for Canadian ads placed in U.S. media is "non-negotiable." However, Secy. of State Kissinger has assured several senators that U.S. will continue to push matter (Vol. 16:35 p7). CRTC Chmn. Harry Boyle will head Canadian delegation; FCC Chmn. Richard Wiley & Under Secy. of State Richard Vine are principal U.S. negotiators.

**Bar network ownership** of satellites, Keystone Bcstg. has asked FCC in petition for rulemaking, charging anti-competitive effects.



**UTILITIES OPPOSE POLE BILL:** As prelude to mark-up of combined forfeiture-pole attachment legislation, Rep. Van Deerlin's (D-Cal.) Communications Subcommittee last week heard pleas of representatives of phone & electric utilities to drop legislation, leave pole negotiations to private entities. However, at week's end, Van Deerlin remained optimistic that with sufficient push from cable operators, legislation would get through House unopposed and into conference with Senate. Bill's mark-up originally was set for Sept. 2, but was delayed until Sept. 8 due to congressional recess for Labor Day.

Most damaging testimony came from N.C. Utilities Commission Chmn. Tenney Deane, who alleged that ATC ignored his Commission in seeking federal help when Carolina Telephone & Telegraph pulled plug on systems serving several N.C. towns (Vol. 16:24 p2). ATC Vp-Planning & Development David Kinley told panel his firm pursued remedy it did on advice of N.C. law firm, but NCTA later released letter from Continental Cablevision Exec. Vp Amos Hostetter to Van Deerlin stating that Deane had ignored 1966 finding that N.C. Commission had no jurisdiction to regulate CATV pole rental contracts, lacked authority to order cable system hooked up again.

In response to utilities' testimony, Rep. Frey (R-Fla.) said he'd pushed earlier for simpler bill creating arbitration panel, but seemed to agree with Van Deerlin that some type of federal regulation is needed. In addition, pole bill's original sponsors Van Deerlin, Wirth (D-Colo.) & Rose (D-N.C.) gained additional support from Reps. Waxman (D-Cal.), Florio (D-N.J.) & Brown (R-O.), who signed on as sponsors of combined forfeiture-pole bill introduced Aug. 31. On other hand, Rep. Carney (D-O.) said he's "firmly opposed" to legislation because "I don't think it's needed." What if bill meets further obstacles? "I don't think that if it waited until February, that it would be the end of the world," Van Deerlin said.

Meanwhile, FCC postponed indefinitely Sept. 7 meeting with NARUC, FPC, state regulatory commissions, congressional staff and others on pole attachment question. Commission stated: "It is believed that the conference deliberations would be more productive if they took place following the completion of... congressional action, allowing the participants to comment on any legislative changes."

**Two TV stations**—WEAR-TV Pensacola & WKRG-TV Mobile—were caught in political broadcast cross-fire at week end, when a Fla. state court ordered stations not to carry ad for tax commissioner candidate in primary Sept. 7. Incumbent alleged it's defamatory. FCC attorneys were working with Justice Dept., trying to find federal judge to overrule local judge, on grounds that Sec. 315 is paramount, forbids stations from refusing or changing ad.

**Justice Dept. opposition** to renewal of KMJ-TV-AM-FM Fresno—because licensee McClatchy Newspapers owns Fresno Bee—is expected to be denied by FCC this week. JD has filed several similar oppositions to newspaper-TV combines. FCC has acted on one, rejecting JD attack on WIBW-TV-AM-FM Topeka (Vol. 16:21 p4).

**'RADIO NEWSPAPER' LAUNCHED:** World's first "radio newspaper" has started publication via subcarriers of FM stations in Chicago, Detroit & Madison, Wis. areas, and developer Fax Net Inc. says 26 stations have signed, with 50 expected by year's end.

First operating system uses subcarrier of WCLR-FM Skokie, Ill. to transmit spot news (including wholesale prices, Agriculture Dept. bulletins, general news, stock market) to 50 stores of 550-store Chicago area grocery chain, with "more stores being equipped every week," according to Fax Net Pres. John Porterfield. Retailers receive latest trade & general news via high-speed "radioprinter."

In Detroit area, Macomb County school board receives "educational edition" of Fax Net's news service via WLDL. "Banking edition" is broadcast to financial institutions in Madison area by WLVE. Plans call for more general & special news services on subscription basis. Radioprinters are encoded electronically so subscribers receive only services they pay for, but time-sharing & signal multiplexing make it possible for one subscriber to receive many different services on same printer—if he pays for them.

Radio newspaper is outgrowth of Fax Net's "Radioprinter Network," long under development by TV-radio veteran Porterfield (Vol. 15:37 p4). Under Fax Net's terms, at least for retail edition, purchaser pays \$21 per month for subscription, plus \$20 per month for technical service. Radioprinters are leased & sold.

Compatible video terminal as alternative to printer will be demonstrated by Fax Net at Sept. 19-22 NRBA convention in San Francisco.

**Pornography is again** being carried on Manhattan Cable, according to Rep. Murphy (D-N.Y.), who wrote FCC Chmn. Wiley last week, saying: "I feel little restraint in saying that the FCC is participating in a conspiracy to bring filth into the homes of the people of New York." Wiley hadn't responded by week end. Murphy said that "Midnight Blue," which had been taken off by Manhattan Cable, is back on under new name "Midnight Blue's America," and that it has shown excerpts from previous programs including "Cathouse for Dogs" & "Dildo Contest." Peter Gross, counsel for Manhattan Cable, said that "Midnight Blue" producers are complying with cable operator's new, more restrictive, rules. "Cathouse for Dogs," he said, "is a put-on, does show dogs mating, but no closeups, and so forth." As for "Dildo Contest," he said, it consists of people answering questions about use of dildoes, vibrators, etc. — "but they are fully clothed and there is no showing of the devices, etc." He said that programs aren't obscene. "Furthermore," he said, "there's still a serious First Amendment question as to how much prior restraint we can exert on the access channel."

**Nielsen Station Index** added unlisted telephone homes to diary samples for July surveys in top 12 markets; Houston & Atlanta will be added in Oct. Nielsen said 1/3 of telephones are unlisted, that such homes "view TV differently and that these households tend to be younger with a larger proportion of non-whites than in the listed telephone sample frame."

## Personals

Congressional speakers at NAB fall conferences: **Sen. Hollings** (D-S.C.), Houston Oct. 18-19; **Sen. Stevens** (D-Alaska), Denver Oct. 21-22; **Rep. Frey** (R-Fla.), Atlanta Nov. 15-16; **Rep. Van Deerlin** (D-Cal.), Chicago Nov. 18-19.

**Bill Roberts** promoted to White House asst. press secy. (domestic), succeeding **Larry Speakes**, named press secy. to GOP vice presidential nominee **Robert Dole**; Roberts is one-time RTNDA pres.; **Margaret Earl** advanced to asst. press secy.

**Thomas McKnight**, OTP and one-time FCC Office of Plans & Policy, returns to Commission Sept. 16 as legal asst. to Comr. **Abbott Washburn**, succeeding **Edward Cowling**, now with President Ford's re-election committee; **Sebastian Lasher**, engineering asst. to Washburn, takes 6-month leave to work for House Appropriations Committee... **Gerard Sarno** (Boston), **Samuel Stelk** (Kansas City) & **Ney Landry** (San Francisco) named FCC regional dirs.

Among speakers at Neb. Bcstrs. Assn. convention Sept. 27-28 in Lincoln: FCC Comr. **Abbott Washburn**, NBC Radio Pres. **Jack Thayer**, NAB Pres. **Vincent Wasilewski**, RTNDA Pres. **John Salisbury**, BPA Pres. -Elet **Lynne Grasz**.

**Maurice Morton**, ex-MGM business affairs vp, named ABC-TV assoc. business affairs dir... **Noel Engler** promoted to on-air promotion dir., NBC-TV; **John Lees** advanced to business affairs pricing & financial evaluation dir... **Susan Harmon**, WAMU(FM) Washington gen. mgr., elected NPR chmn... **Michael Mears**, ex-Fairleigh Dickinson U. communications prof., joins WCBB (ETV) Augusta, Me. as programming dir... **D. Eileen Chaney** promoted to acting confidential asst. to FCC Comr. **Robert Lee**, succeeding **Sharon Pope**, who joins National Foundation for the Arts & Humanities.

**Lawrence Carino**, ex-Storer Bcstg. vp-govt. affairs, named vp-gen. mgr., WBAL-TV Baltimore, succeeding **Jack Beauchamp**, now with KMEO-AM-FM Phoenix... **Joseph Varholy**, ex-WKYC-TV Cleveland station mgr., appointed gen. mgr., WSPA-TV Spartanburg, succeeding **David Abbott**, deceased... **Peter Klizer**, WWJ-TV-AM-FM Detroit gen. mgr., advanced to Bcst. Div. vp, parent Evening News Assn., replacing **Don DeGroot**, retired... **Royce Nation**, KPLW-TV Denver business mgr., advanced to treas.

**Talmage Thompson** promoted to sales mgr., WHO-TV Des Moines.

**Ruling that WEFM(FM) Chicago's** classical music format is "not unique," FCC Judge Harrison recommended approval of station's sale by Zenith to GCC Communications in initial decision last week. Commission originally approved sale in 1972; case became landmark when D.C. Appeals Court issued remand because FCC hadn't considered impact of format change to popular music (Vol. 14:40 p5). Harrison said impact on listeners "would not be significant" since 2 other Chicago FMs offer classical music. Just 2 weeks ago, FCC Review Board added trafficking issue against GCC (Vol. 16:35 p5).

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**Copyright revision bill** goes to Rules Committee Sept. 9 in preparation for House consideration, and Judiciary Committee filed report on bill Sept. 3. Following Judiciary approval of Subcommittee draft without change (Vol. 16:35 p4), there was growing speculation at week's end that following House passage, Senate conferees will accept House bill practically intact, due to numerous compromises at Subcommittee level and fact that most interested parties generally are pleased with current version. Report contains no surprises. It notes that it's "Committee's judgment" that royalty rates paid by cable systems should be adjusted if FCC changes rules on distant signals and syndicated & sports program carriage rules; contains strong language barring commercial substitution by cable; says "it is expected" that royalty fees "shall be properly allowable in cable systems' rates and charges for the basic service of providing secondary transmission."

**NAB Convention Committee** has approved 1977 (March 27-30, Washington) theme of "The People's First Amendment Rights and the Broadcasters' Responsibilities." Wherever practical, speakers and programs will center on press freedoms. There will be only 2 TV-radio joint sessions—opening Sun. afternoon (at which DSA will be awarded) and FCC panel Wed. morning—plus lunch Tues. to hear Commission chairman. TV sessions will be at Washington Hilton, radio at Sheraton Park, engineering at Shoreham Americana. Exhibits will be at all 3 hotels, with a major manufacturer assigned to each.

**FCC Chmn. Richard Wiley**, NAB Radio Chmn. **Donald Thurston** and panel on future of broadcasting—**Cox Bcstg. Pres. Clifford Kirtland**, NBC Program Vp **Paul Klein**, Cox Cable Pres. **Henry Harris**, Scientific-Atlanta Pres. **Sidney Topol**—headline IBFM conference at Sheraton-Boston Hotel, Sept. 13-15.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Aug. 20 (33rd week of 1976):

	Aug. 14-20	1975 week	% change	Aug. 7-13	1976 to date	1975 to date	% change
Total TV. . . . .	212,030	215,942	-1.8	215,160	6,935,609	6,514,330	+6.5
color . . . . .	132,063	117,926	+12.0	129,739	4,083,253	3,609,014	+13.1
monochrome . . . .	79,967	98,016	-18.4	85,421	2,852,356	2,905,316	-1.8
Total radio . . . . .	818,001	641,483	+27.5	537,720	22,314,169	19,514,014	+14.3
home, portable . .	558,045	458,626	+21.7	297,997	14,671,298	14,348,796	+2.2
AM-only . . . . .	155,327	140,850	+10.3	96,906	3,427,446	4,098,303	-16.4
FM & FM-AM . .	402,718	317,776	+26.7	201,091	11,243,852	10,250,493	+9.7
auto . . . . .	259,956	182,857	+42.2	239,723	7,642,871	5,165,218	+48.0
Port.-comp. phono. .	63,346	90,083	-29.7	39,177	1,517,716	1,994,955	-23.9

Color TV 5-week moving average: 1976-131,599; 1975-112,306 (up 17.2%).

**CB INDUSTRY FACING NEW FCC PROBLEM:** Major problem involving FCC's new CB receiver-certification rules arose this week, and EIA Citizens Radio Section is petitioning for relaxation of portion dealing with chassis radiation. Problem affects makers of CB transceivers & FM-AM-CB receivers alike, and appeal process could force some firms to slow plans for type-acceptance & certification submission, delaying introduction of new 40-channel CBs past Jan. 1 sales date.

EIA-CR petition, filed Sept. 3, essentially told FCC that industry couldn't meet chassis radiation limit of 5 microvolts (uv)/3 meters by Jan. 1. Petition was expected to ask for limit in neighborhood of 100 uv. Chief Engineer Raymond Spence said FCC labs are conducting own measurements, and process of considering petition and making decision on whether or not to revise standards will probably take about 30 days.

If producers can't meet 5-uv standard and are forced to wait for FCC action, they'll miss Sept. 10 type-acceptance date set for submission of new 40-channel CB. That kind of delay could seriously jeopardize guarantees issued by number of CB suppliers that 23-channel CBs purchased now can be exchanged for 40-channel units on Jan. 1. It also poses serious problem for producers of CB monitor radios, many of whom didn't realize until this week that new certification rules applied to them.

**FTC BIDS ITC HALT JAPAN TV PROBE:** FTC has joined Treasury & Japanese TV producers in calling on International Trade Commission to drop investigation into Sylvania's charges that Japanese color manufacturers engage in unfair business practices.

In letter to ITC, FTC Secy. Charles Tobin accused it of overstepping authority by probing into questions of dumping and export incentives which are under Treasury jurisdiction. As for Sylvania's accusations of conspiracy to monopolize U.S. TV market, FTC says they're not specific enough to warrant investigation.

Jurisdiction aside, Treasury is better able to handle issue because of power to levy penalty duties, FTC stated, noting that only remedies open to ITC are exclusion from U.S. or cease-&-desist orders. Of those, FTC said former would be anti-competitive, while value of latter, which ITC has never used, is questionable.

Japanese, meanwhile, have filed appeal from ITC Judge Myron Renick's refusal to halt in-

vestigation. In keeping with restrictions imposed by Renick (Vol. 13:33 p7), appeal to ITC was limited to argument that agency would be going against express intent of Congress if it adopted policy of probing dumping, bounty & grant (countervailing duty) issues. In related move, Philadelphia Federal Court Judge Leon Higginbotham rejected ITC's request for copies of confidential filings by all parties in Zenith-NUE \$900-million antitrust suit against Japanese TV makers. He limited ITC to obtaining only non-confidential documents actually inserted in record, set attorneys for both sides to work on classification of some filings where confidential status is in dispute.

Import issue will be hot topic at EIA convention for first time in 4 years Sept. 27-30 in L. A. ITC Chmn. Will Leonard is opening-day luncheon speaker and International Business Council has planned seminar on imports, fair trade & customs. New Committee to Preserve American Color TV Industry (COMPACT) will try to drum up support for planned request to ITC for restrictions on color imports (Vol. 16:35 p7).

\* \* \* \*

July imports show why domestic industry is alarmed. Month's total TV imports hit 740,800, up 135.9% from same month last year and 48,500 higher than all-time monthly record set in March 1972. Color rose 178.4% to record 286,800, b&w 115.2% to 454,100, a 36-month high. In first 7 months total TV imports were up 66.9% to 3.5 million, color up 157% to 1.3 million, b&w 38.3% to 2.2 million, Commerce figures show.

Japan supplied 423,800 TVs in July, up 205%, with color up 176.1% to 245,100, b&w up 256.1% to 178,700; Taiwan was source for 275,300 (up 86.3%), including 33,200 color (up 175.2%), 242,000 b&w (up 78.4%); Korea accounted for 32,300 TVs (up 255.4%), with color at 2,100 (up 13.9%), b&w at 30,200 (up 314.9%). Sharp jump in Taiwan's color probably indicates start of shipments from Admiral's Taiwan operation. Seven-month results by country: Japan total 1.86 million (up 190.4%), color 1.17 million (up 193.3%), b&w 683,000 (up 185.5%); Taiwan total 1.4 million (up 9%), color 97,200 (up 11.2%), b&w 1.32 million (up 8.8%); Korea 211,800 (up 60.7%), color 17,600 (up 43.4%), b&w 194,200 (up 62.4%).

Imports of unfinished TVs, formerly reported as complete sets, were broken out for first time in July. Included in totals above are 16,800 color & 16,300 b&w. Japan provided 16,500 unfinished color & 2,900 b&w; Taiwan supplied rest of b&w. Remaining unfinished color sets, plus 6,000 over-18" finished color TVs were imported from Canada in July; these could be projection chassis made for Advent by Electrohome. Upcoming is breakdown of b&w picture tube imports separating those 16.2" & smaller from larger sizes. Move follows Administration decision to withdraw preferential duty-free treatment from big-screen b&w tubes imported from Taiwan, Korea, Brazil & Mexico. Of those countries, Taiwan is only one currently supplying b&w tubes—mostly small-screen, with GE as major customer—though others are potential suppliers. Color tube imports don't get duty-free entry.

Fears that CB expansion to 40 channels will kill sales of 23-channel units weren't reflected in July transceiver import total, which leaped 89.3% to 2.2 million, paced by 454.6% jump in automotive CB units to 1.37 million. In first 7 months, total of 10.8 million transceivers were imported, up 203%, including 6.5 million automotive CBs (up 728.5%), 962,300 non-CB auto (up 248.4%), 1.9 million hand-held (up just 5.7%), 1.5 million base stations & other mobile (up 103.7%).

**PRICE WAR LOOMS AS INVENTORIES CLIMB:** Despite cutbacks in domestic production and improved sales to dealers, continuing record color TV imports (see above) begin to make fall price-cutting appear likely. Zenith last week responded to RCA's new lower 19" prices (Vol. 16:34 p7), and cutbacks took their toll in layoffs & shutdowns at Admiral and in Sylvania's picture tube operation.

Sales to dealers for final week of Aug. exceeded 200,000, highest weekly number in 2 years and record for 34th week of any year. This brings Aug. sales to well over 560,000. Large proportion of this—perhaps as much as half—could be imports. Good final week may have temporarily reversed month-long rise in inventories, but so long as present import pace continues, further build-up is probable.



In 19" area, where domestic product competes most directly with imports, Zenith has instituted "increased promotional allowances on selected sets in response to competitive pricing"—meaning RCA. It's understood models involved are 3 bottom-end units—open-list model with "street price" of \$400, other listing at \$460 & \$480. Reductions are understood to firmly establish slightly-under-\$400 price for leader and at least \$10 retail cuts in step-ups, although list prices are unchanged.

RCA's newly-introduced leader is non-AFT model which can be sold at \$388—but RCA is just as pleased that it now has ColorTrak at \$450—\$50 below Zenith's cheapest Color Sentry (previous low-end ColorTrak at \$480 had very low margin). As in past, other domestic manufacturers are expected to respond with price cuts or special promotional allowances.

"There's no place in this industry left for price wars," commented one manufacturer—but unless there's extremely sharp upturn in consumer buying this fall, war seems unavoidable. Production cutbacks to avoid such warfare are in effect now and were reflected in Sylvania's lay-off of about 160 workers at Seneca Falls picture tube plant last weekend as result of "abrupt drop in demand" for picture tubes in Aug.

Admiral continued lopping off sections of its operations, announcing it would close Shelbyville, Ind. cabinet plant Oct. 1, laying off 300, procure cabinets from outside sources. On Nov. 1, it will close McHenry, Ill. TV component plant, transferring operations to Harvard, Ill. assembly facility, most McHenry workers moving to Harvard plant.

Admiral's problems are complicated by imminent expiration of private-label contract with Montgomery Ward. Ward has been buying color portables from Sharp as well as Admiral, and has been 2nd-sourcing consoles from Sylvania. It's understood Sylvania has been making big pitch for major share of Ward's business in both color & monochrome. At same time, Ward's new TV dept. Chief James Tielke is in Far East, presumably getting pitches from other manufacturers who would like to make sets for big chain. Meanwhile, 2 sources in position to know told us that Hitachi-Rockwell negotiations were broken off because of former's insistence that Admiral's profitable white goods business be included in any sale. While cutting back on TV, Rockwell is spending \$30 million to modernize Admiral refrigerator operations.

**AUDEX IN APRIL—MAYBE:** After year of internal bickering, industry may at last get audio-only trade show. Snitow Organization, former manager of Consumer Electronics Show (CES), is organizing International Audio Exposition (AUDEX) to be held at Las Vegas Convention Center April 25-28—if it gets adequate industry support.

AUDEX is outgrowth of fight for single CES in spring, to replace Jan. & June events, waged by group of unhappy exhibitors last year (Vol. 15:25 p10). Leaders of that group are ones now penciled in for AUDEX—BSR, Capehart, Emerson, Lloyd's, Morse, Rotel, Soundesign. Appeal of single April show for them is twofold: (1) Provides chance to pitch buyers before TV majors showlines. (2) Cheaper.

Many more exhibitors of significance are needed if AUDEX is to come off—we understand 200 is go-no-go point—and how much support can be expected from hi-fi firms is big question. Last year, audio-ophile marketers generally opposed April show because they wouldn't be able to get new models in time. Shift in timing to schedule AUDEX against NEWCOM or Personal Communications (CB) shows, which draw many audio dealers, makes AUDEX much more attractive to hi-fi exhibitors. Militating against AUDEX is CES decision to establish separate hi-fi exhibit area at McCormick Inn during June CES. If AUDEX comes off in April, its future will be determined by quantity & quality of attendance.

**LLOYD'S-CAPEHART SPLIT:** Lloyd's & Capehart last week called off merger that would have created industry's biggest audio company (Vol. 16:29 p9). Companies didn't say why, said no further negotiations are planned.

Also last week, there was more bad news for Morse, now being restructured as result of massive loss for fiscal 1976. N.Y. Stock Exchange, which ordered halt to trading in Morse last July, issued formal suspension, said it was applying to SEC to delist stock. NYSE spokesman told us move is generally taken when company falls below financial requirements for listing and shows no prospect of meeting them for year or more.

**FCC contract** to develop prototype high-performance receiver in terms of reduced interference susceptibility and sensitivity (Vol. 16:17 p 10) was awarded to Texas Instruments, which submitted proposal after Commission announced it had received "no acceptable bids" on project (Vol. 16:25 p15). TI's contract involves application of advanced ICs to TV rather than building complete new set. Under FCC proposal, Commission would acquire 3 identical commercial TV sets, keeping one and supplying 2 to TI. One would serve as standard for TI; the other would be modified. Contract is for \$199,956, prototype to be delivered by Sept. 30, 1977.

**CANADA'S QUARTER:** Canada's total TV market, on new supply basis, rebounded sharply in first quarter, but imports reaped bulk of benefit, figures from Statistics Canada show.

In opening period, 301,700 TVs were produced in Canada or imported, up 67.2% from same 1975 quarter, with color up 52.6% to 209,900, b&w up 114% to 91,800. Total domestic TV production, including that of foreign-owned firms, rose 36.7%, with color up 37.1%, b&w up 33.7%. At same time, imports jumped 94.7%, with color rising 71.6%, b&w 137.6%. Imports captured 61.2% of Canada's market, up from 52.6% in Jan.-March last year, including 50.4% of color, up from 44.9%, 85.8% of b&w, up from 77.3%.

Sales by domestic manufacturers failed to keep up with production gain. Total factory sales of 107,600 (excluding imports) were down 4.1%, as color sales rose 0.7% to 92,600, b&w volume slumped 25.9% to 15,000. Japan was major foreign color supplier to market, displacing U.S., with 43,700 sets, up 178.7%, though Singapore's increase of 300.6% to 9,900 was largest; U.S. provided 21,000, up 15.7%. In b&w, Japan took first place, too, providing 26,700, up 268.1%. Korea supplied 21,500, up whopping 798.3%, while Taiwan, which dropped from first to 3rd in rankings, accounted for 19,100, up 24.2%.

After year's lapse, Canada has resumed reporting phono-only production data, an indication that at least 3 companies are active, continues to withhold stereo-mono breakdown. Here are details:

#### CANADIAN PRODUCTION (Domestic only)

	1st Quarter 1976	1st Quarter 1975
Total TV . . . . .	117,080	85,600
color . . . . .	104,051	75,856
monochrome . . . .	13,029	9,744
Total phono . . . . .	33,485	n.a.
radio-phono . . . .	26,941	10,947
phono-only . . . . .	6,544	n.a.

#### CANADIAN IMPORTS

Total TV . . . . .	184,665	94,849
color . . . . .	105,884	61,698
monochrome . . . .	78,781	33,151
Home radio . . . . .	473,160	270,729
Auto radio . . . . .	237,884	451,630
Total phono . . . . .	164,923	130,907
radio-phono . . . .	143,300	122,266
phono-only . . . . .	21,623	8,641
Tape rec. & players .	250,986	242,312
Transceivers . . . . .	85,952	81,249

**Toshiba color TV exports** are expected to reach 650,000 this year, with some 455,000 aimed for U.S. & Canada. Of those shipped here, about 150,000 will carry Toshiba brand, 200,000 Sears, rest labels of J.C. Penney and other private-brand accounts. Sharp says U.S. sales of consumer electronics, appliances, calculators, office equipment & video gear should hit \$300 million this year, up from \$170 million last year.

**NOVATECH—NEW GAME NAME:** Recent shake-up at Admiral has spawned new force in game field—design & engineering firm called Novatech which will mastermind cartridge-based microprocessor unit being readied by First Dimension (Vol. 16:35 p11). Firm is composed of 7 former Admiral Advanced Development Group engineers, including Pres. William Slavik, ex-Group dir. All were active in Videospond program (Vol. 16:25 p13), which has been dropped, before being laid off by Admiral in economy move.

Under exclusive contract with First Dimension, Novatech will develop cartridge system described by Slavik as "streamlined version of Videospond." Use of microprocessor source, he added, "is about the only real similarity." In beginning, system will be offered with about 20 cartridges—in \$8 range—each with 1-3 games, depending on complexity. System will differ from Fairchild VES, with "greater number of variations and more strategy and thought-oriented games."

In future, Novatech will design other consumer electronic products using microprocessors for First Dimension, including line of home security systems. Firm also will design microprocessor-based products for commercial & industrial applications and field "will see a number of companies like Novatech springing up in the near future," according to Slavik.

Other Novatech execs.: Eric Peterson, ex-Admiral mktg. services dir., mktg. & sales exec. vp; Steve Morris, former business planning mgr., business administration & finance vp; David Mueller, former electrical engineering mgr., product development vp; William Huber, former mechanical engineering mgr., operations & mfg. vp; John Moravec & Daniel Prysby, former technical specialists, electronic engineers.

**Acquisition of MOS Technology** by Commodore International could see vertically-integrated game under Commodore brand. MOS will begin deliveries of new game chip (Vol. 16:23 p9) on small scale this month with full-scale deliveries in Oct. Commodore game using chip is possibility, firm said, added that MOS will continue to serve outside markets with both game & calculator components. Acquisition of MOS as Commodore subsidiary through stock transaction is expected to take place in next few weeks.

**Advent VideoBeam** projection systems now in use total about 6,000, according to annual report, which notes that unit is handled by 160 dealers with 220 outlets and that distribution is being broadened for new consumer unit. Company plans to more than double its video sales staff in 1976. In fiscal year ended March 27, VideoBeam sales totaled \$10,798,-855 (vs. \$3,308,033 preceding year), loudspeaker sales \$10,134,018 (vs. \$10,085,012), tape decks \$2,081,629 (vs. \$2,416,341), other products \$1,328,330 (\$914,663).

**EIA convention in L.A.** Sept. 27-30 will feature address by ITC Chmn. Will Leonard, who will also participate in seminar on imports, fair trade & customs.



**FIRST HALF IMPORTS:** Audio equipment imports reflected economic pickup in first half, with all major classifications joining TV & transceivers (Vol. 16:32 p9) in racking up solid gains from performance of same year-earlier period, Commerce Dept. totals show.

In radios, total imports were up 58.3% to 18.1 million, led by 147.3% leap for auto radios to 2.65 million. Home radios rose 49.1% to 15.46 million, paced by 63.1% jump to 10.1 million for portables. Clock radios were up 35.4% to 3.85 million, while table models, including hi-fi receivers & tuners, rose 18.2% to 1.51 million. In phonos, rise was 20.9% to 220,000, as radio-phonos edged up 4.6% to 131,000, phonos climbed 56.6% to 89,000. Imports of record changers & automatic turntables, an indicator of health of compact & console stereo business, soared 157.1% to 3.58 million.

Comparison of average TV import pricing for 1976 first half with that of last year shows Japanese sets somewhat cheaper, mainly a reflection of change in yen valuation. Price changes for Taiwan-made

sets were mixed, while Korea's pricing, in b&w where comparisons are more valid, held steady.

Average over-18" color from Japan averaged \$191.81, down from \$202.46, while Taiwan price dropped to \$177.71 from \$198.35; Korea's average was \$155.39. Averages for other color sizes, with 1975 averages in parentheses: 16-17" Japan \$146.88 (\$218.12), Taiwan \$176.49 (\$125.85), Korea \$277.28 (\$189.71); 14-15" Japan \$193.43 (\$205.86), Taiwan \$166.04 (\$172.73); 13" Japan \$157.97 (\$168.98), Taiwan \$162.51 (\$148.83); 11-12" Japan \$176.15 (\$179.09), Taiwan \$165.02 (\$71.07), Korea \$149.06; 10"-&-under Japan \$167.09 (\$165.26), Taiwan \$148.80 (\$136.93).

Averages for b&w: Over-18" Japan \$90.00 (\$143.33), Taiwan \$72.73 (\$78.05), Korea \$68.93 (\$69.58); 13-17" Japan \$70.80 (\$83.21), Taiwan \$69.01 (\$66.89), Korea \$47.74; 11-12" Japan \$54.84 (\$56.43), Taiwan \$57.48 (\$58.30), Korea \$53.94 (\$53.08), 10"-&-under Japan \$67.67 (\$71.21), Taiwan \$40.42 (\$63.53), Korea \$64.00 (\$65.12).

Here's detailed import picture:

### U. S. IMPORTS

	1st Half 1976		1st Half 1975			1st Half 1976		1st Half 1975	
	Units	Value(\$)	Units	Value(\$)		Units	Value(\$)	Units	Value(\$)
Color, 19" & over..	559,165	106,763,429	154,262	31,446,653	Japan .....	242,484	13,298,999	95,831	5,408,442
Japan .....	516,492	99,071,167	140,221	28,390,238	Taiwan .....	724,197	41,629,019	627,756	36,602,104
Taiwan .....	40,926	7,273,076	10,282	2,039,442	S. Korea .....	109,965	5,931,840	76,916	4,082,943
S. Korea .....	1,100	170,929	—	—	B&w, 10" & under..	433,739	27,694,821	299,223	18,704,822
Color, 18".....	2,024	469,337	13,900	2,700,272	Japan .....	157,118	10,632,494	71,734	5,108,248
Japan .....	2,005	465,391	4,406	966,402	Taiwan .....	348,708	14,094,818	201,516	12,803,758
Taiwan .....	18	3,467	9,481	1,731,274	S. Korea .....	43,376	2,775,978	25,328	1,649,475
Color, 16-17"....	27,804	4,297,391	27,762	4,498,043	Auto radio, AM ...	1,296,301	24,608,312	417,331	7,143,441
Japan .....	23,408	3,438,148	10,407	2,270,007	Auto radio, FM ...	1,353,815	37,077,542	654,096	20,557,828
Taiwan .....	3,583	632,362	16,955	2,133,842	Ck. radio, dig. AM .	96,058	802,773	63,310	393,971
S. Korea .....	800	221,826	—	—	Ck. radio, dig. FM .	1,891,304	24,536,252	2,047,338	30,931,535
Color, 14-15"....	92,872	17,921,228	32,359	6,501,846	Ck. radio, other, AM	1,353,815	37,077,542	248,125	2,024,373
Japan .....	90,970	17,596,700	27,435	5,647,796	Ck. radio, other, FM	511,543	6,394,236	487,478	6,608,714
Taiwan .....	1,853	307,679	4,815	831,743	Tr. radio, AM, AC .	287,624	1,217,923	201,378	964,275
Color, 13".....	138,202	21,865,995	70,626	11,619,892	Tr. radio, FM stereo,				
Japan .....	131,107	20,710,685	39,722	6,712,708	AC, w/o spkrs*..	645,130	64,052,027	—	—
Taiwan .....	7,065	1,148,110	22,259	3,312,914	Tr. radio, AC, w/o				
S. Korea .....	—	—	8,429	1,562,022	spkrs., other*..	151,486	3,577,400	486,850	34,219,830
Color, 11-12"....	136,661	23,700,541	72,701	11,848,995	Tr. radio, FM stereo				
Japan .....	122,474	21,573,997	61,797	11,067,364	AC*.....	60,897	4,211,800	637,128	20,999,392
Taiwan .....	507	83,668	10,846	770,868	Tr. radio, AC, other	361,402	6,326,872	—	—
S. Korea .....	13,664	2,036,802	—	—	Tr. radio, AM, batt.	3,935,290	10,420,923	2,452,525	7,890,944
Color, 10" & under.	53,556	8,758,587	30,101	4,806,539	Tr. radio, FM, batt.	3,750,968	50,450,259	2,496,929	35,296,213
Japan .....	43,399	7,251,495	27,788	4,592,480	Tr. radio, multiband	2,411,754	34,359,645	1,243,102	19,459,886
Taiwan .....	10,006	1,488,937	662	90,654	Trcvrs., auto CB ..	5,130,020	262,393,720	537,539	29,639,676
S. Korea .....	—	—	1,596	105,336	Trcvrs., auto, other	869,086	40,366,000	254,957	12,537,018
B&w, 19" & over ..	117,593	9,379,457	122,669	10,012,914	Trcvrs., hand-held .	1,394,125	15,105,922	1,030,861	8,386,118
Japan .....	40,223	3,620,136	5,130	735,288	Trcvrs., other ....	1,236,225	79,383,685	964,325	62,452,553
Taiwan .....	67,642	4,919,294	106,371	8,302,362	Rad.-phono, console	15,453	407,865	55,137	1,612,333
S. Korea .....	9,139	629,931	—	—	Rad.-phono, other ..	115,401	3,874,799	69,946	2,718,868
B&w, 18".....	24,071	895,986	54,399	2,214,586	Phono, stereo ....	48,326	3,022,814	39,347	2,366,940
Japan .....	790	44,372	473	40,572	Phono, other .....	40,680	670,194	17,494	531,294
Taiwan .....	23,281	851,614	53,922	2,171,329	Record changers. . .	3,490,635	49,776,007	1,600,181	27,767,104
B&w, 13-17"....	97,048	7,068,179	104,776	7,546,273	United Kingdom . .	3,399,614	45,470,500	1,395,788	18,643,499
Japan .....	63,676	4,508,026	15,863	1,320,043	West Germany. . .	68,486	3,635,248	137,065	7,323,231
Taiwan .....	30,989	2,138,635	88,158	5,897,164	Automatic turntables*	98,203	4,644,081	—	—
S. Korea .....	1,506	71,892	—	—					
B&w, 11-12"....	1,077,085	60,973,366	800,959	46,175,273					

\*Not reported separately in 1975.

**Nippon Electric** will spend about \$16 million over next 2 years to boost production of components for TV & CB. Among increases planned: TV tuners from 180,000 to 200-250,000 monthly, tantalum capacitors from 17 million monthly to 25 million, b&w picture tubes from 190,000 monthly to 250,000. Company also plans to double production of power transistors, triple IC output.

**Hitachi** may introduce 25" set in U.S. next year, according to Hitachi America Exec. Vp Robert Warren, "but nothing is definite and there are still problems to work out." Set would employ Hitachi's new mask-focusing tube, claimed to be almost twice as bright as conventional tube (Vol. 15:24 p12) with extremely sharp focus. New tube, with 110° deflection, probably will be introduced in Japan late this year.

## Trade Personals

**Julius Koppelman & Irving Kessler** promoted to new posts of group vps, RCA Electronics & Diversified Businesses. Koppelman, ex-Service Co. pres., will be responsible for Distributor & Special Products; Kessler, ex-Govt. & Commercial Systems exec. vp, will supervise Commercial Communications & Govt. Systems Divs.; **Joseph Karoly** promoted from Service Co. consumer services vp to pres.; **James Vollmer**, ex-govt. communications systems vp-gen. mgr., becomes Govt. Services Div. vp-gen. mgr... **Robert Redecker**, mktg. vp of RCA subsidiary Banquet Foods and one-time distributor operations staff vp, will become exec. vp-sales, RCA Sales Corp.

**James Tielke**, ex-national mdse. mgr. for paint, Montgomery Ward International, named to same post for TV, radio, tape products & musical instruments, succeeding **Carl Cook**, promoted to exec. vp... **Masa Namiki**, former Sony European mktg. head, reassigned to U.S. with responsibility for Betamax mktg... **Robert Shiff**, ex-midwest sales mgr., named Toshiba special mkts. sales mgr... **Richard Verch**, ex-Magnavox, appointed Sharp southern sales mgr.

**Henry Frailley**, Corning vp, moves from mfg. mgr., Electrical Products Div., to TV products business mgr., succeeding **John Gailey**, now materials business mgr... **Richard van de Ven**, ex-Western Electric & Reynolds Aluminum, named to new post, as yet untitled, in Zenith PR dept.

**Peter Davis**, ex-Admiral, appointed Dynascan vp & Cobra Communications Div. gen. mgr... **Richard Mackert** named Radio Shack sales promotion coordinator; **Mark Yamagata** appointed tape equipment & calculator buyer... **Robert Santos**, ex-Litronix, joins National Semiconductor as optoelectronic products mktg. mgr.; **Jeffrey Thomas**, ex-Teledyne, named microprocessor production mgr... **Donald Tarver**, ex-Fairchild, named mktg. dir. for Itac, newly formed optoelectronics producer.

**Leo Hofberg**, head of London Records' Argo Sight & Sound import operation & chief U.S. spokesman for TED videodisc system, leaves company in restructuring... **James Patterson** advanced at BASF to audio products national sales mgr... **B. Charles Ames**, Reliance Electric pres., adds post of chief exec., succeeding **Hugh Luke**, retiring but continuing as chmn... **Dominick Saccacio**, pres. of Audio Magnetics' European operations, named pres. of parent firm, effective Jan. 1; Pres. **Andrew Galef** continues as chief executive officer; **Murray Doyle**, Audio Magnetics Canada pres., succeeds Saccacio in Europe; Canada Mktg. Mgr. **Kasey Bakowski** moves to vp-gen. mgr. of Canada operation.

**Ronald Bollman**, ex-Burwen Labs, named TDK midwest region mgr... **Robert Henry** named Ill. Tool Electronic Components Div. vp; he's succeeded as gen. mgr. of Emcon (capacitors) by **Charles Camillo**... **Ron Hotte**, ex-Corning, joins Piher as metal film resistor mfg. dir.; **Paul Bain**, ex-Price Waterhouse, named controller... **Mike Peak**, ex-American Microsystems, named Microma mktg. communications mgr... **Gordon Coulter** appointer fire-intrusion products mktg. mgr. for Conrac's Cramer Div.

**MORE MAGNAVOX GAMES:** Magnavox private-label game program—by seemingly autonomous Sentinel group—continues to gather steam, and program apparently is generating mood of in-house rivalry between Odyssey & Sentinel. Latest customer is General Home Products, Burlington, N.J., which will market Wonder Wizard 3-game unit this fall. Identical to Odyssey 300 with exception of cabinet, game was approved by FCC last week. General Home Sales & Mktg. Vp Richard Hockman told us game will have dealer cost of \$39, retail in \$60 range (suggested list for Odyssey 300 is \$70).

General Home, described by Hockman as leading U.S. producer of shopping carts & physical-fitness equipment, has contract with Magnavox for delivery of more than 100,000 games by year's end and hopes to ship 125,000-150,000 units. Distribution will be through drug chains, toy & sporting-goods mass merchants. Other Sentinel customer, Gulliver Products, won FCC approval Aug. 27 (Vol. 16:35 p11). Other approvals last week: Electronic Resources Ltd. (Hong Kong), 2 games under Aberdeen brand; American Consumer Electronics (Video Master, England) one game; Phone Mate, one; Digiteck Electronics Ltd. (Hong Kong) one; Unisonic, one; Magnavox, 2 versions of Odyssey 400.

New Heath Co. game kit (Vol. 16:21 p13) doesn't need FCC approval, will hook directly into video circuit of any Heath solid-state TV set. Sportscreen game uses GI chip, offers 4 games, will cost \$55 at Heath stores, \$50 by mail. Game takes 5-6 hours to assemble, can be connected to TV set in 3 min. using alligator clips to hook up video & sound inputs, power supply & ground. It will be available in Oct.

**Other developments:** Oki Electric (Japan) will enter video game chip market, produce 1-2 million chips by year's end... **Coleco** reportedly holds 70-75% of Canadian game market, sells low-end Telstar in \$70 range (\$49-\$59 in U.S.), deluxe Telstar Classic at \$90... **Entex** will introduce 2 new games in Jan.: 5- or 6-game ball-&-paddle unit for \$50-\$60, single-function target game "oriented toward kids."

**CB Scene:** FCC isn't ignoring CB, will try to solve problems, Chmn. Wiley told group of distributors & manufacturers at meeting organized by CEDA (Communications Equipment Distributors Assn). CEDA is mounting program to combat bad CB press, misinterpretations of recent FCC rulings... **King's Point**, Realtone of Japan subsidiary, is entering mobile field Jan. 1 with "uniquely styled" line... **Japanese** suppliers are urging strong stand against cancellation of 23-channel orders. "If an importer cancels his order, be prepared never to deal with that company again," Cybernet Pres. Haruki Tomondo said at panel discussion.

"The Sony Vision" by Nick Lyons will be published Sept. 29 by Crown Publishers (\$7.95).

## Obituary

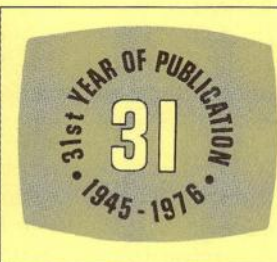
**Ted Henke**, 55, editor & co-founder of Sight & Sound Marketing, died Aug. 28 of heart attack in N.Y. He had recently been designated editor-in-chief of Drorbaugh Publications' upcoming CBer's Quarterly.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**WILEY'S 'HAPPY NEWS' FOR IRTS:** Favors minimum govt. control, loosening of Sec. 315, 5-year licenses, cable copyright & forfeitures, pole-attachment relief, automatic transmitters. Says UHF spectrum use 'mixed,' believes few VHF drop-ins possible, wants final action on clear channels. (P. 1)

**FORD & CARTER PREPARE FOR TV** debates opening Sept. 23 in Philadelphia. McCarthy and American Party go to court. RTNDA seeks FCC ruling that debates can be run delayed via tape. (P. 2)

**COMMUNICATIONS ACT REWRITE** shaping up in House Communications Subcommittee. 'Top to bottom' revision to begin in earnest following Oct. adjournment. (P. 3)

**RENEWAL AIRING NOW DOUBTFUL** as House Communications Subcommittee cancels Sept. 14-16 sessions. Wiley, Hooks disagree on FCC position. (P. 4)

**KDUB-TV RETURNS TO AIR**, becomes primary ABC affiliate. ETV starts in La. Operational stations now total 967. (P. 4)

**POLE BILL WEAKENED** as House Communications Subcommittee approves combined poles-forfeiture measure 4-1 with 3 amendments. Continued industry support jeopardized. (P. 5)

**WILEY'S 'HAPPY NEWS' FOR IRTS:** FCC Chmn. Wiley's 3rd appearance before IRTS—which the Republican termed "perhaps a last turn at bat"—pleased just about everyone in broadcaster-dominated audience. What pleased them most (and sole time they interrupted with applause) was this: "The last thing that we need in this country is more federal controls on programming." Among principal points of address:

(1) He's proud of FCC's "Aspen" decision which allowed League of Women Voters to put on televised debates. He favors suspension of Sec. 315, amendment to cover major party candidates, "or, better yet, outright abolition."

(2) Licenses should run 5 years and there should be "an end to the drawn-out, expensive and essentially pointless comparative renewal hearing involving an incumbent licensee." In comparative renewal hearings, "deck is stacked against a licensee who has acquired multiple broadcast properties (within permissible limits) and who employs professional management at his stations. Frankly, I can think of no other enterprise in this country in which an operator—who is doing a good and faithful (if not 'superior') job of serving his community—runs the risk every 3 years of losing his opportunity to stay in business as well as most of his financial investment."

(3) Cable copyright liability "is economically fair and morally right." If CATV gets copy-

### Consumer Electronics

**NEW CB STANDARDS** under consideration as FCC begins tests on first batch of 40-channel units. Results will play key role in final action on petition to relax receiver rules. (P. 7)

**COLOR SALES PACE** quickens as selling season begins. Smash Aug. finale followed by strong Sept. opener, but import flood continues to push inventories toward danger level. Aug. sales rate down. (P. 8)

**2-HOUR HOME VTR** to be marketed by JVC next month in Japan at \$885, cassette \$20. U.S. sales seen next year. Matsushita steps up production of VX-2000 to same rate as Betamax. (P. 8) Table of relative videotape economies. (P. 11)

**PORTABLE-TABLE SHARE** of first-half color market rose to 71% on new supply basis. Remote featured in record 10.8% of output. (P. 9)

**GAME COMMITTEE** will consider software standards for next generation of microprocessor units. Organizer hopes for recommendations on compatibility before Christmas. (P. 10)

**WARNER-ATARI DEAL** gives game field needed touch of class, points to cable-game tie-up in future. (P. 11)

**JAPAN'S JULY EXPORTS** of audio equipment to U.S. rose sharply for many key items. (P. 11)

right over with, it should get benefits of new look at syndicated exclusivity rules. "It could be contended that [rules] provide protection where it may not be needed (in large markets) and deny protection where, in fact, it may be required (in small markets)."

(4) Cable forfeitures are required because it's "simply untenable for the Commission to lack the power to enforce its own cable rules (except through a cumbersome cease & desist proceeding)." Passage of forfeiture bill "would provide the Commission with a real re-regulatory opportunity... in both the certification and the re-certification processes."

(5) In pole-attachment struggle, "the apparent intransigence of some monopoly suppliers of service understandably has stimulated influential members of Congress to support remedial legislation. One way or another, the cable industry needs, and should have, some remedy against the potential hazards inherent in monopoly pricing power."

(6) Automatic transmitters should be authorized by end of year, permitting FCC to "get to the bottom line in engineering: A broadcast service which, within an assigned frequency and within assignment power limitations, provides an acceptable signal to the audience." Licensee will be held "strictly accountable" but FCC won't care "whether, for example, he reads the meters every 30 minutes, every 3 hours or once a week."

It's also questionable whether FCC should continue to license operators. If it continues, "then I believe that some system must be devised to include them—along with the broadcast licensee—in our enforcement sanctions."

(7) UHF record of spectrum use is "mixed," so "time has come to develop a master plan for UHF—a plan which will seek to determine the realistic limit of TV needs on the UHF bands and the most appropriate use for any portion of the spectrum which might be reallocated."

(8) VHF drop-ins are on agenda for Nov. "My guess is that only a limited number of new VHF stations can be added in major markets without causing a serious interference problem to existing stations and their viewers. On the other hand, where such stations are technically feasible, I do not think that it is the Commission's place to reject them because they may be economically hazardous."

(9) Clear channels are still subject of study, but: "If [clears] are using their position merely to build prestige or to provide a high-powered local service, the case for their continuance is highly questionable. On the other hand, if they are still providing an important regional service to areas otherwise underserved, the public interest may not be well served by breaking them down." As for super power, "I still have to be shown that this is a viable concept."

**FORD & CARTER PREPARE FOR DEBATES:** "I am obviously doing a great deal of studying for these debates because I want the American people to know not only my own views but the views of Mr. Carter," President Ford said last week. Said an aide to Democratic candidate Carter: "We don't want to lose the debates... Carter is ahead in everything else. If he ties in the debates, he'll win the election."

Asked if he's studying Carter's statements and watching videotapes in preparation for Sept. 23 confrontation in Philadelphia's historic Walnut St. Theater, Ford said: "The matter is being thoroughly studied by me comprehensively... The American people will be the winner and I am anxious that they get started as quickly as possible." Carter's TV-radio co-ordinator Barry Jagoda said Democratic candidate would block out 1-1/2 days before first debate to prepare.

Networks and sponsoring League of Women Voters meet this week to make final arrangements for first 90-min. session, but ground rules were established last week: ABC will be in charge of pool for Philadelphia, PBS for Vice Presidential debate; opening statements and prepared notes by candidates are prohibited, 3-min. closing statements will be permitted; candidate will be allowed 3 min. to answer question, 2 min. for follow-up, and opponent will be given 2 min. for rebuttal. League will pick moderator and 3 reporters to ask questions.

First debate starts 9:30 p.m. EDT in what was to have been networks' highly-promoted premiere week. All 3 had planned long specials that night, are rearranging schedules to fit



debates, over which they may have no control under FCC ruling exempting such debates from equal time. In other developments around debates last week:

(1) League launched drive for up to \$175,000 in contributions to finance debates (networks are prohibited from helping, and Federal Election Commission ruling barred union & corporate contributions). American Bar Assn. donated \$20,000 in hope debates will encourage more to vote and also to "help the voters make more reasoned decisions."

(2) RTNDA (joined by networks & others) asked FCC to expedite reconsideration of Aug. ruling that WILM(AM) Wilmington, Del. couldn't tape debate of congressional candidates for later broadcast and maintain Sec. 315 exemption. Commission was asked to rule at least 7 days before Carter-Ford confrontation.

(3) Court actions were filed to stop debates—unless minor candidates are included—by independent candidate Eugene McCarthy and American Party candidate Thomas Anderson. Both are in Washington Federal Court, and argument on Anderson's is scheduled Sept. 17. Socialist Workers Party is seeking meeting with networks, said it would go to court too if "no satisfactory answer is received."

(4) Sen. Weicker (R-Conn.) urged that debates be opened to other candidates. "What we have here is a severe case of political insecurity by 2 aging giants [Democratic & Republican Parties]," he said. "What I cannot stomach is both parties using the Constitution...as a bailing can for their sinking boats."

**COMMUNICATIONS ACT REWRITE BEGINS:** Plans for House Communications Subcommittee's "top to bottom" rewrite of Communications Act are firming up. Task will be non-partisan—already having support of Chmn. Van Deerlin (D-Cal.) and ranking Republican Frey (Fla.). They'll attempt to "bring telecommunications into the 1970's," in words of one staffer. "We've been instructed to act as if the present legislation doesn't exist."

Before Congress adjourns this fall, Subcommittee is expected to hold meeting on Communications Act rewrite, instruct staff to collect ideas and comments, draft bill. Though task will begin in earnest following adjournment in Oct., staff has been working on some aspects of bill in spare time, with support of Chmn. Van Deerlin. Draft of common carrier section is well along, while staff's cable study (Vol. 16:5 p2) is expected to provide major input. Intention is to have staff presentation ready for Subcommittee consideration "as early as possible" in next session.

**CATV earth stations granted:** Jonesboro, Ark., Jonesboro Cable; Danbury, Conn., Teleprompter; Savannah, American Cablevision; Clinton, Ia., Clinton Cablevision; Lawrence, Kan., Sunflower Cablevision; Thief River Falls, Minn., Sjoberg's; Ashland, O., Armstrong Utilities; Pharr, Tex., Southwest CATV; Roanoke, Cox Cable; Charleston, W. Va., ATC. Applications filed: Troy, Ala., Satellite Services; San Diego, ATC; Kenner, La., Eastbank Cable; Mansfield, O., Multi-Channel TV; Sumter, S.C., Vision Cable; Pampa, Tex., American Cable TV; Aberdeen, Wash., Cox Cable. Earth station sale granted: Hayward, Cal., KB66, Hayward Cable, to Satellite Transmission & Receiving Co. (For details, see CATV Addenda.)

**Warner Communications** has acquired electronic game producer Atari, is studying possibility of using games over cable TV, according to Chmn. Gustave Hauser (see p. 11).

**Conceding that sports** anti-blackout legislation is all but dead for this session, Communications Subcommittee Chmn. Van Deerlin (D-Cal.) and ranking Republican Frey (R-Fla.) went to House Select Committee on Professional Sports to seek new forum for action. Charging that bill was defeated by NFL "coaching from the sidelines," congressmen asked panel to consider repealing professional football's 1961 antitrust exemption to negotiate network TV rights as well as "other anticompetitive aspects" such as tax advantages and labor statute exemptions. To rely on NFL Comr. Pete Rozelle's word that he'll continue to support bill's goals "in spirit" is "one of the dumbest things we could do," Frey said. Accusing Senate conferees of "delay of game" due to their refusal to file already-signed conference report, Van Deerlin commented: "As long as the Senate refuses to come back to the conference or to act, then the public welfare is not being controlled by the peoples' representatives but by Pete Rozelle."

**Questionnaire asking** some 400 lawyers to rate FCC's performance and quality of commissioners has been sent by Senate Commerce & Govt. Operations Committees. Also sought is comparison of present Commission with that of 1971 (Dean Burch chmn.), 1968 (Rosel Hyde chmn.) and 1963 (Newton Minow chmn.). Lawyers practicing before other agencies received similar questionnaires from Committees, which are making joint study of all regulatory commissions.

**Margita White and Joseph Fogarty** appointments to FCC were approved unanimously by Senate last week, following 13-0 Commerce Committee vote. Democrat Fogarty was given 7-year term, while Republican White got 2 years (Vol. 16:36 p3). NCCL Chmn. Nicholas Johnson said action represents Senate approval of notion "that Presidential appointees be forbidden to profit from conflicts of interest for more than 2 years."



**RENEWAL AIRING NOW DOUBTFUL:** House Communications Subcommittee hearing and panel discussions on license renewals—scheduled Sept. 14-16—have been postponed "indefinitely" because of conflict with full Commerce Committee schedule. There's considerable doubt hearing will be rescheduled this year. "We're rather ambivalent on that, anyway," NAB official said.

Congress expects to adjourn early in Oct. for campaigning, and this leaves less than 2 weeks to reschedule hearing (CATV hearing is Sept. 22). Subcommittee renewal consultant Barry Cole told us attempt would be made to reschedule "at least the panels," designed to help "educate" the congressmen. Panels were scheduled on regular renewals, petitions-to-deny and comparative hearings.

Meanwhile, FCC Chmn. Wiley (for himself and Comrs. Lee, Washburn & Quello) was prepared to testify in favor of longer licenses and of requirement that appeals of Commission actions be filed in Washington circuit and to abolish comparative hearing process in renewals. He would oppose codifying ascertainment or negotiations with citizens and/or agreements into legislation and staggered renewal expirations within a state.

Hooks was preparing statement dissenting on each of foregoing points. "Wiley is asking Congress to do what the courts said we couldn't do" on comparative hearings. Hooks said.

**"TV from the Senate floor"** is study prepared for Commission on the Operation of the Senate by consultant Len Allen. Report calls for trial coverage of floor proceedings "as a means of sharpening public awareness of the co-equal role of Congress in the American political system." It outlines options, concludes: "It is unlikely the competing factions in the debate will ever agree on all the basic elements of a TV system. But that should not prevent the Senate from experimenting with some kind of system to establish the principle of broadcast coverage." Meanwhile, on House side, resolution on broadcasting House proceedings remains bottled up in Rules Committee.

**FCC has scheduled** 5th en banc public meeting Oct. 12, asked interested parties to seek appearances. Only one scheduled to date is PBS to discuss TV captioning for deaf. National Black Media Coalition has requested 3-hour open meeting to oppose FCC's recent turndown of Coalition's petition for rulemaking (Vol. 16:33 p5). Also last week, Commission ordered TV stations to transmit all emergency announcements visually as well as aurally to aid hearing impaired.

**AAF board meets** with White House regulatory reform task force's Paul MacAvoy & Deputy-Asst.-Economic Affairs William Gorog, Sept. 15, to discuss regulatory reform, economy, other ad industry concerns. Meanwhile, FCC Chmn. Wiley is featured speaker at Council of Better Business Bureaus' annual assembly Sept. 27-29, Fairmont Hotel, New Orleans.

**Copyright bill failed** to get through House Rules Committee last week due to lack of quorum. Bill will be rescheduled this week.

**KDUB-TV RETURNS TO AIR:** Dark since Oct. 1974, Ch. 40 KDUB-TV Dubuque, Ia. planned return to air Sept. 12 as ABC affiliate. Station was purchased last spring by Marvin Palmquist family (also applicant for Ch. 39 Rockford, Ill.). ABC-TV Pres. James Duffy said WGTQ Sault Ste. Marie, Mich. and WECA-TV Tallahassee, Fla.—which plan to go on air in near future—will become ABC affiliates, giving network 190 primary affiliates.

Also starting last week was educational KLTM Monroe, La., owned by La. TV Authority. Two new stations raise operating total to 967—707 commercial, 260 non-commercial.

**Harm to TV stations** by CATV is greater than appears on surface, MST told Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee. In letter, MST said that damaged stations can't afford to come to Washington to testify; that they're reluctant to disclose that advertisers have cut them out, for fear that others will follow; that Subcommittee should conduct confidential survey of small-market stations. Group said stations have gone off air, and "CATV appears to have been a substantial factor, if not the sole factor," in Marion, Ind., Yuma, Ariz. & Fayetteville, Ark. It also asserted that local service has been cut, because of cable inroads, by stations in eastern N.M., Colo. & Mont. and Greenfield, Mass.

**Appalachian Regional Commission** has applied for permits for experimental earth stations in 16 Appalachian towns, in order to form public service network using ATS-6 satellite. Commission plans to distribute programming on health, education, human resources, govt., business, etc. via 10-ft. dishes hooked up to TVs in community centers. Network officials hope to begin operating Jan. 1977, also are examining use of existing cable systems and ETV stations.

**TV violence "is a menace,"** according to Sen. Hatfield (R-Ore.) who said: "When an individual is bombarded with tortures and death followed by romantic bliss, the horror of human suffering, the vileness of crime and the preciousness of life are slowly beaten out of human consciousness." In statement on Senate floor, he urged support of National Correspondence Group—organization which identifies violent programs in its "Viewer's Digest" magazine "for consumer protest by letter or boycott."

**"I want to help stimulate** the growth of public TV so it can reach its exciting potential," FCC Comr. Hooks said after being designated educational commissioner, succeeding ex-Comr. Robinson. He said he'll meet with CPB, PBS & NAEB—"the objective will be to enhance and expand these services to all segments of the community."

**FCC Comr. Washburn** has given \$600, Comr. Lee \$550, to President Ford's re-election committee. Both gave contributions in 2 installments before Ford's nomination, said they donate regularly to Republican candidates. At news conference last week, Ford said no pressures had been brought on federal officials to contribute.



**POLE BILL WEAKENED:** House Communications Subcommittee voted out combined pole attachment-forfeiture legislation last week, but adopted 3 amendments weakening pole attachment provisions. Despite chaotic 2-hour session, bill finally was approved by 4-1 vote, only Rep. Byron (D-Md.) opposed—Reps. Waxman (D-Cal.) & Moore (R-La.) absent. Two questions remain: Whether industry still supports measure, and whether time remains for bill to get through Commerce Committee, House and conference.

Subcommittee accepted following changes: (1) Wirth (D-Colo.) amendment omitting requirement that FCC set minimum standards, declaring instead that state wishing to "recapture" jurisdiction over poles make showing to FCC that it will establish "just and reasonable" regulations. Wirth amendment also exempted municipally-owned utilities, utility co-ops and railroads. (2) Frey (R-Fla.) amendment making it clear that utility can't be compelled to furnish pole attachments. (3) Carney (D-O.) amendment delaying effective date for FCC jurisdiction to 9 months from date of enactment. Amendments apparently were made in attempt to appease utility opposition (Vol. 16:36 p5).

While NCTA official said Assn. doesn't view changes as serious, Teleprompter execs. are urging that bill be opposed as worse than no bill at all. Commerce Chmn. Staggers (D-W.Va.) has set measure for Commerce Committee consideration Sept. 14, and Subcommittee Chmn. Van Deerlin said he'll attempt to bring bill to House floor Sept. 20, skirting Rules Committee. Without rule, bill must be approved by 2/3 of those voting in order to pass.

**FCC & congressional participants** for NAB fall conferences: Houston, Oct. 18-19 (which also features FCC meetings with broadcasters & public)—Chmn. Wiley, Sen. Hollings (D-S.C.); Denver, Oct. 21-22—Comr. Lee, Sen. Stevens (R-Alaska); Portland, Ore., Oct. 25-26—Comr. Washburn, Sen. Inouye (D-Hawaii) tentative; N.Y., Nov. 11-12—Comr. Quello, congressman undecided; Atlanta, Nov. 15-16—Comr. Hooks, Rep. Frey (R-Fla.); Chicago, Nov. 18-19—Wiley, Rep. Van Deerlin (D-Cal.); Washington, Nov. 22-23—Wiley & panel of commissioners, congressman undecided.

**FTC Comr. Elizabeth Hanford Dole**, wife of GOP vice presidential nominee Robert Dole, has informed President Ford that she wants leave of absence Aug. 19-Nov. 2, to campaign for Dole and "avoid any possible question of conflict of interest." She said she'd donate her salary during period to Treasury. Action leaves FTC with 3 commissioners (full complement is 5). However, Rep. Evins (D-Tenn.) said he doesn't believe President has power to grant leave to FTC commissioner, called for resignation.

**FCC has reaffirmed fines** against 7 Washington-area stations for broadcasting lottery for clothing discount chain (Vol. 16:6 p6). WEEL(AM), WHFS-(FM), WMAL(FM) & WASH(FM) were fined \$3,000 each; WEAM(AM) & WPGC-AM-FM \$2,000.

**CBS Publishing Group** is acquiring Fawcett Publications (Woman's Day, special interest magazines, printing company) for cash, price not disclosed.

**First all-news public radio station**, according to its management, will be WEBR(AM) Buffalo, due to start in mid-Oct. Station Mgr. William Devine said plan is to start with 6 a.m.-7 p.m. "news wheel," followed by hour of public affairs, then local sports—with ultimate goal 24 hours of news. He said station's pattern is that of all-news commercial stations. Operation will be "very expensive," he said, with yearly operating cost of \$375,000—with fulltime staff of 20, plus 8-9 part-timers & stringers. Western N.Y. Educational TV Assn. bought station, plus WNED-FM, for \$1,875,000, took over in Aug. Down payment of \$500,000 came from funds previously earmarked for ETV expansion—after ETV board concluded that all-news radio should be given higher priority. CPB provided \$100,000 grant. WNED-FM will be all-classical music. Devine formerly managed KUMR-FM Rolla, Mo. & WMEB Orono, Me., served as newsman at WABI-TV Bangor. News dir. is Michael Allen, ex-CKFH Toronto, KCBS San Francisco, KDIA Oakland.

**Station-phone company cross-ownership** figured in FCC grant of CP for FM in Arab, Ala., bringing dissent from Comr. Hooks. Commission granted Brindlee Bcstg., denied Marshall County Bcstg., favoring Brindlee, which has no broadcast holdings, over opponent which owns 4 Ala. AMs, including WRAB Arab. Brindlee's 80% owner Sid McDonald is 50% owner of Brindlee Mountain Telephone Co., and FCC supported Review Board's decision that cross-ownership is no disqualification, though it was a slight demerit. Comr. Hooks said he didn't know whether he'd favor cross-ownership but thought Commission should hold oral argument on issue—since it did so in similar case—Court House Bcstg.: "We should not reverse our policies 180 degrees without at least an adequate explanation," he said.

**NBC News presented** its concept for longer evening news to Affiliates' Board last week, stating it "would not simply be an expansion of the present program but a program of revised form & scope." Some affiliates expressed opposition to expansion and both sides agreed "that it was premature to arrive at any final conclusion." (Note: CBS meeting in Ala. last week was "mini-TV conference" with southeastern affiliates, not session with Affiliates' Board on expanded news [Vol. 16:36 p1].)

**Cecil Heftel has sold** KGMB-TV Honolulu (and 2 satellites) to Lee Enterprises (2 TVs, 4 radios, several papers) for \$10.5 million cash, plus assumption of \$2 million liabilities. Heftel, candidate for Democratic nomination to Congress from Hawaii, also is expected to sell radio stations he owns in Honolulu, Ft. Lauderdale, St. Louis & Pittsburgh.

**"Eastern Iowa's Leading News Station"**—promotion used by KCRG-TV Cedar Rapids—has resulted in 2 competing stations filing complaint with FCC. Claiming that in no way is KCRG-TV leading news station, WMT-TV and KWVL-TV asked Commission to issue cease & desist order or start hearing.

**"New Trends in Pay TV"** is seminar sponsored by Cable TV Administration & Mktg. Society (C-TAM) at Perimeter Center Marriott Hotel, Atlanta, Sept. 27-29.

## Personals

**Paul MacAvoy**, co-chmn. of President's regulatory reform task force and member of Council of Economic Advisors, leaves this fall to teach at Yale... **Ex-CBS Vice Chmn. Frank Stanton** elected a dir., Interpublic Group.

Newly-elected NTV dirs.: **James Dowdle**, WTOG St. Petersburg; **Richard Frank**, Chris-Craft Stations; **Milton Grant**, WDCA-TV Washington; **William McReynolds**, KPHO-TV Phoenix; **Crawford Rice**, KSTW Tacoma; **William Schwartz**, KTVU Oakland; **Robert Wormington**, KBMA-TV Kansas City.

**Lloyd Gaynes** advanced to ABC Entertainment prime-time variety programs dir.; **Wally Weltman** promoted to west coast daytime programs dir.; **John Girvin** promoted to broadcast systems dir., ABC management information systems dept.

**Michael Laurence** resigns as NBC special projects dir., effective Sept. 24; **Edward Fouhy**, ex-producer of NBC Nightly News, named news dir., NBC Washington bureau, succeeding **Frank Jordan**, who assumes new post of NBC News special projects dir., based in Washington; **Rosalyn Cherry** advanced to NBC industrial relations information system mgr.

**Robert Wussler**, CBS-TV pres., speaks at Hollywood RTS luncheon Sept. 20... **Thomas Houser**, OTP dir., addresses FCBA luncheon Oct. 18, Army-Navy Club... **Werner Hartenberger**, FCC gen. counsel, speaks before FCBA Sept. 27, on equal time... **James Hobson**, FCC Cable Bureau chief, addresses Miss. Cable TV Assn. Oct. 29, Broadwater Beach Hotel, Biloxi... **FCC Comr. Robert Lee** delivers keynote address at Society of Bcst. Engineers convention Nov. 7-8, Holiday Inn, Hempstead, N.Y.; **Patricia Russell**, attorney in FCC Renewal Branch, named asst. chief, Industry EEO Unit, succeeding **Clarence McKee**, now legal asst. to Comr. **Benjamin Hooks**.

**Natalie Christian**, ex-WNAC-TV Boston, appointed news & public affairs dir., WLVI-TV Cambridge... **August Meyer Sr.** advanced to Midwest TV chmn., succeeded as pres. by **August Meyer Jr.**; **Jack Everette** promoted to exec. vp & treas... **Barrett McKee**, ex-CBS TV Stations retail sales dept. gen. mgr., named sales development mgr., KNBC L.A... **Albert Mazzoni** advanced to vp-local sales mgr., WTTG Washington.

Named Group W Productions vps: **Jack Wartlieb**, production-operations, and **Owen Simon**, creative services... **Clare Simpson**, Time-Life TV national sales dir., named vp... **Ron Fury**, ex-ABC, joins Columbia Pictures TV as production operations dir.

**Loring Fisher**, Bonneville Bcst. Consultants vp-mktg. & operations, appointed exec. vp, new post... **Guy Lewis** promoted to RCC Bcst. Systems northern sales mgr., succeeding **James Gumbel**, named sales mgr. for Europe, Africa & Middle East.

**Ed Outland** promoted to Detroit sales mgr., Kaiser Bcstg. Spot Sales, succeeding **Roy Wade**, resigned... **Thomas Alt** advanced to White sales team mgr., Katz TV American, Chicago office; **Gregory Gush** promoted to Red sales team mgr.

**Joachim Diermann** advanced to chief engineer, Ampex Audio-Video Systems Div... **Lawrence Cervon**, ex-Microwave Assoc. Communications Equipment Div. vp-gen. mgr., named pres., Bcst. Electronics... **Paul Gaillard**, appointed mktg. dir., RCA Americom... **Arthur Silver**, ex-Collins Radio Group N.E. district mgr., named vp-sales & mktg., Ampro Corp... **Sam Stone** resigns as mktg. dir., Blonder-Tongue... **Joseph Weber**, ex-TRW Vidar Div., named IVC industrial relations dir.

**Angela Schapiro** promoted to vp-gen. mgr., newly-formed Columbia Pictures Pay TV Div... **Barry Lemieux**, promoted to corp. development dir., Continental Cablevision of Ohio.

**Sid McCollum** advanced to CMX sales mgr... **Robert Smith** named data processing dept. mgr., Magnavox CATV... **Gerald Bahr**, ex-AML Microwave Div. field engineering mgr., appointed Mission Cable chief engineer.

**Harlan Kleiman**, ex-HBO, is expected to become full-time program consultant to Warner Cable... **Gustave Hauser**, Warner Cable pres., speaks to N.Y. CATV & Entertainment Industry Security Analysts luncheon, Delmonico's, Sept. 30.

**FCC has formed task force** to plan policy & rules changes necessary for open meetings—mandated within 180 days under legislation signed last week by President Ford (Vol. 16:36 p3). Law covers about 50 agencies, requires that meeting subjects be announced week in advance, permits closed meetings (by vote of agency) under certain circumstances. At FTC, "it's going to mean some delays," according to official, due to provisions for court challenge of agency decisions, etc. However, official added that he felt delays would be "balanced by substantive improvements in the quality of the FTC's decision-making process."

**Southern Media Coalition** and 6 New Orleans community leaders and individuals have petitioned FCC to deny transfer of WVUE-TV New Orleans from Screen Gems to Gaylord Bcstg. Petitioners say Screen Gems "should not be able to profit from its many years of flagrant violations of the Commission's rules." They charge that station hasn't served black community, discriminates against blacks in programming & employment.

**Funding of WNYC-TV-FM-AM N.Y.**, city-owned, is task of 11-member committee headed by CBS Pres. **Arthur Taylor**, appointed by Mayor Beame. Stations are to get \$1.4 million in city appropriation this fiscal year, vs. \$2.1 million last year.

**Greater Boston Cable**, serving Woburn, Mass., will begin offering HBO pay service to 4,200 subscribers, receiving feed via microwave.

## Obituary

**John Wall**, 70, retired GE broadcast equipment marketing specialist, died of kidney failure Sept. 5 in Vienna, Va. He served entire career, 43 years, with GE. Survivors include wife, son.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Aug. 27 (34th week of 1976):

	Aug. 21-27	1975 week	% change	Aug. 14-20	8 months 1976	8 months 1975	% change
Total TV. . . . .	328,542	297,789	+10.3	212,030	7,264,151	6,812,119	+6.6
color . . . . .	210,019	178,747	+17.5	132,063	4,293,272	3,787,761	+13.3
monochrome . . .	118,523	119,042	-0.4	79,967	2,970,879	3,024,358	-1.8
Total radio . . . . .	1,932,316	1,664,753	+16.1	818,001	24,246,485	21,178,767	+14.5
home, portable .	1,633,750	1,468,917	+11.2	558,045	16,305,048	15,817,713	+3.1
AM-only . . . . .	632,395	360,114	+75.6	155,327	4,059,841	4,458,417	-8.9
FM & FM-AM .	1,001,355	1,108,803	-9.7	402,718	12,245,207	11,359,296	+7.8
auto . . . . .	298,566	195,836	+52.5	259,956	7,941,437	5,361,054	+48.1
Port.-comp. phono.	103,524	75,339	+37.4	63,346	1,621,240	2,070,294	-21.7

**Color TV 5-week moving average:** 1976--148,647; 1975--127,656 (up 16.4%).

**FCC WEIGHS CB STANDARDS CHANGE:** FCC gets first clues this week on severity of problem posed by new CB receiver certification rules (Vol. 16:36 p7) as it begins testing first batch of CBs submitted for type acceptance. Results will be important part of Commission decision whether to relax rules. By 3 p.m. Fri. (Sept. 10), first day for submission of 40-channel CBs, FCC labs had received 40 units—slightly more than expected based on projection of 400-500 submissions during initial Sept. 10-Nov. 1 period. But spokesman said 100-150 applications also had been filed, adding that actual test samples probably would show up soon.

Key question is whether significant number of first CBs submitted meet disputed 5-micro-volt (uv)-per-meter chassis-radiation limit in new rules covering CB receivers. EIA Citizens Radio Section said in petition Sept. 3 (Vol. 16:36 p7) that CB industry can't meet 5-uv standard without "radical redesign," asked that limit be changed to 120 uv. Spokesman in chief engineer's office said if high proportion meets new standard, it could be indication rule change isn't needed. Conversely, if majority fail 5-uv test, relaxation may have to be considered.

There's speculation that many firms may have submitted CBs with radiation readings somewhere between FCC & EIA-CR levels, gambling that others would do same and force FCC to compromise. Complicating situation is possibility that CB producers submitted higher-end units with metal cabinets—which offer better shielding than plastic—knowing they will meet 5-uv level. FCC wouldn't release company names or types of CBs submitted.

Makers of CBs which fail type-acceptance tests will be notified immediately, spokesman said, but approvals won't be announced to public or manufacturer involved until Nov. 1, when list of all units approved during Sept. 10-Nov. 1 period will be released and given Jan. 1 sales date. FCC won't consider change of sales date, he said, but is still studying possibility of allowing CBs to be shipped beyond manufacturing point before Jan. 1 (Vol. 16:34 p9).

FCC sources say earliest date for Commission decision on radiation limit, and on petitions filed by Assn. of Maximum Service Telecasters (MST) and ABC, is around Oct. 15, and it could become as late as Nov. 1. MST asked FCC for stay on 40-channel expansion order until entire issue can be reconsidered, and until TV interference tests being conducted by Field Operations Bureau & EIA are completed. ABC said expansion could affect millions of TV viewers, suggested that "more effective measures be taken."

**SALES PACE QUICKENS AS SEASON STARTS:** Two excellent color TV sales weeks back-to-back helped revive industry's flagging hopes for good fall selling season. Final Aug. week saw sales of 210,000 sets to dealers, a record for year's 34th week, followed by respectable 156,000 in first Sept. week, up 18% from same 1975 week. But even with smash finale, Aug. was disappointment, seasonally adjusted annual rate dropping to 7.5 million from 7.65 million in July, 7.9 in June, 8.1 in May. Rate for year's first 8 months was 7.45 million.

Dealers sold 571,771 color sets in Aug., up 12.6% from 507,707 in 1975, while monochrome sales at 355,278 were down about same percentage from 406,225 in 1975. In spite of strong evidence that domestic manufacturers are cutting back production, record color set imports pushed end-of-month factory-plus-distributor inventories up to 2,352,000, increase of 19.5% over year earlier and 6.7% during month. Most of increase was at factory (or import) level, total of 1,311,000 being 25.8% ahead of year ago and up 10.4% during month. At distributor level, inventories totaled 1,041,000, gain of 12.4% in year, 2.4% in month.

Production plus imports in Aug. totaled about 745,000 sets, up nearly 40% from Aug. 1975. But with an estimated 300,000 imports during month, domestic output was probably around 445,000, up only 5% from austerity level of Aug. 1975 (but with imports up about 175%).

With factory-plus-distributor inventories at about 14-week supply, importers seem to be reckoning on big fall sales while domestic manufacturers are applying brakes to avoid glut. Whoever is correct in forecast for rest of year, it's now evident that U.S. color TV manufacturers no longer have sufficient control of their destinies to avoid potential of excessive inventories and price-cutting.

Key selling period—final 4 months in which more than 40% of year's sales traditionally are made—appears to be off to strong start, on basis of first returns. But strength will have to continue to build to avert price-cutting orgy which traditionally accompanies mounting inventories. Here are EIA consumer electronics sales-to-dealers figures for Aug. (for 8 month totals, see State of the Industry):

Product	August 1976	August 1975	% change	August 1974
Total TV . . . . .	927,049	913,932	+1.4	1,078,764
color . . . . .	571,771	507,707	+12.6	579,489
monochrome . . . . .	355,278	406,225	-12.5	499,275
Total radio . . . . .	3,883,791	3,478,662	+11.6	3,411,646
home, portable . . . . .	2,856,302	2,788,605	+2.4	2,660,726
AM-only . . . . .	986,565	721,058	+36.8	917,581
FM & FM-AM . . . . .	1,869,737	2,067,547	-9.6	1,743,145
auto . . . . .	1,027,489	690,057	+48.9	750,920
Port.-comp. phono . . . . .	257,984	285,476	-9.6	348,102

**JVC TO MARKET 2-HOUR HOME VTR NEXT MONTH:** JVC late last week unveiled its 2-hour "stop-Betamax" home videocassette system which it hopes will be declared official Japanese standard (Vol. 16:30 p8, 16:34 p8, 16:35 p8). Marketing will begin in Japan next month, in U.S. probably next year. JVC Industries spokesman said unit would be demonstrated in U.S. in "very near future." Initial production run will be 5,000 units.

Price of deck in Japan will be about \$885, timer \$35 extra, 2-hour cassette \$20. For comparison: Betamax deck is about \$1,028, timer \$24 (deck & timer in U.S. \$1,300), one-hour cassette \$15.50 (\$16 in U.S.); Matsushita VX-2000 deck is \$725 in Japan, timer \$31, 100-min. cassette \$26; Sanyo-Toshiba V-Cord II deck sells for \$1,120, timer \$34, cassette which records one hour full-field or 2 hours skip-field \$23.50.

JVC's "Video Home System," which uses azimuth recording technique pioneered in Betamax, carries attractive prices on both deck & tape. In terms of recording cost per hour, JVC cassette comes to \$10, V-Cord II in 2-hour skip-field mode \$11.75, Betamax \$15.50, VX-2000 in 100-min. cassette \$15.60. (For comparison of tape usage, see p.11.) Japanese govt., through MITI, has urged industry to agree on standard home video format, preferably with 2-hour play-



ing time, and it has generally been assumed JVC machine may have inside track.

JVC's parent Matsushita has indicated it may produce JVC-developed system, but also insists it will continue to make lower-priced VX-2000, even if MITI should standardize on another type. Although Matsushita's VX-2000 start-up was slower than Betamax's (it has produced 20,000 units so far vs. Sony's 65-70,000), it has caught up in production, making 10,000 at its Shikoku plant in Aug., planning 15,000 in Sept. The 20,000 already made were just enough to supply at least sample shipments to all members of Matsushita's huge Japanese dealer network. Matsushita already is planning expansion of production facilities, will start building new plant exclusively for video early next year, sees total 1977 Japanese home video demand at 400,000 units.

Quasar will market VX-2000 in U.S., and Matsushita also is talking to its U.S. subsidiary about selling it in U.S. under Panasonic label, too, we've learned. Matsushita officials indicate it may be possible to increase playing time of cassette to 2 hours. Only machine currently on market with 2-hour playing time is V-Cord II, of which about 10,000 have been built. This fall, both V-Cord manufacturers will double production—Sanyo to 4,000, Toshiba to 2,000 monthly.

Although Sony declines to give any details on future family of Betamax recorders, we've learned that its new deck, which can get 2-hour recording time on standard one-hour cassette (492 ft. of tape) may be commercialized ahead of original schedule as weapon against JVC. It's understood new machine will have 2-speed switch to halve tape speed to 0.79 ips, new head and improved circuitry to provide picture visually equal to current machine despite narrower recorded tracks. New 2-hour system might sell for \$30-\$35 more than current one. Also believed to be in works is Betamax getting 3 hours from same cassette—involving automatic tracking circuitry—but this probably won't be ready for 6-10 years.

Meanwhile, it's believed Sony could be ready this year or early next to market Betamax cassette-changer attachment permitting stacking of 4 or 7 cassettes for automatic recording or play.

Sony officials revealed in interviews that first play-only Betamax machines have been designed for Philippines govt. educational program for remote villages. Future Betamax decks will be designed for educational-institutional use and for PAL & SECAM color systems next year, all using same standard cassette.

Contrary to general expectations, Sony's U-Matic hasn't suffered from Betamax competition. In fact, Sony says it's now making 5,000 U-Matics monthly, will turn out 50,000 this year, is running at full capacity and can't catch up with back orders.

Although most Japanese manufacturers believe videocassette will be viable product long before videodisc, 2 of them now appear to be committed to produce Telefunken-Decca TED disc system. Sanyo, original Japanese TED licensee, announced it has improved on German system, will market superior version in Japan in about year at under \$500. Earlier, General Corp. said it would have TED player on market next April (Vol. 16:24 p13).

**PORTABLES GAIN COLOR MARKET SHARE:** Continuing reversal of last year's trend, portable-table models chewed away at console share of color market in 2nd quarter, ended half with 71% on new supply basis, exactly same share held in first-half 1974, EIA data shows.

With sole exception of 16-17" color, increases in production-plus-imports were logged by all color & b&w screen sizes & styles. Solid-state hit new penetration records, accounting for 95.5% of color portables (up from 80.6%), 100% of consoles (up from 97.3%), and 93.6% of b&w (up from 53%). In color, remote control also hit new heights, being included in 10.5% of portables (up from 6.8%), 11.8% of consoles (up from 5.5%).

In color, improved market position was shown by 15"-&-under portables, 25" consoles. Increased penetration in b&w was reserved for 16"-&-over models. Though their status was eroded somewhat, 18-19" color & 11-12" b&w continued as industry's dominant models. Here's how first half 1976 color mix stacks up against year-earlier results:

## COLOR TV PRODUCT MIX—FIRST HALF

Type	Units	1976	%	Units	1975
		of total		of total	%
Portable-table. . . . .	2,699,000	71.0		1,833,000	67.3
Console . . . . .	1,086,000	28.6		878,000	32.2
Combination . . . . .	15,000	0.4		14,000	0.5
<b>Total. . . . .</b>	<b>3,800,000</b>	<b>100.0</b>		<b>2,625,000</b>	<b>100.0</b>
Solid-state . . . . .	3,679,000	96.8		2,331,000	85.5
Remote control . . . . .	411,000	10.8		174,000	6.5

Breakdown of color portable-table results by screen size shows 12"-&-under at 310,200, up 130.5% for 11.5% share of market (up from 7.3%); 13" at 223,200, up 121.8% for 8.3% share (5.5%); 14-15" at 190,100, up 70.9% for 7% (6.1%); 16-17" at 225,200, down 13.2% for 8.3% (14.2%); 18-19" at 1,608,300, up 43.1% for 59.6% (61.3%); over -19" at 142,300, up 38.2% for 5.3% (5.6%). In consoles, 25" rose 24.1% to 813,500 for 74.9% share (74.7%), output of smaller sizes was up 22.7% to 272,800, while combination production edged up 4%.

In b&w, output of solid-state sets jumped dramatic 150.9% to 2.5 million. Battery portables rose 135.4% to 452,300, for 17.2% market share, up from 9.7%. Portable-table models showed 33.6% gain to 2.6 million, accounting for 98.6% of new supply, up from 98.3% as mono-chrome consoles increased just 6.5% to 37,200. Within portable-table models, data show 10"-&-under at 459,000, up 19.4% for 17.4% share (down from 19.5%); 11-12" at 1,224,700, up 23.8% for 46.4% (50.1%); 13-15" at 109,300, up 31.5% for 4.1% (4.2%); 16-17" at 201,000, up 115.2% for 7.6% (4.7%); 18"-&-over at 641,700, up 51.4% for 24.4% (21.4%).

Comparison of EIA & Commerce figures indicates imports lost ground in small-screen color market, captured significantly larger share of larger-screen portable business. Totals show imports accounted for 61.3% of 12"-&-under color (down from 76.4%), 62.1% of 13" (down from 70.1%), 48.9% of 14-15" (up from 29.1%), 12.3% of 16-17" (up from 10.6%), solid 34.9% of 18-19" (up from 15%). In b&w portable-table, imports supplied 94.5% of 10"-&-under (up from 77.9%), 88% of 11-12" (up from 81%), 31.3% of 13-17" (down from 59.4%), 22.1% of larger sizes (down from 41.8%).

**GAME STANDARDS COMMITTEE:** Ad hoc committee to study issue of software compatibility in coming generation of programmable video games is being formed by Semiconductor Div. Mgr. Richard Bader, National Semiconductor. He hopes to have working group organized in several weeks, envisions round of committee & subcommittee meetings resulting in white paper containing recommendations by Christmas. Included will be execs. from primary manufacturers (semiconductor & electronic systems houses), marketing firms (Lloyd's, APF, etc.), retailers & potential software suppliers. National will introduce programmable game in Feb. or March, according to Bader, probably using non-destructible memory on printed-circuit "card" housed in cartridge. "That's the way we think we'll go after 2-1/2 years of thinking," Bader said, "but it could always change if we come up with something better."

**SBE filed with International Trade Commission,** then withdrew, unfair import competition complaint charging that scanner made by Hitachi and offered by Sears for \$299 violates SBE's patent for card-reading optical tuning system. SBE said it has agreed tentatively to license Hitachi.

**GE settled FM-stereo patent suit against Morse** not by selling license, as was indicated by GE (Vol. 16:18 p11), but by selling patent itself. According to Morse filing with SEC, it acquired patent through wholly owned subsidiary formed for purpose, Stereo Patents, for \$4.43 million, paying \$1.5 million down, balance over next 5 years. Until paid for, patent has been reassigned to GE, which continues to collect royalties (\$207,000 in first quarter this year) up to amount of annual installment, with Morse obligated to make up deficit if royalties fall short. As part of deal, GE agreed to help defend against any legal challenge to patent. Filing shows GE had 41 royalty-paying licensees, of which 40 are in Far East, virtually all Japanese. Only U.S. company on roster is RCA. There was no indication of companies which may have royalty-free cross licenses.

**U.S. citizens visiting Mexico** should leave CB equipment at home if possible, FCC warned. If this can't be done, visitors should declare equipment at border, refrain from using equipment or selling it while in Mexico, Commission advised. It noted that foreigners are prohibited from operating or importing CB in Mexico.



**WARNER-ATARI DEAL:** Acquisition of coin-op & home video game supplier Atari by Warner Communications not only lends game field needed touch of respectability, but gives Atari strong edge in programmable, cartridge-based market. Decision to buy Atari was based on several considerations—including probable game-cable TV marriage through subsidiary Warner Cable—but primary motivation was clearly determination that game isn't fad but integral part of emerging home video systems industry.

For Atari, deal carries promise of funding for R&D work on advanced projects it couldn't finance on own. "Now I can stop running around the country trying to raise money and get back to running the company," Pres. Nolan Bushnell told us. "We needed someone with full pockets, and we got it. This gives us the money to do a lot of things we couldn't do." More immediately, it gives Atari access to one of world's largest record distribution networks through Warner subsidiary WEA, providing ready-made marketing structure for game cartridges when firm introduces programmable unit—probably some time next year.

Warner is studying possibility of broadcasting games over cable once its 2-way system goes into operation. "Games on TV by using the cable are something we've been thinking of for a couple of years," Warner Cable Chmn. Gustave Hauser said. "The presence of Atari in our family has a lot of synergism, because they have a lot of capability in that field." Hauser wouldn't discuss details or timetable for 2-way project, stuck to previous statement that company is planning implementation "in a specific urban market."

Both Bushnell & Warner indicated Atari will explore non-video applications of electronic game concept but declined to give details. Total purchase price is roughly \$28 million, giving Warner controlling interest for cash & debt. Deal is dependent on approval by state of Cal. and acceptance of offer by 2/3 of each class of company's shares. Atari, which is moving headquarters, R&D group and 2 plants to Sunnyvale, Cal., had income of about \$39 million in fiscal year ended May 29, earnings of about \$3.5 million.

**Other developments:** FCC approved games from Lloyd's (Monte Verde E825A & Lloyd's E802A), Intercon Mktg. Corp. (Gemini 7640) & Unisonic (Tournament 1000). Tournament 1000 (\$99, 4 games) joins Tournament 2000, 6-game unit now being discounted at \$88 in N. Y. area, as 2nd model in Unisonic line; programmable unit in \$169 range will be shown at Jan. CES... **Radio Shack** unveils TV Score-board, \$100 4-game model, in new catalog... **GI** will show new game chips (Vol. 16:34 p11), including Ball & Paddle II & tank-battle chips, at Wescon/76 in L.A. this month... **Frost & Sullivan** study projects \$639-million electronics game market, including home & coin-op segments, by 1985.

**Morse withdrew** \$9.6-million N. Y. Supreme Court action against Soundesign (Vol. 16:29 p9). Terms of settlement of suit, in which Morse charged slander, theft of trade secrets and unfair competition weren't disclosed.

**VIDEOTAPE ECONOMICS:** Real measure of economy in videotape recording is amount of magnetic material required for given playing time. Sony's development of new version of Betamax machine which will provide 2 hours of recording on same cassette which now records for one (see p. 9) gives it almost sevenfold advantage over standard U-Matic machine.

Comparison below gives approximate record-play times for most existing, proposed & past consumer & industrial cassette & cartridge systems. Cartrivision & RCA MagTape systems, for which there are no longer any commercial plans, are included for comparison only. V-Cord II is listed in both skip-field & full-field modes; same machine will operate both ways. Sony's 3-hour Betamax is not listed because it is said to be about 10 years in future; it would require only 6.9 sq. ft. per hour.

System	Speed (ips)	Tape width	Sq. ft./hour
*Sony Betamax 2-hour . .	0.79	1/2"	10.3
*JVC M-Type . . . . .	1.34	1/2"	16.7
V-Cord II (skip-field) . .	1.45	1/2"	18.2
Sony Betamax . . . . .	1.57	1/2"	20.5
Matsushita VX-2000 . . .	2.05	1/2"	26.2
*BASF LVR . . . . .	120	1/4"	26.8
*RCA MagTape . . . . .	1.53	3/4"	28.0
V-Cord II (full-field) . .	2.91	1/2"	36.5
*Cartrivision (skip-field)	3.8	1/2"	47.5
Akai . . . . .	10	1/4"	62.5
Philips VCR . . . . .	5.6	1/2"	70.0
U-Matic . . . . .	3.75	3/4"	70.3
EIA-J Type I . . . . .	7.5	1/2"	93.8

\*Not in production.

**JAPAN'S JULY:** Japanese July exports to U.S. of audio equipment joined TV & CB shipments in registering strong gains over 1975 (Vol. 16:35 p8), Finance Ministry totals show.

Total radio shipments to U.S. for month were up 264%, bulk of gain represented by 717% jump in auto radios. Total home radios rose 61.2% to 358,000; clock & AM-only models each posted better than 3-fold gain and FM units edged up 12.9%. Total tape equipment exports of 1.3 million were up 9.6%, with automotive units up 45% to 228,000, home models up 4.2% to 1.08 million. Radio-phonos posted 111.8% gain to 43,700.

#### JAPANESE EXPORTS TO U.S.

	July 1976		July 1975	
	Units	Value(\$)	Units	Value(\$)
Total TV . . . . .	482,083	67,621,328	181,525	22,891,793
color . . . . .	340,439	59,552,602	108,304	18,505,266
b&w . . . . .	138,744	7,786,673	73,221	4,386,527
chassis & kits . . . .	2,900	222,531	—	—
Radio-phonos, stereo .	1,400	131,276	10,087	951,729
Radio-phonos, mono . .	42,257	3,047,872	10,548	227,435
Radio-recorders & other comb. . . . .	286,550	11,772,774	483,512	19,921,307
Auto radios . . . . .	811,430	33,274,026	99,292	2,339,496
Clock radios . . . . .	110,046	1,845,680	35,988	703,648
Radios, AM . . . . .	58,358	587,158	18,000	246,155
Radios, FM . . . . .	66,748	184,170	168,017	10,643,804
FM hi-fi recvs. tuners . . . . .	122,884	14,492,323	—	—
CB trcvrs., under 100mw . . . . .	123,069	918,488	201,454	652,162
CB trcvrs., other . . .	1,664,029	90,097,262	286,914	15,192,854
Phonos . . . . .	80,103	4,826,801	—	—
Tape players, auto cart. . . . .	158,439	2,514,565	157,297	2,982,371
Tape players, auto other . . . . .	69,582	1,628,484	—	—
Tape recdrds., reel . .	6,526	322,656	1,648	201,851
Tape recdrds., cass. . .	489,153	12,330,946	344,708	8,403,597
Tape recdrds., cart. . .	125,144	2,512,582	96,186	2,036,378
Tape decks, audio . . .	177,568	34,206,205	116,380	6,620,145
VTR . . . . .	9,613	6,581,265	—	—

# WEEKLY Television Digest

with  
**Consumer Electronics...**

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## Trade Personals

**Mark Obenzinger**, ex-group product mgr., Gillette Appliance Div., appointed to new post of Advent video mktg. dir., with national marketing responsibilities for VideoBeam... **Howard Johnson** promoted at RCA from staff vp-reliability & quality to staff vp-product safety, succeeding **Wendell Morrison**, retiring after 36 years... **John Petrole** named Uher national sales mgr... **Elliot Schwartz** promoted at Bose from sales operations mgr. to national sales mgr.

**John Mains** advanced at Omron from national sales mgr. to mktg. dir., succeeding **Andrew Frantzen**, resigned... **Harold Pope** named chmn.-chief exec. of Sanders Assoc.; **Jack Bowers**, ex-Asst. Secy. of Navy, appointed pres.-chief operating officer... **Charles Brainard**, ex-North Electric, appointed Gold Line Connector mktg. dir... **Michael Hyde**, ex-Admiral, joins Dynascan Cobra Communications Group as southeast mgr.

**John Nevin**, Zenith chmn., appointed vice chmn. of Chicago Metro/National Alliance of Businessmen... **Ed Porter**, ex-Ohio Appliances, joins Hitachi as mid-west mgr., post formerly held by **Karl Bulkema**, now sales vp... **Michael Fleming**, ex-General Electronics Systems, appointed JVC Industries (video) west coast sales mgr... **Gary Tobey**, ex-Carnegie Electronics, named Platt Music radio, audio & record buyer, assuming duties of **Kenny Platt**, gen. mdse. sales mgr., and **Mike Randall**, branch stores gen. mgr., who'll devote full time to other responsibilities.

**Ad notes:** JVC Industries (video equipment) appoints Michel-Cather, formerly Sony's video products agency... **President Electronics** (Uniden CB) appoints Boylhart, Lovett & Dean.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Avnet</b>			
1976-year to June 30	621,498,103	35,415,721	2.55
1975-year to June 30	541,463,143	26,303,835	1.90
1976-qtr. to June 30	164,079,877	10,011,779	.72
1975-qtr. to June 30	128,315,189	8,456,903	.61
<b>Columbia Pictures Industries</b>			
1976-year to June 26	332,114,000	11,545,000 <sup>a</sup>	1.39
1975-year to June 28	325,894,000	10,511,000 <sup>a</sup>	1.35
1976-qtr. to June 26	80,625,000	1,473,000 <sup>a</sup>	.18
1975-qtr. to June 28	99,307,000	7,810,000 <sup>a</sup>	1.00
<b>Koss</b>			
1976-year to June 30	18,822,128 <sup>b</sup>	1,176,720	.70
1975-year to June 30	16,069,514 <sup>b</sup>	1,114,212	.66
1976-qtr. to June 30	4,319,386 <sup>b</sup>	55,948	.04
1975-qtr. to June 30	3,939,063 <sup>b</sup>	226,790	.14
<b>Lafayette Radio &amp; Electronics</b>			
1976-year to June 30	98,760,000	2,915,000	1.33
1975-year to June 30	91,488,000	2,119,000	.91
1976-qtr. to June 30	23,932,000	771,000	.35
1975-qtr. to June 30	22,441,000	482,000	.21
<b>Tenna</b>			
1976-6 mo. to July 31	27,076,761	1,034,759	.34
1975-6 mo. to July 31 <sup>c</sup>	19,350,275	276,525 <sup>a</sup>	.10
1976-qtr. to July 31	13,489,989	508,078	.17
1975-qtr. to July 31 <sup>c</sup>	10,728,265	53,533	.02
<b>United Cable TV</b>			
1976-year to May 31	15,284,000	(4,247,000)	--
1975-year to May 31	12,371,000	(1,565,000)	--

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

**CB Scene:** RCA Distributor & Special Products Div. will spend \$2.7 million on CB advertising during next 15 months using theme "RCA CB Co-Pilot—Now You're Talking." Bulk of ads during remainder of 1976 will appear on TV sports programs... **Sony** 40-channel CBs (Vol. 16:32 p8) will be at "very high end of market," Chmn. Morita told us, probably ranging \$500 & up. Firm will introduce 2-4 models, probably SSB only, with emphasis on reliability & frequency stability—"machines which only Sony can supply." New CBs will be combination base/mobile units... **Chinon** (Japan), car stereo & movie camera maker, will enter 40-channel field next spring, producing 40,000-50,000 units monthly for OEM export to U.S... **Marantz-Japan** will begin monthly production of 20,000-30,000 40-channel CBs for parent Superscope in Jan. through subsidiaries Superscope Taiwan (2 AM models) & Standard Radio-Japan (2 SSB models)... **Cybernet** 40-channel production schedule: Sept., 150,000 units; Oct., 500,000; Nov. 700,000... **NAB** asks FCC to allow stations to re-broadcast CB reports on traffic, weather, other CB transmissions.

## Obituary

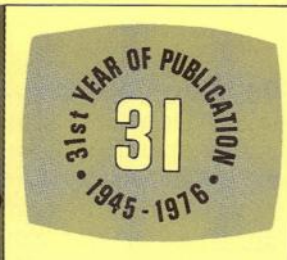
**Herman Weiss**, 60, GE dir. & vice chmn. in charge of corp. administration, business development and Components & Materials Group, died of cancer in N. Y. Sept. 6. A 37-year GE veteran, he is survived by wife, son.



WEEKLY

# Television Digest®

with  
consumer  
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The authoritative service for broadcasting, consumer electronics & allied fields

SEPTEMBER 20, 1976

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**NETWORKS PIQUED AT LEAGUE** restrictions on Ford-Carter debates. Court denies minor candidates; FCC clears tape delays. (P. 1)

**JAPAN'S WIRED CITIES**—Two-way system serving 300 apartments in operation near Tokyo. Osaka-area project will provide 20 services through fiber-optic cable, seen as rehearsal for major Japanese CATV equipment export drive. (P. 2)

**4th TV NETWORK NOT VIABLE**, advertisers say at TvB workshop. Rice doesn't think talk is 'serious,' sees shortage of stations & programming as stumbling blocks. (P. 3)

**ATLANTA PAY-CABLE NETWORK** is unveiled by Hollywood Home Theater, Turner, Atlanta pro sports teams. Satellite-distributed system will offer sports & movies to 510 systems with 1.7 million subscribers in 8 southern states. (P. 3)

**POLE ATTACHMENT BILL** gets unanimous okay from House Commerce Committee following 2nd round of compromises. NCTA supports measure, but Teleprompter will fight it. (P. 4)

**BRIEFING CBS RADIO AFFILIATES:** Sessions cover Carter-Ford debates, attitudes toward broadcasting, Sec. 315, business outlook. (P. 5)

**NETWORKS PIQUED AT LEAGUE RULES:** "Each network, to one degree or another," is very unhappy with restrictions League of Women Voters has placed on coverage of Sept. 23 Ford-Carter debate from Philadelphia, network official told us. Sept. 14 meeting between networks and League Project Dir. James Karayn was described as "not pleasant." Major restrictions networks don't like:

(1) Prohibition against showing audience. Opening & closing shots are restricted to showing backs of heads only; League has prohibited pool cameras from showing faces and/or reactions during debate. (2) League refusal to permit networks to use their own cameras in Philadelphia's Walnut St. Theater. Another session on arrangements was scheduled Sept. 18. Principal network negotiators with Karayn are Walter Pfister (ABC), Robert Chandler (CBS), Robert Mulholland (NBC).

"They're censoring us; they're telling us how to cover a news event," network official complained. FCC Comr. Abbott Washburn, for one, on other hand, thinks restrictions—particularly against showing audience reactions—are great. "Here, here," he said. "Let's make it a real debate and not an extravaganza for the media." Ford spokesman Dean Burch said both candidates were "very, very concerned about this... This is not Monday night football." However, he admitted, directors will have "a problem deciding what to show except talking heads."

### Consumer Electronics

**1976 COLOR SALES** to dealers seen totaling about 7.5-million, up 16.5% from last year. (P. 7)

**GRIFFITHS HEADS RCA** after Conrad's surprise resignation. Emphasis on financial controls seen. (P. 7)

**BID FOR QUOTAS** on color imports due for filing with ITC this week by COMPACT. (P. 8)

**JVC's VIDEOCASSETTE** recorder gives good pictures, resembles high-end stereo cassette deck, uses cobalt-doped tape. Price in U.S. seen about \$1,000. (P. 9)

**IMPORT ADJUSTMENT** assistance request by color yoke producers tied to Sanyo's acquisition of Warwick plant. (P. 9)

**CB KEEPS FCC BUSY** as it fights rumors channel expansion is dead, launches testing program. (P. 10)

**SONY AIMS** at 10% of U.S. color market, or million sets, by 1980. (P. 10)

**MATSUSHITA TV OUTPUT** in 27 factories totals about 5 million annually—more than 12% share of non-Communist world market. (P. 11)

**MORSE WRITEOFFS** for 1976 included \$15.6 million for inventory, \$2 million for plant closings. Capehart, Lloyd's, Soundesign report results. (P. 11)

In legal developments last week, D. C. Federal Dist. Court Judge Aubrey Robinson denied injunction to stop debates unless minor candidates were included, and FCC ruled that tape-delayed broadcast of up to 24 hours still would qualify for equal-time exemption (original FCC ruling specified debates had to be carried live). In dismissing actions filed by independent candidate Eugene McCarthy and American Party candidate Thomas Anderson, judge said they were in wrong forum—that complaints should have been made to FCC and/or Federal Elections Commission. (American Independent candidate Lester Maddox has complained to FCC, which is expected to turn him down Sept. 20.) McCarthy said he'd go to Court of Appeals, Anderson to Election Commission.

In extending exemption to tape—requested by WILM(AM) Wilmington, Del. for debate between congressional candidates (Vol. 16:37 p3)—Commission noted it would solve problems for daytime stations, permit coverage in Alaska & Hawaii and delayed captioning for deaf. Vote was 3-2—Hooks & Lee dissenting; Washburn wanted to permit 72-hour delay. Hooks & Lee also dissented when Commission exempted debates and news conferences from equal time, said any changes should be made by Congress. Lee: "I continue to fear that the...loophole may become an expanding pothole into which the true purpose of Sec. 315 may fall." Hooks: "Anyone who is under the delusion [that FCC will deny further exemptions] must doubt that October will come."

Other Ford-Carter debate developments: (1) San Francisco's War Memorial Auditorium will host 2nd debate Oct. 6; location for final debate Oct. 22 hasn't been picked. Debate between vice presidential candidates will be week of Oct. 11. (2) Networks say debates will cost each over \$2 million in expenses and lost revenues. (3) PBS coverage will include sign language in corner of TV screen for hearing-impaired. (4) More than 250 reporters already have requested credentials for Philadelphia debate. (5) Republican & Democratic Congressional Campaign Committees jointly asked networks for prime-time hour for debate on role of Congress. Network officials said it's "very unlikely" request will be granted.

**JAPAN'S WIRED CITIES:** Japan's first—probably world's first—wired city now is in operation in Tokyo apartment suburb as pilot govt.-private project. Second, and more advanced, project near Osaka is scheduled to go into operation in stages in 1978-1980, providing 20 different services (including TV programming) using 2-way optical fibers.

First system, in 12,000-apartment Tama New Town housing project, now links about 300 apartments with standard co-ax, but with return telephone-type link for 2-way service. Both projects are feasibility experiments, initially provided free to tenants, but planned for commercialization eventually.

Tama system, budgeted at \$3 million for 2 years, includes these services: (1) Local TV studio for residents. (2) Pay-TV channel (free during experiment). (3) Fax channel (only 5 apartments have fax receivers) for newspapers, sports, business & children's information. (4) Teletext for news bulletins, weather, shopping guide. (5) Still Picture Request Service, using keyboard permitting residents to dial recipes, lessons, child care information, etc. (6) Two-way educational channel for children, permitting them to view teacher live and ask or answer questions by audio line. (7) Multiple-choice tests, with answers punched into touch-button dial, automatically graded by computer.

Second wired-city project, in preparation since 1972, initially will connect 300 apartments, eventually 3,000-5,000 in Higashi Ikoma project near Osaka. Two-way fiber-optic cable will provide 29 channels downstream (70-300 MHz), 5 upstream (up to 50 MHz). Among services provided, in addition to those also supplied at Tama: (1) TV Request, permitting subscribers to dial up requested videotapes, on first-come-first-served basis. (2) Data Request, & Fact Service, providing on-screen information, with libraries, etc. as source. (3) Fax Request—hard-copy books, directories, hotel information, timetables, reference material. (4) Shopping Guide. (5) "Cashless" shopping, subscriber inserting credit card into slot in home for purchases of products shown on screen. (6) Ticket, hotel, beauty parlor & clinic reservations. (7) Two-way service for medical diagnosis. (8) Meter reading. (9) Burglar-fire alarm. (10) Automatic emergency channel. (11) Televote, permitting subscriber polling.

Ministry of International Trade & Information (MITI) is providing \$23-million for project.



In addition, funds, equipment & software are being supplied by 6 computer makers plus Matsushita Electric, Dentsu Adv., Fuji Telecasting, real-estate developer, postoffice. Prominence of MITI is sure sign that competition with U.S. manufacturers may be expected.

**4th TV NETWORK 'NOT IN CARDS':** "It's just not practical, it's just not in the cards for many years," exec. of major advertiser told us last week, commenting on reports that some major advertisers (notably Archa Knowlton of General Foods) are pushing for formation of 4th TV network. In fact, none of nearly dozen major companies that we talked to at TvB workshop in N. Y. last week took the movement seriously.

"I don't think it's serious," TvB Pres. Roger Rice said. Advertisers "look at it [possible 4th network] as a way to drive the price down," noting that current TV "sellers" market has driven spot prices up. Lack of independent stations (outside major markets) to become affiliates and shortage of programming are 2 major deterrents, Rice said.

\* \* \* \*

Meanwhile, advertisers & agencies gave TvB's first corporate advertising workshop high rating; "it was extremely successful," said Rice. He noted that 85 major advertisers, 75 agency people and about 40 from reps, networks & stations paid \$75 each for one-day workshop.

Very little was said by speakers—from major advertisers such as GM, ITT, Xerox, Union Carbide, U.S. Steel—about high cost of TV. "Our management doesn't say we can't afford TV... our management says we can't afford not to be in TV," according to TRW executive.

**ATLANTA PAY-CABLE NETWORK:** Hollywood Home Theater and owners of 3 Atlanta professional sports teams have agreed in principle to form joint pay-cable network serving 510 systems in 8 southern states (Ala. Fla., Ga., La., Miss., N. C., S. C. & Tenn.) with total of 1.7 million subscribers. Network may expand into Ark., Ky., Va. & W. Va.

Based in Atlanta, firm has no name, no pres., but backers are Hollywood Home Theater—joint venture of United Artists and 20th Century Fox (Vol. 16:30 p4) (50%), Ted Turner, of Turner Communications (25%), and Thomas Cousins, Atlanta auditorium, Hawks & Flames (25%). Network will program 6 p.m.-2 a.m. weekdays, from 4:30 p.m. weekends with children's programs. Basic package will include 5 new movies and 5 reruns monthly, 25 home games of Hawks & Flames, 50 home games of Braves. Signal will be distributed via RCA satellite, with Jan. 1 target for start. Plans were unveiled at Southern Cable TV Assn. convention in Atlanta.

At same meeting, cablecasters heard FCC Cable Bureau Chief James Hobson stress Commission's efforts to grant greater discretion in cable regulation to state & local govts. "I know that many of you would rather have the federal government more involved in cable regulation, but I think the signals the FCC has been giving are that it would like the states and localities taking a greater role." Among recent decisions he cited were: (1) Granting local entity option of not regulating subscriber rates. (2) Placing no federal restrictions on alien ownership. (3) Leaving enforcement of 3-5% limit on franchise fees to local authorities.

**Closed-circuit telecasts** of horse races will be featured at \$3-million offtrack betting parlor to be constructed in New Haven by Conn. gambling authority. Facility, to seat 2,000, will be first of its kind, according to state officials.

"I'm very proud... He is a protege of mine... I brought him here from Rhode Island." So said Senate Communications Subcommittee Chmn. Pastore (D. R. L.) immediately after swearing in of Joseph Fogarty as FCC member. Pastore said it was "a great tribute" to Democrat Fogarty that "initiative" for his appointment was undertaken by Republicans. "I think he knows where he's going... He's going to be an asset to that committee [sic]," Pastore added. Swearing in—by D. C. Appeals Court Chief Judge David Bazelon—took place in Senate Commerce Committee hearing room; Comr. Lee said he has witnessed swearing in of more than 30 commissioners, that this is first one held on Hill. Fogarty said he'll use FCC "lend-lease" staffers until he's hired his own, expects James Graf (ex-aide to Chmn. Wiley and currently Communications Subcommittee counsel) to join him at FCC after Congress adjourns. Pastore, who is retiring this year, asked Graf to stay until then. Ex-White House aide Margita White returns from Caribbean vacation Sept. 20, is expected to be sworn in this week.

**NAB, FCC, National Weather Service and Defense Civil Preparedness Agency** have signed joint agreement for promotion & use of EBS by stations. New plan is designed to involve broadcasters "in every community using the new EBS 2-tone equipment," according to NAB's Johnathan Hall. Emphasis will be on state & local emergency warning, rather than national. Govt. agencies will spend more than \$100,-000 conducting workshops in all states over next 2 years. Prototype system is operating in W. Va.; Mass. will be set up Oct. 26-29.

It was "a mistake" to reveal that CIA employed 5 American staff reporters and 25 stringers for intelligence-gathering in 1973, ex-CIA Dir. William Colby told convention of Retired Intelligence Officers. "My credibility was on the line... I learned a lesson. It was bad judgment."

**COMMERCE OKAYS POLE BILL:** Combined FCC forfeiture-pole-attachment bill was approved unanimously by House Commerce Committee last week, and chances for passage this session remain alive. However, bill's approval was gained at expense of further compromise—this time with Rep. Broyhill (R-N.C.)—and though NCTA exec. committee voted via conference call to endorse bill, Teleprompter Pres. Russell Karp dissented, told us he'll work to have bill defeated on House floor. Measure is slated for House consideration Sept. 21, must be approved by 2/3 of those present & voting under suspension of rules. Meanwhile, companion bill has been introduced in Senate by Sen. Griffin (R-Mich.).

Further amendment followed impasse created when Broyhill announced he'd offer amendments gutting FCC's ability to exact promise of strong pole regulation by states wishing to "recapture" jurisdiction from federal govt. Last-minute compromise worked out by Rep. Wirth (D-Colo.) would allow FCC to dictate to states "ratemaking criteria," but not actual rates, conditions & terms. Rep. Frey (R-Fla.) also offered amendment clarifying FCC's authority to compel access—but only when contract already exists between utility and cable firm.

"It's still a damn good bill for the industry," commented NCTA Pres. Robert Schmidt. "If we don't get a bill now, other legislation will get a higher priority... and we wouldn't see a legislative product for a couple of years. We can't afford to sit around while the pole companies stick it to us." Countered Karp: "I think the bill does just the opposite of what the industry hoped to accomplish. Because of all the last-minute compromises to get the bill through this session, I believe that if we come back to fight this another year, Congress will come up with a better solution."

"You can say we don't have much confidence that we'll win this round," FCC official said Sept. 17 following argument before D.C. Appeals Court on Commission's refusal to break-up most existing TV-news-paper cross-ownerships in same market. Reason: Judges who heard argument—Bazelon, Robinson, Wright—all have stressed importance of diversity in ownership in past opinions. (Later same day, Bazelon went to Capitol Hill to swear in Joseph Fogarty as FCC comr. [see p. 3].) Justice Dept. and public interest groups had appealed FCC decision not to force divestiture.

**NAB has asked FCC** to issue further notice containing actual proposed rules on automatic transmission systems (for all classes of stations) before final action is taken. "The Association is greatly distressed by the number of conditions & requirements which the FCC considers imposing on the newly-emerging system," NAB said. "In many areas the Commission envisions requirements that would negate the system's intended purpose and hamstring the concept with unnecessary alarms and monitoring devices."

**TV ad claims** for 3 products were reviewed and found acceptable by NAD in Aug.: A.E. Stanley's Sno-Bol toilet bowl cleaner, Texaco's Havoline Super Premium Motor Oil, and Warner-Lambert's Listermint mouthwash.

"To betray a source would be for me to betray myself, my career and my life. To say I refuse to do it is not quite saying it right. I cannot do it." CBS newsmen Daniel Schorr thus declined to reveal to House Ethics Committee the source of his copy of secret House CIA Committee report which was reprinted in Village Voice. In all, Schorr declined to answer Committee questions 11 times, despite warning by Chmn. Flynt (D-Ga.) that he could be held in contempt of Congress and in violation of federal statute forbidding withholding of information from Congress. Despite Schorr's refusal, Ethics Committee apparently will take no action against him. During hearing, majority of members stated either that they opposed citing Schorr for contempt or were leaning that way. In addition, House Administration Committee refused to vote Ethics Committee additional funds to continue its investigation. Numerous reporters and news organizations had protested Schorr's subpoena, asked Committee to drop matter. Following Schorr's testimony, CBS News Pres. Richard Salant wired him that appearance "was superb and an immense service to all your fellow journalists, to the Constitution and to the public's right to know. I am grateful."

**Major boost for radio de-regulation** will come from OTP Dir. Thomas Houser in San Francisco address before National Radio Bcstrs. Assn. this week. He's expected to urge OMB to clear immediately, for submission to Congress, legislation authorizing experiment of several years under which stations in top 10 markets could operate without threat of fairness doctrine sanctions. Measure also would prohibit FCC from considering program formats, commercial content & percentages. OTP reportedly believes that FCC doesn't have authority to act without legislation—as proposed by Chmn. Wiley (Vol. 15:38 p1)—so Houser is putting forth legislative route proposed year ago by his predecessor, John Eger (Vol. 15:40 p1). OTP also wants to get legislation before Congress during Ford Administration; "if it dies in this Administration, it dies within the OMB," we were told.

**Cable & broadcasting relationships**, as seen by Cox Bcstg. Pres. Clifford Kirtland, speaking at IBFM annual meeting: "I sometimes think we broadcasters have the concept that each communications entity must be all things to all people; that local TV & radio stations should be the exclusive outlets that service their communities; that the fractionalization of audiences due to cable systems and pay TV—and, therefore, the diminution of the revenue base of the local station—will lead to less local broadcasting service in certain communities. But it seems to me this has to be weighed against the increased variety of programming offered by other media."

**House renewal hearing** was on-again, off-again last week, as Communications Subcommittee attempted to reschedule panels and testimony of FCC Chmn. Wiley for Sept. 23, but again was preempted by meeting of full Commerce Committee. Chmn. Van Deerlin (D-Cal.) and Ranking Republican Frey (Fla.) said they'd make hearing "a first order of business" next Congress. Sept. 22 session with FCC on cable remains on Subcommittee calendar.



**BRIEFING CBS RADIO AFFILIATES:** "Broadcasting isn't priority No. 1" in Carter camp, so there won't be a great deal of activity in broadcasting by a Carter Administration for about a year. So stated CBS Washington Vp Bill Leonard, before convention of CBS Radio Affiliates in Williamsburg, Va. last week. What Carter forces might do after a year or so, Leonard said, may be something else.

But for first year, new Administration would "take 90 days just to find the john," then time to fill positions, "get the team going." Though "there are problems down the line—more for TV than radio—there is nothing in the planning stage in the Carter Administration to move on broadcasting right away," he said.

CBS News President Richard Salant praised correspondent Daniel Schorr for his testimony last week (see p. 4), said that network "will back Dan all the way... We have to win," go to U.S. Supreme Court if necessary. However, Salant said, one question is still hanging fire: "Did he have the right to give our property to the Village Voice?" Salant also reiterated his discontent with Sec. 315, fairness doctrine & personal attack rule: "It is humiliating and frustrating to find all the obstacles that stand in our way as we go through a Presidential campaign period."

Walter Cronkite said Carter-Ford TV-radio debates (see p. 1) will be "key" to election. He said Carter hasn't captured imagination of public. "Carter doesn't make a very good speech. He mumbles. His cadence is odd." Democratic liberals aren't hot about Carter, he said. "The auto strike," Cronkite added, "is a political time bomb of huge proportions." If it goes into Nov., unemployment will hurt Ford, he stated. Furthermore, according to Cronkite, both Henry Ford and union Pres. Leonard Woodcock back Carter, "have no incentive to settle" to help Ford.

CBS Radio Div. Pres. Sam Cook Digges urged affiliates not to "bad-mouth" radio competitors but to go after newspaper advertisers. He also stressed: "The cost of TV and printing advertising has escalated to a point where every advertiser has to look at viable alternatives." He also made point of fact that radio networks have lost money in 5 of last 6 years, receive only 5% of radio advertising dollars. He announced hiring of Lawrence Ostrow, ex-RAB, as new dir., retailing marketing, "to capture new retail advertising dollars for radio."

William Beers, chmn. of Kraftco and pres. of Grocery Mfrs. Assn., said food industry spokesmen would conduct 24 news briefings in major cities during next 2 years, "to help dispel public concern with factual information."

Thad Sandstrom, WIBW Topeka, outgoing Affiliates Assn. chmn., MC'd sessions. New officers: Gene Ellerman, WWAM Cadillac, Mich.; Albert Sanders Jr., WMAZ Macon, vice chmn.; Samuel Carey, WBOC Salisbury, Md., secy.-treas.

**Technical papers** for 1977 NCTA convention are solicited by Engineering Vp Delmer Ports, with abstracts due by Nov. 1.

**Storer Bcstg.** votes 5-for-4 stock split.

**NCTA board meeting**, Sept. 20-21, Hyatt Regency, Washington, includes customary major subjects—pole attachments, copyright, 1977 certification, exclusivity, EEO—plus more recent concerns of Bell legislation and translator activity. Rep. Frey (R-Fla.) speaks at Sept. 20 luncheon, FCC Cable Bureau Chief James Hobson Sept. 21. Reception for congressmen is scheduled at Rayburn Bldg. Sept. 20. On Sept. 24, NCTA will co-host reception for black elected officials and political leaders—with Brown & Williams Tobacco Co. other host. Assn. shows \$1,107,516 total assets, including \$850,000 in certificates of deposit. Of liabilities, members' equity is \$1,025,754, current liabilities \$81,762. Dallas convention produced \$467,300 revenues, \$250,562 expenses, \$216,738 net operating income. Year before, convention had \$394,304 revenues, \$218,891 expenses, \$175,415 net operating income. Subscribers represented by members totaled 6,283,923 Aug. 31 out of about 11.5 million served by whole industry. Group owners account for 5,522,607, independents 761,316. Assn. has 1,331 active members, 211 associates.

**Under pressure** from Sens. Baker (R-Tenn.) & Pearson (R-Kan.), Sen. Pastore (D-R.I.) agreed last week to hold confirmation hearing on 3 nominees to CPB board. However, 3 other CPB nominations will be ignored, left to die at end of current session of Congress. In exchange, Republicans agreed to enact switch enabling 3 present board members to continue to serve until next Congress. Subjects of Sept. 21 hearing will be Clyde Reed, Parsons (Kan.) Sun; Charles Roll, Gallup Institute; Louis Terrazas, Gold Bond Mfg. Ignored will be nominees Charles Crutchfield, Jefferson-Pilot Bcstg.; Leslie Shaw, Great Western Financial Corp.; Paul Stevens, Southern Baptist TV-Radio Commission. Present board members allowed to remain: Robert Benjamin, United Artists; Virginia Duncan, KQED San Francisco; Thomas Moore, Thomas Moore Entertainment. If nominees are confirmed, they would succeed Frank Schooley and Jack Wrather, Wrather Corp. Board meets Sept. 21 to elect new officers, is expected to re-elect Benjamin chmn., Moore vice-chmn.

**Among participants** in week-long closed-door briefing beginning Sept. 27 as "orientation" for 9-member commission directing National PTA's year-long anti-TV violence offensive (Vol. 16:34 p5): FCC Comr. Benjamin Hooks, CBS Vp-Program Practices Van Gordon Sauter, NBC Vp-Broadcast Standards Herminio Traviesas, ABC Vp-Program Practices Alfred Schneider, ACT Pres. Peggy Charren, UCLA Law Prof. Tracy Westen, NCCB Chmn. Nicholas Johnson.

**Mich. State Senate** passed resolution urging Congress to act to restrict violence on prime-time TV, charging that "the increase of violence on TV symbolizes an attitude of irresponsibility on the part of the TV broadcasting industry." Mich. legislature earlier approved joint resolution urging constitutional amendment to bar violence from TV. News and educational programs would be exempt.

**FCC has granted** 3rd extension of comments deadline in proposal for higher power for clear channel stations; latest is from Sept. 21 to Nov. 22, replies due Jan. 24.

## Personals

**I. Martin Pompadur**, ABC vp, dir. & asst. to Pres. **Elton Rule**, resigned last week "for personal reasons"; during 16 years at network, he had been pres. of Leisure Group, vp of broadcast div. and vp-gen. mgr. of TV network; ABC-TV Spot Sales Pres. **Richard Savage** promoted to vp in charge of affiliate services, new post; **Joseph Glaquinto** named vp-station planning, reports to Savage, as does **Robert Fountain**, vp in charge of affiliate relations.

Group W Pres. **Donald McGannon** speaks at Oct. 6 IRTS luncheon, Americana Hotel, N. Y.; TV network program chiefs **Fred Silverman** (ABC), **Donald Grant** (CBS) & **Irwin Segelstein** (NBC) appear Oct. 20... **Stan Wilson**, ex-KFJZ(AM) Ft. Worth pres.-gen. mgr., resigns from NAB Radio Board, is succeeded by **Wendell Mayes**, KNOW(AM) Austin, for term expiring June 1977.

National Bcstrs. Club hosts reception Oct. 20, 6 p.m., for OTP Dir. **Thomas Houser**... **Robert Brown**, ex-Counsel to House Investigations Subcommittee, joins Carter-Mondale campaign policy planning group, Atlanta hq; he was staffer responsible for FCC oversight.

**Patrick Devlin** promoted to vp-gen. sales mgr., Blair TV Chicago... **Douglas Price** advanced to promotion mgr., WITI-TV Milwaukee.

**Joe Dine** resigns as CPB public information dir. to become minority counsel to House Subcommittee on Veteran's Education & Training, serving ranking minority member Rep. Heckler (R-Mass.); **Nancy McMahon**, American Council for Better Broadcasts, elected chmn., CPB advisory council, succeeding Father **Patrick Sullivan**, U.S. Catholic Conference; **James Williams**, National Urban League, and **Harold Wigren**, National Education Assn., elected vice chmn.

**Mauro Sardi**, ex-United Artists TV vp-treas., appointed vp-administration & controller, LIN Bcstg... **Phyllis Seifer**, ex-Avco Radio-TV Sales, N. Y., appointed advertising, promotion & PR dir., WNEW-TV N. Y.

**Robert Apter** advanced to ABC Sports administration dir., new post; **Marlene Turner & Letty Tanchum** promoted to asst. general attorneys, ABC owned stations div... **Paul Shrage** promoted to advertising & sales promotion dir., Columbia Pictures TV worldwide distribution... **Terence Lynch** advanced to operations/research dir., Group W Productions.

**Cable projects funded** by govt. contracts and loans are covered in report by Comptroller General **Elmer Staats** to House Communications Subcommittee listing \$11.3 million in contracts & grants, \$9.7 million in loans. Staats said survey shows no one in govt. coordinating expenditures. Subcommittee Chmn. **Van Deerlin** (D-Cal.) said OTP was charged with coordination in 1970 Executive Order. OTP spokesman said it didn't have enough staff for job, is now "taking steps" to keep track of funds, will ask Congress for money to hire staff. Report includes list of 70-plus cable systems receiving SBA loans, highest \$420,000. Copy is available from General Accounting Office.

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with  
Consumer Electronics...

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**Copyright bill** is scheduled for House consideration Sept. 22. Under terms dictated by Rules Committee, only those amendments offered in time to be printed in Sept. 17 Congressional Record will be considered on floor. In communications areas, only amendments pushed by CATA were forthcoming—barring royalty commission from review of rates if syndicated exclusivity rules change; allowing penalty solely for "willful and repeated" violations, instead of "willful or repeated"; giving FCC primary jurisdiction for signal carriage disputes; defining "local service" as area where signal can be received off-the-air but no greater than 120 miles; defining minimum TV service as 3 networks, 3 independents & one ETV; liberalizing compulsory license for carriage of Canadian & Mexican signals.

"Although the Communications Act was drafted in broad terms, it is unable to embrace developments it never imagined," Rep. Wirth (D-Colo.) told N. American Telephone Assn. last week. "Accordingly, the courts and the FCC have found themselves resorting to legal fictions to justify regulation of these new technologies." To remedy this, "congressional neglect of telecommunications is about to come to an end," Wirth said, explaining why House Communications Subcommittee plans to review entire Communications Act next Congress (Vol. 16:37 p3). Other reasons for review: "New blood" on House & Senate Communications Subcommittees, pressure from cable and telephone industries.

**NAB Pres. Wasilewski**, accepting Distinguished Service Award from Ill. Bcstrs. Assn.: "It seems that the good that [stations] do often goes unnoticed. There was a time when excellence in broadcasting often received awards. Now it appears that it is just as likely to receive a subpoena... There is a great tendency to correlate every defect in society since the '50's with TV."



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 3 (35th week of 1976):

	Aug. 28- Sept. 3	1975 week	% change	Aug. 21-27	1976 to date	1975 to date	% change
Total TV. . . . .	258,275	232,146	+11.3	328,542	7,522,426	7,044,265	+6.8
color . . . . .	155,834	132,096	+18.0	210,019	4,449,106	3,919,857	+13.5
monochrome . . .	102,441	100,050	+2.4	118,523	3,073,320	3,124,408	-1.6
Total radio . . . . .	789,944	492,060	+60.5	1,932,316	25,036,424	21,670,827	+15.5
home, portable .	481,745	305,114	+57.9	1,633,750	16,786,793	16,122,827	+4.1
AM-only . . . . .	233,339	83,156	+180.6	632,395	4,293,180	4,541,573	-5.5
FM & FM-AM .	248,406	221,958	+11.9	1,001,355	12,493,613	11,581,254	+7.9
auto . . . . .	308,199	186,946	+64.9	298,566	8,249,636	5,548,000	+48.7
Port.-comp. phono.	53,750	54,171	-0.8	103,524	1,674,990	2,124,465	-21.2

Color TV 5-week moving average: 1976—145,521; 1975—127,961 (up 13.7%).

**1976 COLOR SALES SEEN AROUND 7.5 MILLION:** Barring dramatic & unforeseen upsurge or downturn, color TV sales to dealers this year will total about 7.5 million units, up about 16.5% from 6.5 million last year but falling short of 7.8 million in 1974.

That's how we look at rest of 1976, on basis of current trends. In the 17 weeks remaining, we see color sales running 17.5-20% ahead of last year's same period, as compared with 13.5% increase over 1975 for this year's first 35 weeks. This means sales will have to average 177,000-180,000 weekly for rest of year even to end at 7.5 million.

Hopes for 8-million-set year went out window some time ago. This figure could be reached now only if sales for remaining 17-week period averaged 38.4% better than last year, or nearly 209,000 per week. If business improves somewhat more than expected for rest of year—say, about 23% over last year—sales will total 7.6 million sets, which previously had been industry's rock-bottom forecast for 1976.

Color TV retail sales have been running ahead of year earlier for 11 consecutive months, according to Television Digest's monthly Early Warning Report—rapid index of TV & stereo retail sales & inventory trends. However, retail sales increases in last 3 months haven't matched rises at wholesale, indicating that dealers are stocking up for fall selling season. And retail inventories are up. (To subscribe to monthly Early Warning Report, please call or write our Washington or N. Y. offices.)

**GRIFFITHS HEADS RCA AS CONRAD QUIT:** Most flabbergasting chapter of all in continuing RCA boardroom drama was sudden resignation of Chmn.-Pres. & Chief Exec. Anthony Conrad, who acknowledged that until recently he had failed to file personal income taxes for 5 years through 1975. Succeeding Conrad as pres. & chief exec. is Edgar Griffiths, formerly corporate exec. vp and pres. of RCA Electronics & Diversified Businesses.

Although there were attempts to find deeper and more sinister reasons for Conrad's ouster, most sources close to RCA were inclined to accept given explanations for resignation of immensely popular chief executive simply because story was too incredible for anybody to make up. Conrad said in statement to board that he had paid up \$19,674 and \$1,429 interest on federal tax (\$684,618 had already been collected in withholding) and took similar action on state & local taxes. Business of RCA was in no way involved, he said.

Announcement came 7 p.m. Sept. 16 after all-day special board meeting. It's understood Conrad had discussions with Internal Revenue Sept. 13. Board statement stressed that there was no dissatisfaction with Conrad's corporate stewardship. One RCA source called his predicament "a great personal tragedy."

Conrad became chief executive officer Nov. 5 after somewhat similar surprise board action at which resignation of Chmn. Robert Sarnoff was demanded & accepted (Vol. 15:45 p9). (Sarnoff told us at week's end he was completely surprised by Conrad's resignation.) Conrad, who assumed presidency in 1971, was elected chmn. last June. RCA notified SEC last week that it was withdrawing proposed public offering of 5 million common shares, presumably because changed situation there now makes prospectus incorrect.

New Pres. Griffiths, 55, has been responsible for Consumer Electronics, Solid State, Picture Tube, Distributor & Special Products, Govt. & Commercial Systems Divs., Service Co. and SelectaVision project, as well as some non-electronics subsidiaries. Griffiths is known as strong financial man—"it's the bottom line that counts with him," said one observer. RCA has lopped off several unprofitable electronics organizations under his tenure.

It's too early to determine what changes will occur in RCA policies, but it's expected that company will stress even more strongly fiscal management and profits. Some fears have been expressed for future of videodisc project, which was started under Sarnoff, continued by Conrad. "Griffiths isn't exactly a videodisc man," said a source close to RCA, noting that company hasn't yet officially announced whether it intends to commercialize project with its attendant expenditure of large start-up funds. Griffiths had been exec. vp, services and pres. of Service Co., served in many financial posts since joining RCA in 1948. No. 2 man at RCA now is Exec. Vp Howard Hawkins, pres. of RCA Communications.

Wall St. was as confused as everybody else by sudden RCA drama. RCA opened at 28, up 1/8, reached 28-1/8, but closed at 27, its low for day on rising market. With 737,000 shares traded by 5 p.m. EDT, it was by far most active stock.

**ITC GETS TV IMPORT QUOTA BID THIS WEEK:** Claim that U.S. color TV industry is being destroyed by import competition and demand that quotas or some other form of import restrictions be imposed will be filed with International Trade Commission this week by Committee for the Preservation of American Color Television (COMPACT), recently organized industry-labor protectionist group (Vol. 16:35 p7).

ITC, meanwhile, has accepted Japanese appeal from Administrative Judge Myron Renick's decision against throwing out Sylvania's unfair import competition complaint (Vol. 16:33 p7). In apparent effort to avoid accusation of anti-Japan bias and possible conflict with sister agencies, ITC overruled Renick's order limiting appeal to question of whether agency wants to exercise jurisdiction in case, said it will also consider whether it has legal right to proceed with look into dumping and export incentives.

ITC also bent procedural rules by allowing oral argument, with presentations limited to ITC staff, Sylvania & Japanese, slated for Oct. 6. ITC invited briefs from Treasury & FTC (which have asked ITC to drop case), as well as from HEW, Justice, State & President's Office of Special Representative for Trade Negotiations, set Sept. 24 deadline. Also expected from ITC is formal notice that case is complicated, and that deadline for resolution is being extended from Oct. 1 to April 1.

COMPACT's petition for import relief, to be filed under Sec. 201 or "Escape Clause" of Tariff Act, was due last week but was postponed, and press conference canceled at last minute for "organizational reasons." Sec. 201 allows President, acting on ITC recommendation, to order quotas or higher duty rates on imports found injuring a domestic industry. Questions of unfair import competition, dumping or export subsidies aren't at issue.

Hue & cry raised in U.S. & elsewhere—that Japan is deliberately undervaluing yen to keep exports up—has begun to worry Japanese officials. Foreign Affairs Ministry plans survey to learn what impact Japanese imports are having on U.S. business, while Finance Ministry is considering, over objections of Ministry of International Trade & Industry, "voluntary" re-



straint program on manufacturers of highly visible products, such as TV & autos.

None of actions is expected to have any effect on Japan's shipments to U.S. for some months, though slower-than-anticipated pickup in retail sales here may. Preliminary Aug. export figures from Finance Ministry show 66% increase in value of color TV shipped to U.S. over same month last year. That would indicate export of some 240,000, up about 60% from Aug. 1975, but down 30% from July, first such month-to-month decline this year.

**DETAILS OF JVC'S VTR:** JVC's 2-hour home video-cassette recorder, finally demonstrated to press in Japan (Vol. 16:27 p8) in both NTSC & PAL color versions, gave strikingly good pictures. In appearance it resembles high-end stereo cassette tape deck with all controls mounted on front panel. Compact unit measures 18x6x12-3/8" (vs. 20-1/2x8x16") for Sony Betamax, weighs under 30 lb. (vs. Betamax's approximately 45).

Cassette is 4-1/4x7-3/8x1", compared with 3-3/4x6-1/8x1" for Betamax cassette. Tape speed is about 1.31 ips, cassette containing 814 ft. of 1/2" tape. Writing speed is 228 ips. JVC Exec. Vp M. Tokumitsu said unit uses omega, not M-type wrap as previously reported. Tape formulation, presumably to keep cassette price down, is cobalt-doped gamma hematite (Sony uses chromium dioxide), currently available in Japan only from Sumitomo 3M.

"We're simply overwhelmed with orders for VHS" (Video Home System), we were told by Video Products Sales Mgr. Yasumasa Noda last week. "They number in the tens of thousands." He said Yokohama plant capacity is only 2,000-3,000 monthly, permitting production of about 5,000 by year's end. Plant is being expanded, he said, with additional assembly lines at 2 other facilities, for 10,000 monthly production some time in 1977.

Tokumitsu said JVC foresaw no patent problems. Major development in increasing playing time, he indicated, was direct-limiter FM circuitry. Deck will be priced on Japan market at about \$885, LED-readout timer \$35, 2-hour, 60-min. & 30-min. cassettes at about \$21, \$14 & \$10 respectively. Plans for U.S. sale are still undeveloped, said Export Managing Dir. M. Wakamatsu, but he hopes deck will come in at about \$1,000 some time in 1977.

Sony, meanwhile, expressed confidence in Betamax, which Deputy Pres. Worio Ogha said had already proved itself by results in consumer homes. When—or whether—Sony will introduce 2-hour version of Betamax still isn't known, but it's understood Sony America is looking into feasibility of offering conversion or remanufacture program to convert existing one-hour units to 2-hour playing time.

**PBS UHF Guide**, 16-page booklet on how to tune & receive UHF, is being offered to PBS stations for distribution to viewers. TV spots on both public & commercial stations will tell viewers how to obtain copies. Project is coordinated by Council for UHF Bestg. (CUB). First printing is 300,000.

**Sony America has budgeted \$2.5 million for fall Betamax ad campaign** (Vol. 16:32 p10)—its biggest expenditure to advertise single product. Network TV & magazines are being used, in addition to spot TV & newspapers in 28 major cities.

**IMPORT IMPACT AID:** Labor Dept. (LD) opened import adjustment assistance eligibility probes for Triad-Ultrad & Mepco-Electra workers, declared former employes of Burroughs Electronic Component Div. were entitled to help.

Jobs of Triad workers producing color yokes at Blytheville, Ark. plant are to be casualty of Sanyo's planned acquisition of Warwick's TV business (Vol. 15:50 p7, et seq.). LD spokesman told us Sanyo has informed Triad it intends to import all yoke requirements from Japan after it acquires Warwick's Forrest City, Ark. facility. Warwick is Triad plant's only customer. Mepco investigation is for import-threatened workers at Hicksville, Ohio capacitor plant.

Cleared for aid were former employes producing calculator displays at Burrough's Warren, N.J. plant. LD said employment at plant dropped 4.7% in 1974, 42.3% in 1975, additional 32.3% in first half this year. Over same span, value of sales dropped 30.5%, 48.1% & 7.5% respectively. LD found imports accounted for 39.4% of domestic display consumption last year, said interviews showed customers switched to imports because of lower prices.

**IHF has recommended** that its members ignore Snitow Organization's upcoming Audex audio show April 15-28 in Las Vegas because: (1) Timing is wrong for audiophile product presentations. (2) With Summer & Winter CES, there would be too many shows. (3) Participation of audiophile manufacturers would bestow "mantle of acceptability" on low-fi manufacturers exhibiting at Audex. IHF came out strongly in favor of new audio show to be held in conjunction with CES at McCormick Inn next summer, pointing out that CES has agreed to make "substantial contribution to IHF" for industry-wide hi-fi component promotion. Earlier, ERA gave similar endorsement to CES and attacked Audex as "too many shows." Nevertheless, Audex show manager Charles Snitow said that in 10 days more than 60 companies had tentatively reserved 75,000 sq. ft. of space. "We already have 50% of the people we want in the show," he said. "Based on the reservations so far, we see 200-250 exhibitors." As for IHF's statement, Snitow said it was from "organization that doesn't represent the industry." Meanwhile, CES announced it had received 259 applications for the 279 exhibit spaces available at Winter CES Jan. 13-16 in Chicago.

**New sets:** GE adds three 25" consoles with vertical interval reference color (VIR) control at \$730, \$40 less than current leader VIR models, which is \$10 lower than introductory price in May (Vol. 16:21 p13); also new leader standard 25" consoles at \$650, down \$20... Sharp adds 15" color with Sigma 500 chassis at \$370.



**CB KEEPS FCC HOPPING:** FCC had hands full with CB last week, combating rumors that channel expansion plan has already been killed, launching crash testing program on new 40-channel units and studying latest batch of petitions on expansion proposal. Rumors that expansion was dead issue came primarily from West Coast CB firms, but apparently originated among Far East suppliers. Chmn. Wiley's office said "there is no truth whatsoever" to rumors, stressed that petition filed by MST (Maximum Service Telecasters) asking for stay of expansion order would be studied carefully before final judgment is made.

Objection to MST petition filed by EIA-Citizens Radio Section argued that FCC is obliged to balance spectrum use and minimize interference by taking into account all spectrum users, not only broadcasters. National Assn. of Catalog/Showroom Merchandisers urged in petition that effective sales date for 40-channel CBs be moved to April 1 to allow retailers & suppliers to get rid of 23-channel inventories. Deadline for filing opposition to pleas for reconsideration of FCC expansion order is Sept. 30, replies due Oct. 10.

Meanwhile, FCC labs began preliminary testing of 46 40-channel CBs submitted for type acceptance, with focus on receiver portion. First tests on controversial chassis radiation standard (Vol. 16:36 p7) were done indoors due to bad weather, aren't considered accurate indicator of how many will meet 5-microvolt-per-meter radiation limit. Outdoor testing begins this week. CBs submitted are considered representative sample of industry, spokesman said, adding that labs probably will send initial report to chief engineer this week. "It won't give us a good statistical basis on which to make a decision on the receiver problem, but it should give us a trend," he said.

Trend of 23-channel retail sales also is being monitored by FCC—through license applications—and spokesman said that although applications have fallen off, situation "isn't nearly as drastic as everyone thought it would be." Weekly rate dropped slightly in weeks immediately after expansion announcement at beginning of Aug., falling from 95,000 week of Aug. 6 and 90,000 on Aug. 13 to 76,000 by Aug. 27. For week ended Sept. 10, total was 72,000. Critical period will be Nov. & Dec., FCC said, pointing out that seasonal factors also influenced Aug. & early Sept. figures.

About 5.5 million CBs will be sold during last 4 months of year, according to GE Audio Products Gen. Mgr. Paul Van Orden, bringing 1976 total to 15 million and leaving industry 1-million inventory by year end. Based on surveys conducted after expansion was announced, GE also concluded that: (1) Wholesale value of sales in 1976 will be \$1.2 billion. (2) 50-60% of consumers and 70% of CB owners & truckers are aware of announcement. (3) More than 20% of long-haul truckers will buy 23-channel units before Jan. 1. There is large potential left in 23-channel market, Van Orden said, and industry should have little trouble getting rid of 1 million.

Industry is clearly getting rid of as much as possible right now. Closeouts at \$70 & below are show-

ing up around country, and 4 models in Pathcom line are being discounted at half price in N.Y. area—complete with 40-channel update certificate (Vol. 16:32 p8). Major CB distributors told us new 23-channel pricing programs of major suppliers are helping move swollen inventories, and some feared cutbacks in 23-channel production would cause shortage during Christmas season.

**SONY'S U.S. GOALS:** Sony is aiming at 10% of U.S. color TV market, thinks it will achieve goal by 1980, when U.S. sales will be 10 million sets, Sony's a million. So said Sony's top TV officials in recent conversations with Television Digest in Tokyo. In 10 worldwide color TV plants, Sony now is making 1.8 million sets per year, which probably makes it bigger than any U.S. manufacturer in terms of color output.

Sony will manufacture about 300,000 color sets in San Diego this year, representing some 50% of its U.S. sales (all below-17" sets are imported). Sony officials forecast U.S. plant will turn out 400,000 or more sets in 1977. Company is putting increasing emphasis on remote control & electronic tuning, says 20-25% of its San Diego production this year will be remote, 30-35% electronically tuned. Newest Sony size in U.S., 21", will be produced at 30,000-unit rate this year, 40,000 next.

Trinitron TV set, and possibly tube itself, appear to be candidates for redesign, using Sony-developed principle of velocity modulation, now employed in its 25" (sold only on Japanese market) and pre-production 30" set. System is designed to produce better contrast, color & resolution by varying scanning speed of electron beam according to content of picture. Sony officials said principle can make possible simpler, better set, eliminating convergence adjustments, minimizing size of deflection yoke and reducing high voltage.

Sony's 30" (32" over-all) set to be priced at \$5,000, or \$3,300 in monitor version (Vol. 16:14 p10), gives clear, sharp picture, has tube weighing 110 lb. Receiver version features 12-channel random-access pushbutton remote control, which could show up later in other Sony sets.

Production of 25" or 30" set in U.S. is unlikely in foreseeable future. Breakeven point for 25" production here was given as 200,000 sets. Sony now claims 15-20% of below-19" U.S. market, 20% of 12" market, says it will increase San Diego production steadily until 1980, when it sees U.S. color market leveling off.

Sony's consolidated net sales for year ending Oct. 31 will total about \$1.6 billion, according to Chmn. Akio Morita, up from \$1.34 billion in last fiscal year. He put net profit at \$100 million or more (vs. \$53.3 million), with VTR equipment representing 10% of sales, up from 7%. "Our efficiency is up, the cost of production is declining," he said. "The Betamax cassette is very profitable."

Sanyo hopes to raise \$30 million with European bond offering next month. Company says it plans capital investments of some \$51 million in current fiscal year, presumably including \$19.4 million it's agreed to pay for Warwick's TV operation.



**MATSUSHITA'S TV WORLD:** Matsushita Electric, with 27 TV factories around world—23 of them outside Japan—has higher than 12% share of non-Communist world's total TV market. Our estimate is derived from world TV sales figures as compiled by Matsushita.

Matsushita produced its 40 millionth TV set last April, is turning out sets at rate of about 5 million annually—about 50-50 color & monochrome. Company's global outlook forces it to keep track of world market much as U.S. manufacturers map N. American market. On visit to Matsushita's hq in Osaka, we were given these forecasts of non-Communist world TV sales by TV Export Dept. Mgr. Frank Ohgai: 1976—color 21.5 million units, monochrome 19 million, total 40.5 million; 1977—color 23.3 million, monochrome 18 million, total 41.3 million.

Ohgai broke down color by transmission system: NTSC, 11 countries, with only possible new convert being Venezuela. NTSC color market in 1977 should total about 15 million sets, U.S. representing 8.2 million, Japan 6 million. PAL, 29 countries, expanding to 40 by 1978, with total demand for 6.4 million sets this year, 7 million in 1977. SECAM, 14 countries, 24 by 1978, demand this year 1.1 million sets (mostly France), 1.3 million in 1977.

Monochrome has 6 basic systems, with many variations. Matsushita breaks down sales this way: U.S. & Canada, about 6 million this year & next. Europe, 5.7 million in 1976, 5.5 million next year; Mideast, Australia, Latin America, 6.3 million this year, 6 million next; Japan, one million.

Matsushita makes color sets for all 3 systems, plans combination PAL/SECAM & PAL/NTSC sets for areas where 2 standards can be received. Ohgai sees continuing strong demand for b&w sets in newly-developing countries and says big needs are high-sensitivity receivers for long-distance reception, AC-DC sets with battery life doubled to 6 hours.

Company will start color assembly in Sept. of 21" set in Wales, 2nd Japanese TV manufacturer (after Sony) to establish production facilities in U.K.

In Japan, Matsushita manufactures 90% of own TV components, and, with Philips, is one of 2 most integrated TV manufacturers in world. Its color TV production is increasingly automated, with 85% of component insertion now mechanized. By Nov., it expects 85% of total color TV manufacture to be automated. With increasing automation, ratio of female to male production workers has declined, now is about 50-50.

**Stereo systems** are in 53% of Japanese households, highest penetration level in world, according to estimates of Nikko Research Center. U.S. ranks 2nd with about 30%, followed by Holland & Sweden 25-30%, U.K. & W. Germany each under 20%, Austria & France about 8%.

**Malaysian investment seminars**, sponsored by Federal Industrial Development Authority, start in N.Y. Oct. 12-14, followed by Montreal, Toronto, Edmonton, Vancouver, San Francisco & Chicago.

**MORSE REPORTS:** Major cause of Morse's \$36.5-million fiscal 1976 loss was \$15.6-million inventory writedown, company said in SEC filing. Writedown, Morse says, includes revaluation of inventory plus shrinkage caused by pilferage. In addition, company wrote off \$2 million for closed plants (2) and branches (2).

Morse said competition prevented implementation of needed price increases and cost of goods sold exceeded sales by \$6.9 million (Morse raised prices March 1). As part of restructuring, Morse is phasing out clock & portable radio business, will buy 80% of electronics requirements from Hong Kong subsidiary and is negotiating for new financing with Japanese trading company Nitchimen.

Morse said unit sales of consoles rose 9%, though price erosion held value of 7.2% gain to \$46 million. Unit sales of other major audio products dropped 13%, with value off 22% to \$56.9 million. Sales of compacts fell 13.3% to \$50.8 million, while musical furniture (bars, fireplaces) sank 57.7% to \$6.05 million. Sales of other products dropped 49.2% to \$7.2 million.

Lloyd's reported sales of audio systems last year slipped 8.7% to \$40.5 million, radios rose 22.5% to \$22.7 million, tape recorders were off 38.8% to \$5.1 million, calculators jumped 145.8% to \$29.6 million, other products climbed 84.7% to \$2.8 million.

Capehart reported 1976 sales of consoles at \$17.8 million, down an indicated 9.3%, while compacts were up an indicated 3% to \$24.7 million, other products off 25.8% to \$3.2 million. Comparisons may not be exact because of change in company's fiscal year.

Soundesign, just starting in consoles, said sales jumped 164.8% to \$14.3 million, compacts rose 31.4% to \$59.4 million, clock & table radios edged up 3.3% to \$15.5 million, portable radios slipped 13.1% to \$10.6 million, other products dropped 63.6% to \$3.9 million.

RCA's net from consumer electronics & services in first half was \$13.5 million, up from \$1.8 million in same 1975 period, as sales rose to \$633 million from \$495 million, according to prospectus for planned 5-million share offering. Net from commercial products & services, including components, was \$2.8 million, against \$19.5 million loss, as sales climbed to \$346 million from \$280 million. Income from broadcasting was \$30.8 million, up from \$28.1 million, revenue rising to \$446 million from \$379 million.

**Audience of machines** instead of people is visualized for TV programming Sony has under "serious consideration" in Japan. Chmn. Akio Morita says Sony is investigating possibility of buying time on commercial stations during late-hour period between current sign-off & sign-on, offering special programs for automatic taping by unattended timer-equipped home VTRs.

**Sanyo has resumed** 2-year parts-&-labor warranty on selected color models, at higher end of line.

## Trade Personals

**Edward Wennerstrand** advanced at BSR to vp-gen. mgr. of subsidiary Audio Dynamics, assuming duties of **John Bubbers**, who resigns as pres.; **Timothy McLoughlin** succeeds Wennerstrand as midwest region mgr.; **William Washburn** promoted from supervisor to mgr. of purchasing, replacing McLoughlin; **Richard Steininger** advanced from east region mgr. to field sales mgr.

**Herb Horowitz** advanced at Harman International to pres. of newly formed Harman America, U.S. distributor for European subsidiaries Ortofon & Tannoy... **Robert McCallie** appointed Hy-Gain product development mgr. ... **Robert Garbutt**, ex-Sound Systems, joins Sharp as Professional Products Dept. mgr., succeeding **Ed Cote**, resigned.

**Clifford Matthews**, Hallicrafters pres., advanced to pres. of parent Breaker Corp., succeeding **Thomas Melnor**, now gen. mgr. of Video Design Div. of First Dimension... **Robert Lynch**, Sylvania Commercial Electronics Div. gen. mgr., named vp... **Robert DePalma** advanced at Rockwell from financial analysis vp to finance vp & chief financial officer, succeeding **Robert Rice**, resigned.

**William Boss**, RCA Consumer Electronics vp, & **John Hollands**, BSR (U.S.) pres., are expected to be elected respective chmn. of EIA Video & Audio Divs. at Sept. 27-30 convention in L.A., succeeding **Walter Fisher** (Zenith) & **John Kearney** (ex-Sony); Boss will also succeed Fisher as CEG chmn. ... **Edward Khoury**, pres. of Capitol Records Music Den (retail stores), adds post as Capitol Magnetics pres., succeeding **Tony Cunha**, now vp of parent corp. ... **Eugene Tangney** promoted at RCA to Distributor & Special Products Div. industrial relations vp.

**Yoichi Nakase** named Kenwood senior vp, heads west coast operations; **William Kasauga** assumes same post in N.Y. ... **Virgil Stout** appointed electronics science & engineering R&D mgr. at GE's Schenectady, N.Y. R&D Center, succeeding **Robert Fry**, resigned... **Robert Knowles** named Fuji Photo Video Tape Div. Rocky Mountain mgr. ... **Cheryl Druck** appointed University Sound sales admin. supervisor.

**CB Scene:** **Tenna Corp.** will supply Lincoln-Mercury Div. of Ford with retractable electric CB antennas for use as optional equipment on 1977 Lincoln & Mark IV models. Ford recently signed deal with Motorola for underdash CBs (Vol. 16:30 p11)... **Kokusai Electric**, Hitachi affiliate, will produce 10,000 40-channel CBs monthly for Pathcom beginning in Oct., increase production to 15-20,000 next spring... **Breaker Corp.**, which acquired Hallicrafters last year (Vol. 15:48 p9), will change name to Hallicrafters. Breaker brand will be used on many Hallicrafters products. Firm hopes to market 13-model line of 40-channel CBs next year.

**Admiral** will rebuild Mexico City TV-stereo plant destroyed by fire last Nov. New 131,000-sq.-ft. facility is scheduled for completion by Feb. Products currently are being assembled in 2 temporary buildings (Vol. 16:4 p14).

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
AT&T			
1976-year to Aug. 31	31,609,974,000	3,589,791,000	5.74
1975-year to Aug. 31	27,789,337,000	3,096,426,000	5.10
1976-qtr. to Aug. 31	8,309,203,000	1,012,416,000	1.60
1975-qtr. to Aug. 31	7,299,688,000	810,248,000	1.33
Communications Properties			
1976-9 mo. to July 31 <sup>a</sup>	16,662,327	1,224,328 <sup>a</sup>	.26
1975-9 mo. to July 31	12,845,552	(732,533)	--
1976-qtr. to July 31 <sup>b</sup>	5,823,762	1,414,055 <sup>a</sup>	.30
1975-qtr. to July 31 <sup>b</sup>	4,500,776	(198,554)	--
Harvey Group			
1976-26 wk. to July 31	15,794,000	11,000 <sup>a</sup>	--
1975-26 wk. to Aug. 2	15,146,000	(244,000)	--
International Rectifier			
1976-year to June 27 <sup>b</sup>	58,606,000	11,757,000 <sup>a</sup>	4.29
1975-year to June 29 <sup>b</sup>	68,022,000	772,000	.28
MPO Videotronics			
1976-9 mo. to July 31	13,856,334	477,240	.92
1975-9 mo. to July 31	9,066,595	(203,050)	--
Outlet			
1976-6 mo. to July 31	63,832,887	959,290	.55
1975-6 mo. to Aug. 2	48,277,594	1,213,684	.75
1976-qtr. to July 31	33,411,215	559,497	.33
1975-qtr. to Aug. 2	26,516,281	842,725	.54
Tektronix			
1976-12 wk. to Aug. 21	89,543,000	8,419,000	.96
1975-12 wk. to Aug. 23	74,858,000	5,760,000	.66
Wells, Rich, Greene			
1976-9 mo. to July 31	21,638,000	707,154	1.55
1975-9 mo. to July 31	20,880,000	887,652	1.91
1976-qtr. to July 31	7,172,000	295,218	.62
1975-qtr. to July 31	6,232,000	113,435	.25

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

**TV safety standard options**, ranging from in-house development of complete standard by Consumer Product Safety Commission to adoption of UL testing as recognized voluntary standard, still are being weighed by commissioners, CPSC spokesman told us. He indicated there is strong staff support for voluntary approach, but said commissioners have given no indication of their views or when they'll reach decision. By regulation, CPSC was supposed to have completed analysis of UL's standard proposal, publish final version and schedule hearing by Sept. 7. Feeling in industry that CPSC already has decided on mandatory standard, which UL's report says could add up to \$92 to cost of color TV (Vol. 16:28 p11), is based on incorrect interpretation of CPSC's published budget, we were told.

## Obituary

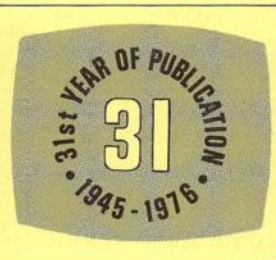
**Philip Friedman**, 78, co-founder & honorary chairman of APF Electronics, died Sept. 10 in Hawaii after surgery. Resident of Tokyo since 1926, where he established jewelry export business, he co-founded Filjay, which supplied U.S. consumer electronics firms, including Olympic. He joined Delmonico as Far Eastern procurement chief, was APF chmn. until last Dec. He lived in Hawaii during World War II. Survivors include brother Albert, APF chmn.



WEEKLY

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WITH THIS ISSUE: Interview with new RCA Pres. Edgar H. Griffiths.

SEPTEMBER 27, 1976

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 16, NO. 39

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**DEBATE PLAGUED** by 27-min. gap. 'The Commission has been had re Sec. 315,' Van Deerlin charges, noting that debate immediately ground to halt following loss of audio to nationwide TV audience. (P. 1)

**FCC FINAL ACT IN CABLE HEARING:** Commission pressed by pro-cable Subcommittee. First fruits expected—small dishes. Wiley says many restrictions removed, more under study. (P. 3)

**NRBA—'MONEY WELL SPENT'** although there's objection to 2 radio associations. McLaurin sees NAB & NRBA joining eventually. Summers denies NAB 'pressured' panelists not to appear. (P. 5)

**ALBERT STYMIES CABLE FINE** and pole attachment legislation in Okla. political ploy engineered by CATA. Van Deerlin livid. (P. 5)

**'HISTORIC FIRST' FOR BLACKS:** New group is outgrowth of NAB seminar for black owners. Wiley discloses FCC plan for its own black conference. (P. 6)

**COPYRIGHT OVERHAUL:** House okays revision bill, sends it to conference with Senate. (P. 6)

**VTR WARS CONTINUE**, this time at London's IBC, Ampex showing portable 1-in. teleproduction unit, BCN demonstrating stop-action version. (P. 7)

### Consumer Electronics

**'PROFITABILITY IS KEY'** to RCA Pres. Griffiths' philosophy. Interview indicates TV will remain profitable even if industry sales drop. (P. 9)

**SIRAGUSA BACK IN TV** through acquisition of RCA Chicago branch; Medica is pres. (P. 9)

**COLOR IMPORT QUOTA** petition filed with ITC by COMPACT with outside support only from Sylvania & Sprague. (P. 10)

**FCC REJECTS CB** units for failing stiff new receiver-radiation standard. Test 30 of 78 units submitted. Suppliers admit some don't meet new rules. (P. 11)

**MATSUSHITA VTR** cassette playing time extended to 2 hours from 100 min. Sony will have industrial Beta-max in 2 versions early next year. Hitachi considers still another videocassette format. (P. 12)

**NEW ZENITH TUBE** & Corning bulb run into unanticipated start-up problems. Second size may be delayed. (P. 13)

**PIONEER SALES** in U.S. soared 64% to \$148 million in fiscal 9 months, prospectus shows. U.S. speaker plant planned. Sony reports record profits for 3rd quarter, 9 months. (P. 13)

**DEBATE PLAGUED BY 27-MIN. GAP:** "The Commission has been had," House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) told us, commenting on FCC's 1975 decision to exempt political debates from equal time requirement when staged by 3rd party (Vol. 15:39 p1). "If [Sept. 23 debate] was a bona fide news event, they wouldn't have left the 2 candidates standing there like statues in a wax museum for half an hour's time. They would have completed the debate before the live audience."

League of Women Voters' exemption is "nothing less than a fraud," he said, referring to fact that debate between President Ford and Gov. Carter immediately ground to halt following loss of audio signal to nationwide TV audience. Debate didn't resume for 27 min., when audio resumed. During that time, candidates shifted nervously, speaking not a word to each other, while engineers attempted frantically to find problem. Van Deerlin implied that FCC decision was at least partially responsible for ABC pool's technical problems, since it forced network to set up cameras and equipment in Philadelphia's Walnut St. Theater, rather than in network studio, added: "The League had no involvement except for announcements before and after the debate. The networks should not be compelled to work in an old theater" simply to establish that League is debate's sponsor.

Van Deerlin said that next debate—scheduled for Oct. 6—should be held in studio, but added that he won't move on his own to ask Congress to suspend Sec. 315 for remainder of debates. However, if Ford and Carter ask for it, "I'm sure we could get together and do it in half an hour's time."

Adding urgency to Van Deerlin's views were complaints filed with FCC by Independent candidate Eugene McCarthy & American Independent Party candidate Lester Maddox requesting equal time from networks on ground that debate wasn't bona fide news event because it stopped when audio went out. "I think they're on very firm ground," Van Deerlin commented. (Several court challenges also are pending, including Socialist Workers; briefs are due Sept. 27, argument set for Sept. 28.)

Without legislation, FCC still might be able to waive requirement that debate be outside network studio if League pays rent and retains control of debate, according to one FCC member. However, attorney in Gen. Counsel's office said he thought debate couldn't be moved without legislation because FCC would have legal difficulties changing original decision to exempt debates.

Commented FCC Chmn. Wiley: "The ultimate answer is to repeal Sec. 315 so that events like this which serve the interests of the American people can be shown." Representing League, Newton Minow told us he thought debate's exempt status was unaffected. "If the audio hadn't returned, we still would have completed the debate for the live audience."

Cause of all the trouble was "a major malfunction in the amplification system" which distributed sound signal to various TV and radio systems, according to ABC. Network noted that though there were backup facilities for almost every other piece of equipment used, "there was no backup system to guard against the unique failure which took place." Ford and Carter representatives agreed, however, that technical failure didn't mar or prejudice debate, and President Ford invited pool producer Elliot Bernstein and Vp-News Walter Pfister for coffee next morning to tell them they did "an excellent job."

League's earlier decision that cameras couldn't show faces and reactions of audiences (Vol. 16:38 p1) precipitated threat by CBS News Pres. Richard Salant not to cover debates. Though Salant relented when League and candidates refused to back down, he reportedly made it clear to CBS newsman George Herman—one of 3 reporters originally chosen by League to quiz candidates—that he'd be unhappy if Herman went on. Herman bowed out, and League replaced him with ABC's Frank Reynolds. (Other panelists were New Yorker's Elizabeth Drew, Wall St. Journal's James Gannon and NBC's Edwin Newman, moderator.) Herman had no comment. Several of Salant's colleagues told us they thought he looked foolish in threat to boycott debates.

ABC originally planned to use 10 cameras to cover debate, including 3 ENGs, but cut 2 Ikegamis because "it was just too much," according to network technician. Technical requirements forced League to seal off auditorium's entire main floor as well as 10-20 seats in balcony for camera placement. Of approximately 450-500 attending, over half were newsmen, 30 guests of candidates, rest League members and their guests. "No elected officials were invited, by agreement of the candidates," League official told us.

Though demand for tickets was enormous, approximately 30-40 seats in rear of balcony were unfilled—presumably in press section. "Many of the reporters preferred to sit in the hotel pressroom," official said, where Advent Videobeam and several color monitors, as well as typewriters, phones, etc., had been set up. Restrictions also were placed on those in auditorium: No speaking into tape recorders, no flash photos, laughter "only when your good judgment tells you to," no applause. "We're all on trial tonight, the candidates, the League, the audience," League's Ruth Clusen announced shortly before candidates appeared.

There was no clearcut "winner," as far as first surveys of viewers indicated—though Ford appeared to have slight edge in independent polls. PBS-Roper poll found 39% saying Ford came out ahead, 31% Carter, 30% a draw. Chilton Research said respondents called it 34.4% Ford, 31.8% Carter, 33.8% a draw or undecided.

Based on N. Y. & Chicago overnights, networks estimated audience was 100 million—with



ABC getting largest in both markets because of strong entertainment lead-ins of "Welcome Back Cotter," "Barney Miller," & "Tony Randall Show." Izvestia termed debate "dull."

Negotiations before debates were exhaustive, covering camera angles, height and type of stools and podiums, placement of panels, anchoring of water glass and pitcher. (Ford & Carter forces argued 2 hours over podium heights, because of candidates' varied stature.) Observers agreed that Carter appeared nervous early in debate, then settled down. Auditorium temperature was cool, but lights made stage hot, and candidates sweated. Newman asked producer to divert cameras momentarily during sound-out, and both eagerly wiped faces.

**FCC FINAL ACT IN CABLE HEARING:** Cable people ought to be pretty happy with final day (of 15) in hearings before House Communications Subcommittee, as solidly pro-cable congressmen pressured FCC again & again. Probably most clearcut favorable result was statement by FCC's "space commissioner" Washburn that he favors authorization of 4.5-meter satellite dishes, permitting cut in earth station cost from \$75-\$100,000 to \$25-\$30,000. Washburn said he hopes for action by end of year.

Chmn. Wiley carried burden of testimony for 5-hour session. (Subcommittee Chmn. Van Deerlin [D-Cal.] later stated: "FCC is less guilty than most agencies of protecting the industries they're supposed to regulate." And his chief counsel Harry [Chip] Shooshan termed Wiley "one of the finest regulatory chairmen ever.")

Essence of Wiley's testimony was that FCC has removed many restrictions from cable, is considering removing many more, will continue to evaluate industry with eye to easing burdens. "We've made major changes," he said, "not just fine tuning—but we're not going to please the zealots on either side."

One of Wiley's most interesting responses was to Rep. Frey (R-Fla.), who has been pressing for relaxation of station-cable cross-ownership restrictions. Frey is convinced that most station-cable hostility would evaporate if FCC and/or legislation would welcome co-located cross-ownership. Wiley replied: "The rules are transitional. I question whether it makes sense to keep broadcasters out—long term." He said FCC was wise not to require divestiture except in "egregious" cases. He said Commission is concerned primarily about small markets: "In major markets, you have a plethora of information sources." Comrs. Lee & Quello later added their well-known pro-cross-ownership views, including newspaper ownership. Van Deerlin noted: "Many stations now support newspapers." Wiley also warned that Justice Dept. doesn't like cross-ownership.

Rep. Wirth (D-Colo.) pressed several points: What evidence does FCC have to show that distant-signal imports damage stations? Weren't most studies used by Commission developed by broadcasters? What's wrong with 3-5-year experiment lifting all restrictions on imports and on pay cable?

Wiley insisted that FCC used "reasonable judgment" in fashioning rules; that it's getting more studies; that Commission can't wait until stations are dead or dying before acting; that you can't experiment by giving public a service then taking it away. He was backed strongly by Lee & Quello, former saying: "We don't want to prove a point by putting a station out of business."

Wiley defended pay-cable rules, saying that 3-10-year movie formula is based on film-release practices, on "logic," and that "almost all films are getting on pay cable." He found it difficult, however, to explain why FCC allows use of captioned foreign films but not those dubbed. Wiley also stated that if all restrictions were removed, networks, with their superior buying power, could tie up films, keep them from cable. "The marketplace isn't always perfect," he said, noting existence of sports blackouts and pole attachment price increases.

Wiley repeated his oft-stated desire for cable-forfeiture legislation (see p. 5), holding out carrot of possible elimination of certification process, abolition of much other paperwork.

Wirth said that networks are increasing their programming on affiliates, asked Wiley if FCC is worried. Wiley said Commission is "concerned," wants more local material, noted pendency of Group W petition against network expansion (Vol. 16:36 p1). Quello ventured that affiliates won't accept another 30 min. of network news, said he's against idea. "On the other

hand," he said, networks furnish "fine material" that affiliates can't afford to develop themselves. Wiley added that Commission is giving prime-time-access rule "full opportunity" to produce.

Shooshan asked for evidence that stations in top-50 markets need distant-signal protection. Wiley: "I'm open to taking another look. We need studies. We've got to have rulemaking; that takes time." Shooshan also asked for evidence of damage to UHF. FCC economist John Whetzell said that studies to date indicate UHF audiences are fractionalized in center of market but gain in fringes. He said that no concrete conclusions are justified; that more studies are needed.

Shooshan criticized Commission for not getting full film contracts from networks. "It may come to that," said James Hobson, chief of Cable Bureau. Wiley noted that FCC still must wait for court decision on challenges to pay-cable rules.

Hooks dwelled on pay cable, stating: "Maybe the public doesn't have rights to events with no direct cost. Maybe we have no rights to the Super Bowl and the World Series. But this is contrary to the TVA, contrary to the Communications Act." Asked by Shooshan if govt. might subsidize pay cable for poor, Hooks said he couldn't visualize Congress voting \$10 monthly per welfare recipient.

Commenting on Subcommittee staff's recommendation that ownership of cable hardware and programming be separated within 10 years, Wiley stated: "Cable may never develop if we impose separations now. The 10-year limit frightens CATV. Separation now would do more harm than good. Allow us to be flexible."

That last sentence was really keynote of whole testimony. Commission wants to be able to review constantly, free to change rules as situations change.

Wiley said "I felt pretty good" about hearing, believes Committee now better understands FCC's rationale on cable regulation. Added veteran FCC official: "Wiley did a hell of a good job...I enjoyed seeing him stand up to that Committee...At the same time, the Committee members were reasonable to Wiley...It was a damned good hearing all around."

There are so many abnormalities in fall TV schedules that it will be extremely difficult, if not impossible, to tell which network programs are thriving for most of 4th quarter, according to CBS-TV Pres. Robert Wussler. Therefore, he said, changes in schedules are likely to come later than usual. Speaking before HRTS, he included in abnormalities Presidential debates, other political broadcasts, baseball playoffs & World Series, 2-hour premiere of one-hour series, one-hour premiere of half-hour series, etc. He concluded: "When [changes] do come in the first quarter, it will mark the start of a process that will continue right through until next fall. Since that involves more program development than ever before, it can only mean better TV for the viewing audience."

CBS will switch Milwaukee affiliation April 1 from WISN-TV to WITI-TV (now ABC, owned by Storer). CBS exec. said Storer approached CBS, and network agreed to change because of WITI-TV's "strong local programs...it's strictly a matter of audience improvement." (Note: Last spring, ABC dropped San Diego affiliation with Storer UHF KCST-TV in favor of NBC-affiliated KGTV, effective next year.)

Reading, Pa. 2-way experiment serving older residents, conducted since May 1975 under National Science Foundation grant, will be extended to full system. Program includes social services, education, entertainment.

CPB nominees Clyde Reed, Charles Roll and Louis Terrazas were confirmed routinely by Senate following brief Senate Commerce Committee hearing. CPB board last week unanimously re-elected Robert Benjamin chmn., Thomas Moore vice chmn., all other officers, as expected (Vol. 16:38 p5). In closed session, board decided to counteract what one member termed "generally held but incorrect impression" that it's displeased with performance of Pres. Henry Loomis—by scheduling dinner for him after Oct. board meeting, honoring him for 4 years at CPB.

Jimmy Carter has written NAB that its concern about his possible actions on TV programming if he becomes President aren't "justified." NAB had requested meeting with Carter after he expressed concern about TV violence (Vol. 16:35 p3). After more than month, Carter responded, said he hoped meeting could be worked into his schedule and that "I will have someone from my staff contact you to see when it can be arranged." Meanwhile, NCCB has asked Carter that public be included in such meeting.

Separations issue—divorcement of ownership of cable systems and programming, recommended by House Communications Subcommittee staff—"is the biggest issue facing the cable industry," according to James Hobson, chief of FCC Cable Bureau. Speaking at NCTA board luncheon, he said issue must be resolved now. He cited Escondido, Cal. case, in which cable operator refused to let outside programmer lease pay-cable channel.



**NRBA—"MONEY WELL SPENT":** "By and large, it was a good meeting... Everybody left the place feeling that their money was well spent," NAB Radio Dir. Frank McLaurin said last week after attending NARB convention in San Francisco. However, he was dubious of NRBA charges that NAB had "pressured" panelists not to appear, added: "The tragic thing is that it's too bad that we can't put the brawn and ingenuity that goes into this group [NRBA] into one organization [NAB] that works for the betterment of radio."

"It just didn't happen," NAB Exec. Vp-Gen. Mgr. John Summers said of charges that NAB "pressured" NARB's panelists not to appear. McLaurin also doubted such tactics were used, said he'd remain in both organizations. "I don't see NRBA ever becoming a serious threat to NAB and I think that someday we'll come together."

Two prominent speakers didn't show up—OTP Dir. Thomas Houser (because of death of his mother) and GOP vice presidential nominee Robert Dole (for unexplained reasons). Convention attracted 2,600, including exhibitors—double that in Atlanta year ago—and sessions dwelt heavily on programming.

Houser's speech was read by aide Joseph Ryan, and as expected it recommended experiment sans fairness doctrine in major markets (Vol. 16:38 p4). "The astounding growth of radio in the last several years... is a clear indication that the bulwark of the fairness doctrine [scarcity of stations] has lost enough strength in some radio markets that we can begin to seek a vehicle for orderly de-regulation," Houser said. "What we currently have under consideration is an experiment which would grant broadcasters in the top 10 markets the freedom to cover controversial social, political and other issues... in such fashion that they deem appropriate... Conceivably, a progress report would be made annually to the Congress."

In split vote, NRBA decided to spend \$6,000 annually to join Bcst. Rating Council. Robert Herpe, WPLR(FM) New Haven, was re-elected NRBA chmn.; James Gabbert, KIQI(AM)-KIOI(FM) San Francisco, pres. Added to full-time staff was Alvin King, ex-NAB station relations dir. (Vol. 16:21 p7), as exec. vp-station services; Abe Voron was promoted to exec. vp-govt. relations. NRBA will move hq from N.Y. to Washington by April 1.

**FCC goes to OMB** Sept. 27 with fiscal 1978 budget, will seek \$66 million, up \$11.2 million from current authorization. It includes funds for 2,371 permanent employees, up 220 (including 23 for processing of CB applications). Commission also approved legislative proposals for next Congress; only new request is authority for Office of Plans & Policy to make small grants without seeking competitive bids.

**Following departure** of Senate Commerce Communications Counsel Joseph Fogarty for 7-year term on FCC, Commerce Committee communications matters will be handled for remainder of session by staff counsels James Graf & Nicholas Miller. Graf is expected to join Fogarty at Commission in staff position after Congress adjourns (Vol. 16:38 p3).

**ALBERT STYMIES CABLE FINES:** Okla. politics reared up last week—through House Speaker Albert (D-Okla.) and CATA—to stymie plans of House Commerce Committee to get vote under consent agenda on pole attachment-cable forfeiture bill (Vol. 16:38 p4). After receiving calls from Okla. CATA members Sept. 20, Albert sent word to bill's chief sponsor, House Communications Subcommittee Chmn. Van Deerlin (D-Cal.), that speaker wouldn't recognize Van Deerlin on floor next day to bring bill up.

CATA members who called Albert were supporters of Charles Ward, long-time Albert protégé who was in run-off election Sept. 21 to succeed retiring Albert in Congress (Ward was soundly defeated). Albert reportedly told Van Deerlin that "80 stations [meaning systems] in my district are against that bill and you'll have to convince them." CATA fought mightily against legislation giving FCC authority to fine cable systems for rules violations; NCTA supported it reluctantly—pole attachments with gusto—had powerful allies in Van Deerlin, NAB & FCC.

Van Deerlin was livid, told Daily Oklahoman (Okla. City) "it's a strange way to legislate." Although House has another consent day scheduled this week—before adjournment at week's end for campaigning—supporters have given up on getting it recognized on floor. "Without the speaker's consent, there would be no way" to get bill on floor, Van Deerlin said. "It's dead," according to NCTA Pres. Robert Schmidt. "We're damned disappointed," mostly over provision giving FCC authority over pole attachments. "We made concessions [on forfeitures] to get something immediately."

**House Ethics Committee** decided through a series of votes last week to drop matter of who leaked secret House CIA Committee report to CBS newsman Daniel Schorr. Panel voted 9-1 to relieve Schorr of subpoena; defeated 6-5 motion to recommend that House turn matter over to Justice Dept.; tied 5-5—and thus defeated—motion to recommend that House not cite Schorr for contempt of Congress; and defeated 7-4 attempt to void Schorr's House press gallery privileges. No vote was taken on draft resolution recommending House cite Schorr for contempt. Schorr's status with CBS remains uncertain. Schorr said it depended on network, while CBS spokesman said his suspension would remain until network deals with "certain unresolved matters." CBS News officials meet this week to decide his fate. In private conversations, majority of CBS News Washington Bureau personnel make no secret of their opposition to Schorr's reinstatement.

**FCC order that AT&T** file revised tariffs within 8 months reflecting full cost of providing individual services will mean higher rates for TV & radio. How much is "very unclear," lawyers for both sides said last week. Increase for TV could range from zero to \$20 million, network lawyer estimated; for radio, it's expected to be about 10%. "Public broadcasting and other occasional users face huge increases," we were told. Lawyers and rate specialists are expected to meet for next 3 months before AT&T begins formulating new rates. FCC expects home phone users to benefit most; AT&T disputes this.

**'HISTORIC FIRST' FOR BLACKS:** National Assn. of Black Bcst. Owners was principal outgrowth of 2-day black-owners seminar in Washington last week. Sponsored by NAB, which is expected to make meeting annual affair, seminar attracted 50 of 53 black-owned (including one TV) stations in U.S.

"It was truly a historical first," according to NAB Dir. of Community Affairs Patti Grace (who arranged seminar), echoed by NAB Pres. Wasilewski, FCC Chmn. Wiley & Comr. Hooks. NAB & FCC describe "black-owned stations" as ownership of 51% or more. Stations which program for blacks but aren't black-owned were excluded from seminar.

Wiley disclosed FCC plans to hold its own black conference next spring, centering on problems of minorities getting into ownership. He and other FCC officials at Sept. 23 panel expressed concern at black owners' complaints that brokers withdraw stations from market when blacks make offer (brokers denied this). Blacks also complained that stations are sold to "brokers' white friends" before it's known they're available. Wiley told us FCC session "is being very actively worked on," will include black & white owners, brokers, businessmen, govt. officials.

Hooks urged black owners to continue to work within NAB, that "you have many interests in common with the white broadcasters." He said broadcasting "is a business much fraught with danger" so stations must have Washington counsel. "Look on it as an investment, not an expense [because] if you're not careful, we're [govt.] going to get you no matter what you do." Lawyer-preacher Hooks said he wasn't pitching for clients because his future will be in the pulpit after he leaves FCC.

A major complaint was that black stations—even though they have largest audiences in their markets—don't get accurate ratings and advertisers ignore them. "ARB is the worst thing that ever happened to black radio," station owner said. "Even when you get the numbers if you're a black station it does you no good."

Of 50 black stations at seminar, 19 were NAB members in advance, another 5 joined. Daniel Robinson, WBMU(FM) Asheville, N. C., was named temporary chmn. of Black Assn., which will have as major goal obtaining help for financially-troubled WGPR-TV Detroit—only black-owned TV station in U.S. (2 others, in Virgin Islands, are under FCC jurisdiction).

**Pay cable for 6 Tex. towns** will be offered by Daniels Properties starting Oct. 31. Microwave will link systems in Waco, McGregor, Temple, Killeen, Harker Hts., Nolanville & Copperas Cove, which serve 50,251 subscribers. Two channels will be offered: Showcase I with R & PG films, plays, taped nightclub performances; Showcase II with G & PG films, variety shows, sports. Price is \$5.95 for one channel, \$9.95 for both; installation \$19.95. TPS is furnishing film, and earth station is planned.

**Another pitch for use of live models in TV commercials** for brassieres will be made by International Playtex at NAB TV Code Board meeting in Phoenix next week.

**HOUSE OKAYS COPYRIGHT OVERHAUL:** By vote of 316 to 7, House overwhelmingly approved general copyright revision bill almost identical to that voted out of House Judiciary Committee, sent it on to conference with Senate. Both House & Senate named as conferees all members of their respective Copyright Subcommittees, and Conference Committee is expected to approve final version closely resembling House-passed bill by Sept. 28—perhaps without even holding formal meeting. Though only one week remains before Congress adjourns, bill "is finally going to make it," according to congressional staffer.

Of 12 amendments offered on House floor, only 3 were adopted—all minor. Rejected were all attempts—by Reps. Yatron (D-Pa.), English (D-Okla.) & Rooney (D-Pa.)—to soften bill's impact on rural cable systems (Vol. 16:38 p6), as well as amendment by Rep. Oberstar (D-Minn.) to allow radio reading services for blind & physically-handicapped to air dramatic works without first securing author's permission. Rep. Pattison (D-N.Y.) argued that though Oberstar amendment appeared to be "doing something that is good... for the blind, [it] will impact on the traditional authors' rights."

Accepted by House were: (1) Judiciary Committee amendment dropping funding section of bill because it wasn't approved by Budget Committee by May 15 deadline. (2) Dodd (D-Conn.) amendment permitting governmental & non-profit groups serving blind to make up to 10 copies of performances of non-dramatic literary works for distribution to similar organizations without copyright liability. (3) Seiberling (D-O.) amendment making it clear that bill deals only with copyright law and doesn't affect certain unrelated federal-state relationships.

NCTA Pres. Robert Schmidt called bill "a major milestone in the cable industry's future. The sooner it's behind us the better. It will have a good impact on the financial community and regulation, and a good impact on the Commission." NAB also is content with bill. CATA counsel Stephen Effros said CATA-recommended amendments adopted by House Judiciary Subcommittee made bill one "that most CATA members can live with."

**New FCC rule on station contests & promotions:** "A licensee that broadcasts or advertises information about a contest it conducts shall fully & accurately disclose the material terms of the contest and shall conduct the contest substantially as announced or advertised. No contest description shall be false, misleading or deceptive with respect to any material term." Commission said stations will be expected "to exercise reasonable diligence to see that their agents & employees comply with the new rule."

**PBS reorganizes programming operations** under Chloe Aaron, senior vp-programming: Dept. of Educative Services, John Montgomery; Current Affairs, Richard Ellison; Arts & Humanities, Fred Cohen; Scheduling & Program Operations, S. Anders Yocom.

**Teleprompter will carry 15-min. campaign videotape of Carter** on all its systems, offered to do same for Ford.



**VTR WARS CONTINUE:** Battle of the 1-in. helical teleproduction VTRs, which started last March at NAB convention (Vol. 16:13 p3), continued last week in London at biennial International Bcstg. Convention. Another battle—over ENG—broke out between engineering spokesmen of ABC & CBS.

VTR fight was between Ampex's VPR-1 and Bosch/Fernseh BCN. Since NAB, each company apparently had analyzed weaknesses of own system and came up with solutions. Ampex displayed developmental portable version about size of BCN portable, unpriced, available in about 2 years. New version of BCN was shown using frame-store for stop motion.

BCN was demonstrated by IVC, Philips & Fernseh. IVC showed own version of BCN portable with 60 min. playing time using side-by-side reels, priced at \$30,000, delivery in year. Show was complete sell-out, with potential exhibitors turned away. Mid-eastern broadcasters attended show in big numbers, and there was large amount of SECAM equipment on display, aimed at oil-rich countries.

Separate ENG session drew SRO crowd of 400, with 400 more turned away, had to be repeated next day to accommodate overflow. Principal foreign speakers were CBS Engineering & Development Gen. Mgr. Joseph Flaherty and Sony (Japan) Bcst. Equipment Chief M. Morizono. ABC Bcst. Operations & Engineering Vp Julius Barnathan at first was refused admittance to crowded meeting, later gained access. Though he wasn't on program, he got to microphone, gave rebuttal to Flaherty's account of CBS's experience with ENG. Barnathan said ABC should have been invited to participate because of its extensive & recent ENG experience at Olympics. Although much of discussion revolved around ENG picture quality, Barnathan didn't mention picture when he outlined 3 requirements for ENG equipment: (1) It must operate when it arrives at scene. (2) It must be foolproof and operable by inexperienced personnel. (3) It must be cheap, because so many are required.

European broadcasters continue to resist ENG and made it clear that they regard picture quality of U.S. product substandard, many of them disagreeing with Flaherty's appraisal that quality is equal to that of 16-mm film. Barnathan told audience he had seen 16-mm film on Eurovision which was "so bad I thank God for ENG." Flaherty said Europeans get wrong impression of U.S. ENG quality because pictures they see often have gone through 5 generations before being made into U-Matic work print to send to Europe. Production & news people don't share their bosses' low regard for ENG. BBC spokesman indicated it would start experimenting with electronic journalism next year.

**Key to successful revision** of Communications Act in next Congress "will be to get a bill out that the [House Communications] Subcommittee can support unanimously," Rep. Frey (R-Fla.) told NCTA board. "If there are many amendments or dissidence within the Subcommittee, you run risk of having it eaten on the floor." Frey warned cable industry it must maintain "united position" in any legislation, or flounder. "We're going to have to know exactly where you are, and what your fallback position is."

"Cable may be obsoleted, in the next 3 to 5 years, by onrushing technical developments," said Rep. Van Deerlin (D-Cal.), speaking before IEEE Broadcast Group in Washington. He spoke of difficulties of congressmen in learning subjects they cover, saying not more than 5% become thoroughly familiar with issues they must vote on. He introduced Harry (Chip) Shooshan, chief counsel of Communications Subcommittee, who said: (1) Subcommittee will start rewriting Communications Act. (2) It will commission spectrum study. (3) Response of "Mother Bell" to technical demands "leads one to believe that you engineers can make any policy work." (4) Don't let WARC preclude direct-to-home satellite broadcasting in U.S. (5) Subcommittee's "scrutiny of cable is unparalleled in the history of Congress."

**"The mighty giant from Rhode Island"**—Sen. John Pastore (D), Communications Subcommittee chmn. who is retiring after 26 years in Senate—received praise of his colleagues on Senate floor for nearly 2 hours last week. Pastore has had profound impact on communications legislation last 2 decades, generally receives credit for 1960 suspension of Sec. 315 which led to Nixon-Kennedy debates, among other milestones. He lost some, too, such as broadcast renewal bill and 1959 legislation placing CATV under FCC control (when FCC said it didn't have jurisdiction). Bill was defeated by one vote through last minute lobbying of cable interests; Pastore looked up at gallery packed with cable execs., told them they'd be sorry for causing bill's defeat.

**WCEE-TV Rockford, Ill.** has been sold to Rockford Bcstg., subsidiary of Worrell Newspapers, owners of WHSV-TV Harrisonburg, Va., 17 dailies, several weeklies, price undisclosed. Seller General Media operates major cable system in Rockford, recently bought system in nearby Loves Park, couldn't expand cable because of conflict with FCC cross-ownership rules. WCEE-TV Pres. Earl Hickerson said that "it was a tough decision" but that company plans to buy TV elsewhere... Gaylord Bcstg. is buying WUAB Lorain-Cleveland for \$10.5 million from United Artists (64%) and Kaiser Bcstg. (36%). Purchase will give Gaylord full complement of 7 TVs—4 VHF's, 3 UHF's.

**Spin-off of RKO General** is planned by parent General Tire—to relieve broadcast facilities of attacks stemming for General's alleged improper payments, antitrust problems, etc. General shareholders would be issued RKO stock on formula not yet established. In addition to broadcast properties, RKO owns Cablecom-General cable systems, 129 movie theaters, 7 soft drink bottling plants, 58% of Frontier Airlines.

**NPR has been given go-ahead** by CPB board to proceed with satellite networking, if stations put up \$7 million, give project approval by "overwhelming majority." Half-transponder on WU satellite will give NPR 4 channels, to be used individually as monaural channels, or for 2 stereo channels in pairs, or single quadraphonic channel. CPB board also approved \$32.5 million line of credit from Bank of America for satellite system for both radio & TV.

## Personals

FCC Chmn. **Richard Wiley** becomes pres. of American Bar Assn. Oct. 1; he also has been appointed chmn. of American Bar Assn. Special Committee on Lawyers in Govt. . . Oct 20 National Bcstrs. Club reception for OTP Dir. **Thomas Houser** (Vol. 16:38 p6) has been postponed.

**Leonard Goldenson**, ABC chmn. & chief exec. officer, receives National Conference of Christians & Jews Humanitarian Award at Sept. 29 dinner, Beverly Hilton Hotel, L.A.

Elected RCA Americom (satellite div.) vps: **A. William Brook**, engineering, **Paul Gaillard**, mktg. . . **Thomas Campbell** promoted to chief, FCC Financial Management Div.

**John Daly** promoted to financial administration dir., NBC-TV business affairs. . . In upgrading of ABC personnel dept.: **Stephen Solomon** promoted to N.Y. personnel dir.; **Allan Ross** named human resources planning & development dir.; **Thomas Gorey** appointed compensation & benefits dir.

**Robert Brown**, ex-Xerox, appointed western vp, Daniels & Assoc. . . **Jack Lyons** heads new MMT Sales Dallas office: 3141 Hood St. 75219. . . **Steve Carlin**, creator of "\$128,000 Question," joins National Telefilm Assoc. as head of east coast program development, concentrating initially on creating audience participation game shows.

**Joseph Croken**, ex-admin. asst. to late Rep. **Torbert Macdonald** (D-Mass.), was defeated by state legislator **Edward Markey** in Mass. primary in bid to succeed Macdonald.

**Bobbe Weinberg**, ex-Burroughs Corp., joins KTTV L.A. as creative services mgr. . . **Arnold Blauweiss**, ex-Peat, Marwick, Mitchell, joins LIN Bcstg. as accounting dir. . . **Dorothy Dunbar**, ex-McGraw-Hill Films, appointed promotion & ad dir., Time-Life Multimedia.

**James Gimbel**, RCA Bcst. Systems northern U.S. sales mgr., appointed RCA International broadcast system sales mgr. for Europe, Africa, & Middle East.

**Cleveland NOW** submitted "informal objection" to FCC alleging discrimination on basis of race & sex by 10 Cleveland stations, including 3 TVs. NOW asks "full investigation" by Commission, with denial of renewal, hearing, or affirmative action plan for those found in violation of FCC rules. Media Action Coalition of Dayton petitioned FCC to deny licenses of all metropolitan area stations, charging employment & programming discrimination against women & minorities. Coalition also alleged that Dayton Daily News, co-owned with WHIO-TV-AM-FM by Cox, also has biased news coverage.

**Western Cable Convention** Dec. 1-3, Anaheim, Cal., includes addresses by Reps. Van Deeren (D-Cal.), Rhodes (R-Ariz.) & FCC Chmn. Wiley. Sessions include coverage of pay cable, govt. regulation, operations, financing, technical, etc. Some 190 exhibits have been sold, and attendance is expected to exceed last year's approximately 2,000.

**Low-nicotine-tar cigarettes** should be allowed on air again, in opinion of Bruce McGorill, station mgr., WCSH-TV Portland, Me. Speaking before Kansas City Ad Club, he said law should be changed to permit airing of commercials for brands with tar under 9 mg., nicotine under .7 mg. "I firmly believe," he said, "now is the time to say to Washington, 'Let's put cigarettes back on radio & TV for the health of America' by repealing the federal law to allow those brands with the most minimal tar & nicotine the fullest opportunity to merchandize the results of their research & product development." He noted that, despite TV-radio ban, sales have boomed, and none of top 10 sellers is in low nicotine-tar category. Return of cigarettes, he said, also would produce more & better anti-cigarette spots.

"I wish I might have gotten here a little sooner but I'm delighted to be here at all," Margita White said Sept. 23 after being sworn in as FCC's 7th member—bringing Commission back to full strength. She said conflict-of-interest issue which held up her Senate confirmation for several weeks (Vol. 16:30 p1) "came as a complete surprise to me." Her temporary staff includes legal asst. Steve Sharp (on loan from Gen. Counsel's Office), engineering asst. Emmett Kitchen and confidential asst. Delores Noble; Kitchen & Noble held same posts with ex-Comr. Reid. White said she'll confer with FCC bureau chiefs to familiarize herself with Commission issues & problems.

"If the concept of licensee responsibility is to have meaning, those who control the corporation must be held accountable for the conduct of those who have been delegated the authority," FCC Judge John Conlin said last week in denying license renewal to WLTH(AM) Gary. Conlin found station guilty of "grave wrongdoing" in presenting "serious misrepresentations" to FCC on staff, programming, ascertainment, etc. Gary Human Relations Commission protested renewal, attempted to withdraw when principal owner H.B. Snyder tried to sell to black group. FCC refused to approve transfer.

**Earth station grant:** Tempe, Ariz., American Cable TV. Applications: Napa, Cal., Napa Valley Cablevision; Wilmington, N.C., Cable TV Co.; Florence, S.C., Vision Cable. (For details, see CATV Addenda.)

**Expanded services for translators**, sought in petitions filed with FCC by National Translator Assn., are opposed by NCTA which states that "the only long-range solution is to shift all translator operation to the UHF band."

**Extension of daylight savings** time one month in spring was defeated in House. DST continues 6-month term—last Sun. in April to last Sun. in Oct.

## Obituary

**Mary Lee Schiffer**, 48, died Sept. 21 in her Chevy Chase, Md. home, of cerebral hemorrhage. She was NAB secy. for 20 years, serving LeRoy Collins & Vincent Wasilewski, left NAB in March 1973. Daughter survives.



# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 10 (36th week of 1976):

	Sept. 4-10	1975 week	% change	Aug. 28- Sept. 3	1976 to date	1975 to date	% change
Total TV. . . . .	195,192	200,244	-2.5	258,275	7,717,618	7,244,509	+6.5
color . . . . .	122,540	127,086	-3.6	155,834	4,571,646	4,046,943	+13.0
monochrome . . . .	72,652	73,158	-0.7	102,441	3,145,972	3,197,566	-1.6
Total radio . . . . .	578,220	501,617	+15.3	789,944	25,614,649	22,172,444	+15.5
home, portable . .	316,636	297,986	+6.3	481,745	17,103,429	16,420,813	+4.2
AM-only . . . . .	139,809	67,358	+107.6	233,339	4,432,989	4,608,931	-3.8
FM & FM-AM . .	176,827	230,628	-23.3	248,406	12,670,440	11,811,882	+7.3
auto . . . . .	261,584	203,631	+28.5	308,199	8,511,220	5,751,631	+48.0
Port.-comp. phono.	115,177	43,820	+162.8	53,750	1,790,167	2,168,285	-17.4

**Color TV 5-week moving average:** 1976-150,039; 1975-139,230 (up 7.8%).

**'PROFITABILITY IS KEY'-RCA'S GRIFFITHS:** Continuity of RCA operations along same path which brought record profits in first half is goal of Edgar Griffiths, who was elected RCA pres. Sept. 16 after abrupt resignation of Anthony Conrad (Vol. 16:38 p7). This emerges as central theme of exclusive Television Digest interview, included herewith as White Paper.

Griffiths, 54, who served for year as pres. of RCA Electronics & Diversified Services, is given credit for current direction of those operations he oversaw—which means everything except NBC, RCA Communications, Record Div. He's articulate, decisive, known as hard worker, was responsible for lopping off such unprofitable operations as receiving tubes, British joint-venture picture-tube company, Cushman & Wakefield.

"Profitability is what we're after and we want to be first in it." This seems to sum up Griffiths' corporate philosophy. Among points made in interview: (1) "Electronics & communications are the heart of RCA." (2) Consumer Electronics is poised to make profit on TV even if sales should fall to level of 1975—year in which company "lost appreciably" on TV. (3) There's no evidence that Japanese are competing unfairly in U.S. TV market, and RCA opposes any protectionist action by govt. (4) Videodisc program is "on schedule," but there's still no introduction date or decision whether to introduce it at all. (5) There's "excitement" to come in future TV set design, and RCA will play "key role." (6) No major personnel shakeups are planned.

**MORE MAJOR SHIFTS IN TV INDUSTRY:** Sole surviving "father" of TV set business came back into industry last week, and there were other major personnel changes. Coincidentally, everyone had an "Admiral connection," highlighted by new pres. for Admiral.

Ross D. Siragusa Sr., Admiral founder, made it official—his RDS Enterprises has purchased RCA factory-branch distributorship in Chicago (Vol. 16:31 p14). He'll be chmn. of new R&A Distributing Corp. Alfred A. Medica resigns as Zenith parts & service dir. to become pres. of R&A; he's former Admiral vp and Siragusa protege; he also was with RCA & Sylvania. RCA Chicago Branch Vp-Gen. Mgr. Charles Spagnoli becomes vp-gen. sales mgr.; George Williams of RCA branch is new operations vp. RDS Enterprises has banking & other financial interests, contributes profits to Siragusa Foundation, which for 25 years has been largest contributor to Ill. Institute of Technology.

New Admiral pres. is John J. Henry, 50, ex-Rockwell corporate staffs senior vp, considered to be 3rd in command at Rockwell, and man who negotiated Rockwell takeover of Admiral.

He succeeds James Ezell, who was named to post last April but never took over, and who continues as Power Tool Div. pres. Both Henry & Ezell report to Rockwell Consumer Operations Pres. Charles Urban.

Meanwhile, Robert O'Neil, Sylvania consultant who is considered major architect of recently formed worldwide GTE Consumer Electronics Products Business (Vol. 16:20 p11), was appointed mktg. vp for new group, reporting to Pres. George Konkol, with hq in Stamford, Conn. O'Neil served in top sales-mktg. posts at Sylvania, Admiral & RCA. Sylvania last week had hands full denying published reports that GTE Chmn. Theodore Brophy said it might pull out of TV business, announcing that, quite to contrary, it plans to open cabinet factory (see p. 13).

**COMPACT FILES FOR IMPORT QUOTAS:** Only surprise in bid for restrictions on color imports filed with International Trade Commission (ITC) by Committee to Preserve American Color TV Industry (COMPACT) last week was request for imposition of quotas—early indications were that it would ask quota-based duty, with rates rising as imports passed certain levels. Petition cites deterioration of U.S.-based color TV industry over last 10 years, but contains nothing new, relying mainly on Commerce, ITC & Television Digest reports.

COMPACT was unable to gain much open industry support. Besides 11 union & 3 industry COMPACT members (Vol. 16:35 p7), only Sylvania & Sprague signed petition. Others may join when ITC opens probe formally. Corning Vp Henry Frailey will make pitch to EIA divs. at convention in L. A. this week.

COMPACT can't expect much from balance of U.S. color producers. RCA feels Japanese can be matched in open competition (see comments of Pres. Griffiths, p. 9 & White Paper); Zenith is pressing suits against Japanese, can't get involved; Magnavox & Admiral are enjoined by multinational parents Philips & Rockwell; Curtis Mathes relies on imports for many color sets & chassis; Warwick is about to join Quasar as Japanese-owned. GE was fence-sitting, approved anti-import actions but made no commitment.

At Washington press briefing, spokesman for COMPACT acknowledged bid for quotas under escape-clause provision of Trade Act wasn't exactly in keeping with group's espousal of free-but-fair international trade. Unfair competition by Japanese isn't alleged in petition. Co-Chmn. Jacob Clayman, of AFL-CIO Industrial Union Dept., said object was to get help now, stated Zenith suits and Sylvania unfair-competition complaint may take years. He said COMPACT petition leaves it up to ITC to determine what share of U.S. color market imports should have, added it should be "reasonably moderate." Clayman noted that while petition is aimed at Japan, it would limit color imports from all countries.

"B&w business is gone, people aren't losing jobs [making b&w] today—we're trying to protect what we've got," Corning Exec. Vp Allen Dawson said, explaining why only color quotas are sought. If this case meets same fate of all stop-Japan actions to date, he said, "we'll just have to try again—this is a fight we simply can't afford to lose."

While on surface COMPACT has good case for relief, and presumably has reserve ammunition, success of Zenith (in court) and Sylvania (before ITC) could kill COMPACT petition. Escape clause is intended to provide last-resort relief to import-injured industry. If charges that Japanese are dumping, getting export subsidies and/or practicing discrimination in marketing here are upheld, import quotas wouldn't get serious consideration until those situations are corrected and effect evaluated.

U.S. is loath to impose import quotas because, by treaty, it would have to make some trade concession or accept some form of retaliation. Preferred alternative, and apparant goal of COMPACT, is to have Japanese industry set up voluntary quota. While Japanese steel makers agreed to such a plan, Zenith's \$900 million antitrust suit makes it virtually impossible for Japan's color producers to go along, and MITI last week said it wouldn't order export controls.

Law gives ITC 6 months (extendable) to study COMPACT petition, report findings, and, if import-injury is found, make recommendation to President. He then has 60 days to act. If President doesn't act, he must report reasons to Congress which can then elect to impose restrictions.



Unions & COMPACT have no objections to increasing foreign investment in U.S. color TV production facilities, "but if it were massive ownership we would be concerned about it," Clayman told us. Plants here operated by Sony, Quasar (Matsushita) & Magnavox (Philips) account for about 17% of U.S. production, and foreign control will rise above 20% if Justice Dept. clears Sanyo's purchase of Warwick's TV business. Justice spokesman said last week it won't issue opinion on deal until it has full details.

**SOME CBs FAIL FCC RECEIVER TESTS:** After 2nd week of testing, FCC labs has rejected "some" of 78 CB 40-channel units so far submitted for failing to meet disputed 5-microvolt (uv)-per-meter receiver radiation standard (Vol. 16:37 p7 et seq.). Companies already have been notified, FCC spokesman said, so they'll have chance to resubmit before Nov. 1 deadline for CBs which can be sold on Jan. 1. He declined to identify companies or exact number of failures but said 30 units had been put through chassis test.

Several CB firms admitted to us that they knew some or all 40-channel units submitted didn't meet standard, but there was general feeling FCC wouldn't issue formal rejections until it decided whether standard should be relaxed. "We have to reject them on 5 uv now," spokesman said. "That's the current spec, and we may not reach a decision until late Oct. If we wait until then, they won't have time to resubmit." He pointed out, however, that FCC would probably reverse itself, if standard is eased, and approve rejected samples without retesting them—assuming they met revised standard.

FCC already has idea "of what reality is," based on tests, and Chief Engineer Raymond Spence may come up with recommendation to Commission some time this week.

Just how many firms submitted receivers which don't meet standard isn't known, but we sampled several leaders in field and came up with following: E. F. Johnson—5 submitted, 2 more by Nov. 1, none meeting 5-uv spec "but all very close"; Hy-Gain—about 10 submitted, roughly half meet spec; GE—submitted "some," all meet standard; Pathcom—8 submitted, half meet spec and other half "meet the intent of the FCC's new regulations." SBE Pres. told security analysts recently that 10 CBs, all meeting 5-uv standard, will be submitted by Nov. 1.

CB suppliers can meet standard, most companies told us, but result will be higher-priced CBs. "We can do it," Pathcom Ad Dir. John Hassett said. "We can discuss that, but we can't discuss what it will do to pricing." Hy-Gain Vp Ted Andros said exact increase is impossible to forecast, since no one knows for sure how much 40-channel sets will cost whether the standard is eased or not. "If we're saying there will be a 10-15% increase in 40-channel over 23-channel units without the new receiver standards, I guess you'd have to say there will be a 10-20% increase with them."

By week's end, FCC said 32 firms had submitted one or more 40-channel CBs: Alpine, American Electronics, Beacon, Boman, Browning, Channel Master, E. F. Johnson, Emergency Beacon, Fanon/Courier, GE, Hy-Gain, Kraco, Lafayette, Mark, Matsushita, Maxom, Meisoh, M.H. Scott, Pathcom, Pioneer, P-S, Radio Shack, RCA, Regency, SBE, Sears, Sharp, Standard Communication, Teaberry, Toyota (in-dash made by Matsushita), Transonic, Ward.

Note: FCC informed Ministry of International Trade & Industry (MITI) in July that none of the samples of Japanese CBs purchased on U.S. market met type-acceptance specifications, urged govt. to extend controls on other electronics products made for export to CB. EIA-J has since urged members to tighten quality control.

**Sanyo's washed-out Gifu color TV plant** will resume limited operation this week, return to full 80,000-monthly production in Nov., company said. Plant suffered \$7-million damage, mainly to parts inventories & electrical system, in flood caused by typhoon Sept. 10. . . **Mitsubishi** announced \$8-million project to boost annual color tube output from million to 1.4 million by next summer. Company says it will use 800,000, including knockdown exports, sell 300,000 each to Japanese & foreign OEMs.

**CB Scene: Handic U.S.A.** offers update program with a twist; consumers who buy 23-channel CB now will get certificate entitling them to 40-channel at half price when line (\$179-\$249) becomes available next year. Firm says owners won't be required to return 23-channel models. . . **Prudential Insurance** has named Hy-Gain and 3 principal shareholders & officers in \$3-million damage suit in N.Y. federal court involving \$750,000 secured note retired by Hy-Gain in 1972.

**ANOTHER 2-HOUR VTR:** Two-hour cassette will be introduced soon for Matsushita's low-priced VX-2000 videocassette recorder, we've learned. Longest-playing cassette for this machine currently has 100-min. VX-2000 deck is the one Quasar plans to introduce in U.S. near year's end, and presumably 2-hour cassette will be available by that time. Extra playing time was achieved by using thinner tape. Our report from Tokyo earlier this month indicated Matsushita was working on 2-hour cassette (Vol. 16:37 p9).

Sony America, meanwhile, notified its industrial video dealers that industrial versions of Betamax—play-only & player-recorder with tuner—would be introduced in Jan. or Feb. They'll differ from consumer model and will be "intended to complement the U-Matic." Sony marketing bulletin saw major potential for Betamax in corporate & private videotape networks, education & training, limited potential in broadcasting & teleproduction. It said duplicator for Betamax tapes is now in distribution.

More programming ventures for Betamax are due soon. In addition to Sony-Paramount test (Vol. 16:32 p9) and venture into Betamax programming by Teletronics International with MGS Services (Vol. 16:8 p8), Billboard reports Sports World Cinema, Salt Lake City, plans to offer 37 hours of sports programming for sale or rental. Videoplay Report newsletter says 2 Betamax duplicators have been sold to Magnetic Video Corp., Farmington, Mich., one to Sony-Teletronics venture S/T Videocassette. Both publications say Sony is being cooperative with all would-be Betamax programmers.

Another—and 5th—home videocassette system may be introduced in Japan. Hitachi is developing recorder (working name, "AC-4") with extremely compact one-hour 2-reel cassette of 1/2" tape, smaller than any introduced to date. Company hasn't decided whether to market machine. Meanwhile, Hitachi subsidiary Maxell says it's negotiating with Sony to produce Betamax cassettes, could have product in Jan.

Record-&-play MDR magnetic videodisc, described in these pages for first time in 1973, is scheduled to be demonstrated again at Vidcom in Cannes this week. Vidcom press release says player & discs will be introduced in German & French markets "during the 3rd quarter," which presumably means this week.

"World's lowest cost, highest performance" 2-vidicon color camera was announced by JVC for marketing in Japan in early Dec. Designed for home use as accessory to its VHS recorder (Vol. 16:38 p9), it's priced at about \$1,000. Step-up semi-professional model will be about \$1,300. Initial production will be 1,000 & 500 a month, respectively.

**Add projection-TV firms:** (1) Projecta-Vision, 444 Brickell Ave., Miami 33131, uses 15" RCA, offers choice of 3 Kodak Ektalite screens (34x40", 40x54", 60x80"), priced from \$1,495. (2) Videotek Industries, 6430 Sunset Blvd., Hollywood 90027 (Don Butler, pres.), offers "first portable color TV projector" weighing 35 lb., choice of screen sizes 50"-80" diagonal, at less than \$1,000.

**ADVERSARY LICENSE DEAL:** National Semiconductor's 3-game Adversary will show up on U.S. market under different name with different cosmetics, under licensing agreement with Intercon Mktg. Corp., subsidiary of Philippines-based Intercon Mfg. Corp. Intercon will supply Fried Trading Co. with 50,000 games using Adversary circuitry & chip this year, also has tentative agreement to supply Phone-Mate with Adversary game (Intercon already supplies Phone-Mate with Zonk game using GI chip).

Two versions of Adversary—Gemini (\$90) & Color (\$100)—will be produced in Philippines, and in Hong Kong by Intercon joint-venture partner Electronic Resources. Both have been approved by FCC. Intercon Pres. Ramon Torres said first games will arrive in U.S. from Far East Oct. 10, U.S. production will begin in mid-Oct. in plant in Campbell, Cal. Intercon has been major supplier to Canadian firms, making GI games for Glory Tone, IEA (Weber Electronics) & Unitrex.

Meanwhile, FCC approved 5 versions of E&P Electronics (Hong Kong) game previously approved and one Radio Shack game. **Calfax** is entering market with 4-game Bag-A-Tel using GI chip, FCC-approved unit is made in Hong Kong. Dealer cost is \$39.75 in lots of 1,000, retail price in \$49-\$59 range. Firm hopes to ship 25,000 in time for Christmas season. **Radio Shack** game (Vol. 16:37 p11) is being supplied by Microelectronics under \$6.5-million private-label deal involving 125-150,000 units. Microelectronics spokesman said Radio Shack game is similar to firm's Ricochet unit, that other private-label customers are being cultivated.

**Ad notes:** RCA corporate account resigned by J.W. Thompson, which lost 2 RCA TV accounts & Banquet Foods in last 2 years. **GE** appoints Lawler Ballard Little for \$300,000 trade TV account, retains Grey for consumer ads. **Sharp** will spend about \$3 million, mainly on spot TV, in its first major national campaign. **Magnavox** will use "Touch-Tune to Touchdown" as theme for contest promotion Oct. 15-Dec. 24. Prizes include radios, blankets, headphones. Grand prizes are 10 trips to Super Bowl, 30 encyclopedia sets. **JVC Industries** (video equipment) appoints Michel-Cather, former Sony video agency, replacing Philip Stogel Co., which continues on JVC America (consumer electronics) account. JVCi says it has \$2-million budget, about evenly divided for ads & promotion. **Sylvania** fall newspaper campaign for GT-Matic color calls for \$1-million outlay by Sylvania & distributors. **Harman International** gave PBS grant for TV special "Harry S. Truman Plain Speaking"... **Hitachi** launches first national campaign, all print, for color TV. Ads will run in magazines through Dec., call sets "Polar-Chrome" to emphasize low power drain, cool operation.

**Curtis Mathes** has received \$1-million loan from New Nippon Electric, its supplier of 12" b&w sets, color portables and sizeable percentage of big-screen color chassis as well as audio products. CM is re-entering stereo console & color TV combination business. Two-thirds of its color sales are in 23" & 25" sizes.



**ZENITH TUBE PROBLEMS:** Zenith's new "Able" tube and its associated Mark IV glass bulb are experiencing unanticipated start-up problems. However, the four 19" sets using new tube are being delivered in increasing quantities, according to one Zenith distributor. It seems inevitable that new larger-sized tube with completely Mark IV glass, scheduled for production some time in 1977, will be delayed.

"We're having more launching trouble than we anticipated," said one Zenith source. "We're not shipping & building at the rate we had planned—but it's nothing like as severe as our problems in launching Chromacolor. The Able tube was designed for cost saving. For that we need efficiency, and we're trying to develop that efficiency."

Same source added that, "assuming the worst," Zenith's tri-potential gun could be used in conventional-glass bulb with 100° deflection—and also that conventional-glass tube could be used as "direct replacement" for one with Mark IV glass. He reiterated that Zenith planned family of 100° tubes, including 23" & 25" sizes. It seemed obvious that Zenith wouldn't reach original goal of 200-250,000 Able tubes this year.

Corning Vp Henry Frailey conceded there's been "delay from our original planning—we've had troubles in the glass, but we're overcoming them and production is accelerating. We're not where we wanted to be at this time." It also appeared evident that new bulb sizes from Corning would be delayed. Although Corning & Zenith had hoped industry would standardize on Mark IV glass, other picture tube makers have rejected concept publicly, but RCA, Sylvania & Westinghouse have approved idea of tri-potential gun—Sylvania in 100° version, RCA in 90°.

**Sylvania's immediate commitment** in consumer electronics is improving market share and thus profits, GTE Chmn. Theodore Brophy said last week in denying published quotation in which he appeared to indicate company might drop out. He said GTE was backing commitment with establishment of worldwide consumer electronics group and opening cabinet factory (believed to be in N.C.). GTE released text of part of Q-&A session before Cleveland security analysts which it claims was misquoted. In it, Brophy conceded home entertainment earnings performance was "unsatisfactory," but said: "We have not seriously considered disposing of our electronic manufacturing." He added he expected attrition of U.S. manufacturers to continue, and for those strong enough to remain, "I would hope that at some point we will find a return to more stable prices and reasonable profitability." He said he didn't want to be quoted as establishing "time limit," but "we will be watching it very carefully—I'm not very patient about losses." Sylvania spokesman said plans for cabinet plant should be finalized in 4th quarter.

**CB thefts** may be major factor in reported increases in larceny and theft, according to FBI. While Bureau has no figures, spokesman said it has found that "everywhere we go the crime problem involves the CB radios."

**INSIDE PIONEER:** Japan's Pioneer had sales of \$148 million in North America (96% in U.S.) in fiscal 9 months to June 30, up 64.4% from year earlier, topping \$137 million sales here for all of fiscal 1975. Company reported figures in prospectus for planned 4 million share offering, which would bring about \$32 million at current prices, adjusted for planned 5-for-4 stock split. Of funds to be raised, \$5.3 million is earmarked for U.S. plant where speaker systems will be produced initially. Pioneer says it opened receiver & speaker plant in Brussels this month.

Company broke down fiscal 1975 sales of \$443 million into \$355 million for hi-fi (up 20.7%), \$65 million other audio (up 47.7%), \$23 million other products (down 30.3%). Results for 9 months: Hi-fi \$356 million (up 39.6%), other audio \$77 million (up 79%), other \$15 million (down 6.3%). Steep gain for non-hi-fi audio is attributable to expansion of auto & compact stereo. Decline for other products reflects, in part, transfer of OEM speaker business to 50%-owned Taiwan subsidiary.

In U.S., Pioneer says 67.4% of sales are provided by U.S. Pioneer (hi-fi), 27.4% by Pioneer America (car stereo, compacts). Firms combined sell through more than 5,000 retail outlets, employ 35 reps, and each has some 800 warranty stations. Among 1975 expenses were \$18.1 million for advertising, \$8.2 million R&D, \$930,000 patent royalties & fees. Latter includes \$206,000 to RCA, \$125,000 to Dolby, \$84,000 each to GE & Zenith for FM stereo. Figures in prospectus indicate Pioneer sold some 325,000 receivers, tuners, compact systems & auto stereo radio-tape players in U.S. last year.

**Sony** reported 3rd-quarter net up 132% (see financial table), pushing 9-month earnings higher than those shown for any full fiscal year. For quarter, Sony said export sales jumped about 30% to \$261.1 million, while home-market volume rose sluggish 2.2% to \$167.4 million. Growth of sales in U.S. was also about 30%, company said. Results by product: TV \$167 million (up 16%), audio recorders & radios \$91.3 million (up 9%), VTRs & audio equipment \$95.7 million (up 25%). In current fiscal year, Sony says it will produce 1.9 million color sets. In calendar 1976, Sony estimates, 22 million color TV will be produced worldwide, Japan accounting for 9.7 million.

National Semiconductor said problems with watch production & calculator market softness resulted in loss for Consumer Products Div. in fiscal quarter to Sept. 22.

**Philips' license terms** for videodisc technology involve \$100,000 down payment, applied against royalties. Latter are undisclosed but are based on sliding scale of percentage of price of players. No licenses have been signed. N.V. Philips Trust is handling licensing. Optical videodisc player patents also may be obtained from MCA Disco-Vision, and package including both Philips & MCA patents is available from joint Philips-MCA licensing organization, terms undisclosed. RCA has no-down-payment plan on its videodisc licensing, offers technical details at "nominal" cost, will charge 2.5% royalty on each player sold. It has 5 Japanese licenses (Vol. 15:40 p7).

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with  
**Consumer Electronics...**

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## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
General Instrument			
1976-26 wk. to Aug. 29 <sup>a</sup>	224,238,987	8,146,844	1.01 <sup>b</sup>
1975-26 wk. to Aug. 31 <sup>a</sup>	180,177,027	4,413,165	.50 <sup>b</sup>
1976-13 wk. to Aug. 29 <sup>a</sup>	117,040,704	4,930,436	.62 <sup>b</sup>
1975-13 wk. to Aug. 31 <sup>a</sup>	93,727,428	3,322,064	.40 <sup>b</sup>
Rust Craft Greeting Cards			
1976-6 mo. to Aug. 29	38,680,000	167,000	.07
1975-6 mo. to Aug. 31	35,725,000	(189,000)	--
Sony <sup>c</sup>			
1976-9 mo. to July 31	1,196,600,000	89,000,000	.41 <sup>d</sup>
1975-9 mo. to July 31	1,036,400,000	49,700,000	.23 <sup>d</sup>
1976-qtr. to July 31	428,500,000	37,800,000	.17 <sup>d</sup>
1975-qtr. to July 31	365,000,000	16,300,000	.08 <sup>d</sup>
Telecor			
1976-qtr. to Aug. 31	22,743,700	1,118,518	.40
1975-qtr. to Aug. 31	18,031,669	659,819	.24

Notes: <sup>a</sup>Restated. <sup>b</sup>Adjusted. <sup>c</sup>At yen's current rate. <sup>d</sup>Per ADR.

## Trade Personals

**James Ritter** promoted at Sylvania from Electronic Tube Div. vp to Components Group vp, retains responsibility for OEM mktg. of picture & receiving tubes... **Clinton Hartman** advanced at CTS from pres. to chmn., succeeding **Basill Turner**, who remains on board, continues as consultant; **Norman Weldon** promoted to pres.; **Joseph DiGirolamo** advanced from group vp to exec. vp, succeeding **Weldon**.

**John Richardson**, former American Microsystems mktg. vp, appointed vp of newly formed Sales Group in restructuring; other group vps named: **John Luke** (product mktg.), **George Avery** (engineering), **Warren Wheeler** (business development), **Charles Isherwood** (mfg.), **Robert Penn** (corp. services), **Kenneth Zerbe** (finance)... **John Duffy** shifts at Fairchild from corporate mktg. vp to International Div. vp-gen. mgr. in realignment, succeeding **David Marriott**, named vp-gen. mgr. of new LSI Group... **Donald Schulz**, Hewlett-Packard Loveland Instrument Div. gen. mgr., adds duties as Calculator Product Div. gen. mgr., succeeding **Robert Watson**, now Calculator Products Group gen. mgr.

**Patti Goldman** appointed Major Electronics Emerson Radio operation ad & PR dir. and customer sales coordinator... **Richard Ehrens**, ex-Gilchrist's Dept. Stores, joins Gulf & Western's Sega as Projection TV Div. east sales rep... **Gary Hodge**, ex-Lafayette, appointed Akai audio products western sales mgr... **Patrick Flynn**, ex-Admiral electronics sales training mgr., named eastern sales training mgr. for Dynascan's Cobra Communications Group.

**William O'Donnel** & **George Miller** resign respective sales mgr. & accounts mgr. posts at Owens-Ill. Digivue operation in wake of O-I decision not to mass-produce gas discharge display panels... **Larry**

**Stickel**, CTS Asheville (resistors) asst. gen. mgr., named vp... **Ken Miller**, ex-U.S. Capacitor, appointed AVX technical sales mgr.; **John Makhtjani**, ex-Union Carbide, named Olean plant mktg. mgr... **Robert McCulloch**, ex-Bourns, joins Hamlin as domestic sales vp... **Eben Tisdale** resigns as WEMA govt. affairs vp, plans unannounced.

**GE** was given until Oct. 1 to respond to Bureau of Radiological Health (BRH) order to recall some 36,000 microwave ovens agency says don't meet radiation emission standards (Vol. 16:34 p11). **GE** has choice of submitting corrective action proposal or requesting FDA hearing on bid for exemption from recall on grounds ovens aren't significant safety hazard. BRH has published new TV X-ray pamphlet for consumers, "We Want You to Know About TV Radiation." Pamphlet says that while effects of low-level radiation from TV aren't certain, it's best to avoid exposure. New sets, BRH says, are safe, can be viewed from any distance, warns that only qualified technicians should be allowed to repair TV. Copies are 40¢ from Govt. Printing Office (#017-012-00234-0).

**Summer CES** "will utilize every available space at McCormick Place & adjacent McCormick Inn" in Chicago for first time, show management announced last week. It also gave details of audio-only exhibit spaces & suites in McCormick Inn—45 rooms, 80 suites, 400 sleeping rooms. Audio exhibit rooms will cost \$750-\$3,000. CES Advisory Committee reiterated show would cover consumer products only. Winter CES Jan. 13-16 at Chicago's Conrad Hilton Hotel is sold out, and space may be added at adjacent Blackstone Hotel.

**Gould** boosted OEM nicad battery prices average of 8%, hikes ranging 5%-17%.



The authoritative service for broadcasting, consumer electronics & allied fields

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## Interview with RCA President Edgar H. Griffiths

**Question**—We want to look at the future in this interview, as well as your philosophies and the direction RCA will be taking. But first, is there anything you can add now to the accounts of the developments of last week?

**Answer**—Andy Conrad is a fine gentleman and a friend for many years. We were amazed. We have no answers. The key point is that we do not know why he did not file [tax returns]. The extent of our knowledge is what we have given to you. I do want to stress that we know of nothing improper inside this company. We are proud of this company and its record.

**Q**—You're not exactly taking command as a stranger, since you have been intimately involved in directing many of RCA's activities.

**A**—That is right. I have been responsible for all of RCA's businesses except NBC, Communications, Random House and Records.

**Q**—What will be the goals and policies of RCA now?

**A**—We expect to continue to do what we have done for the first 2 quarters of this year and carry it through 1977 and beyond. The key has got to be profitability. Profitability is what we're after and we want to be first in it and we want to have the same kind of leadership position in profit performance that we have in other aspects of our business, particularly engineering and development.

We'll take a critical, realistic look at businesses and we'll give every new business an opportunity to flourish & prosper. We'll have time limits that we will mutually agree upon and we'll take the action that is appropriate at all times. I don't believe in delaying critical decisions, because situations that are not good never get better. That in no way will impede our ability in going forward.

We'll strive for a proper perspective. We will push electronics—electronics and communications are the heart of RCA—although we are very strongly grounded in other businesses that are doing handsomely. As you probably know, the Hertz Corporation is far, far & away ahead of its nearest competitor in profitability. Banquet Foods is having a record year. Coronet is doing very well. It's nice to have a broad range of businesses because some of them seem to be close to immune from the difficul-

ties of the past recession.

But as I view electronics as we move forward, I cannot see anything recurring under any set of circumstances that I can visualize that would again place us in the loss position that we were in in 1975. I say that by virtue of deep knowledge of the businesses, by virtue of actions that we've taken to take cost out, to restructure and to operate to a set of standards & principles that simply have not been in force in the past.

**Q**—Is every RCA operation now profitable?

**A**—Every operation is profitable. There might be some small segment in a division that isn't, but all our major businesses are comfortably profitable.

**Q**—Will you be naming a successor to yourself as president of RCA Electronics?

**A**—Now this all happened late Thursday night, so Friday was an unbelievable day and today hasn't been much different. Over the weekend I have given some thought to the organization—I've worked it out on a piece of paper—but it's such a big chore and it is not so easy that I can identify "Mr. X." We will evolve organizationally. We took the first steps about a month ago when we elevated Julius Koppelman and widened his responsibilities. We also restructured Irv Kessler's responsibilities. So fortunately, the first introductory steps to change were underway. As you know, I had 12 businesses reporting to me and that had to be changed. So I think we'll evolve and make further changes that will lessen the number of people reporting to me. But as to whether there'll be one person, I would think the chances are no.

**Q**—So it's safe to assume that there won't be any major changes in the near future except for some realignments of personnel?

**A**—I would think that's right. There's a lot of talent here and we have been developing it—and we'll continue to do just that.

**Q**—How is RCA's Consumer Electronics operation positioned now?

**A**—We'll make money on TV. We're doing well this year. When we started out this year we decided we would think in terms of a 7-1/2-million set year. We happen to be right on, so it seems. But we also decided that we would have a cost structure that would

enable us to have an acceptable profit at considerably below 7-1/2 million. That could not be said one year ago. For then the industry was 6-1/2 million and we lost appreciably.

**Q**—Could you face another 6-1/2-million year with profit?

**A**—Absolutely. And the reason that we can is because of the fine work done over several years by Bill Hittinger and the present Indianapolis management.

**Q**—Some domestic manufacturers identify imports as the major problem facing the color TV industry. Do you plan on joining COMPACT or making any other moves to seek government action against imports?

**A**—No, we will not join any COMPACT organization, nor will we make any representations to the government.

**Q**—Why?

**A**—We believe in free trade. Somebody said that he believes in free trade as well as fair trade. I have yet to see the documentation that proves that the free trade that exists today is not fair. I admit it's difficult and it's just something we'll have to contend with. I don't believe that there has ever been a sustained history of the government solving the problems for business. And I think the sooner we get on with innovations, cost control of the strictest nature, improved marketing, we can all compete more effectively. We don't look for salvation elsewhere. If we can't do it, nobody else will do it for us. I'm very respectful of this competition and not fearful we can't deal with it. After all, for the first 7 months of this year they have imported more sets than in any full year in the past, and our share of market is quite satisfactory in relation to last year.

**Q**—Does this mean that your market share has increased?

**A**—I'll just say that we're very satisfied with its relationship to last year.

**Q**—What is the status of the videodisc program? Will it change as the result of the change in RCA's leadership?

**A**—It's in test & development. It may seem that it's been there for a while, but for a long time we worked on tape, as you know, and we then went from tape to the disc. So we really haven't been working on the disc all that long. When it's appropriate we'll cross the bridges that have to be crossed. My changed position in management in no way affects the ultimate judgment that we would reach. I would have been a major part of the decision under any circumstances.

**Q**—The project is on schedule?

**A**—Well, it's on schedule. We have not, as you know, announced a date when we would introduce it. So from a technical achievement standpoint, it's on schedule.

**Q**—Do you see any new areas of consumer electronics that RCA might enter?

**A**—I don't see any that we might enter. But I

think you'll see the evolution of the TV receiver into more than just TV programming. The concept that you've heard so much about—of a communications center—I think we will see that. I don't know the time frame. I think there will be changes with respect to the styling and design of TV. All of those things are on the horizon. I believe that whatever new development comes to television, our laboratories will play a key role in it. The box has been with us for a long time. I think we need some excitement, and I believe it will be forthcoming.

**Q**—Do you plan any changes at NBC in view of the ratings situation?

**A**—Well, first of all, their 2nd quarter was a record 2nd quarter, their first half was better than last year. The ratings—yes, they were No. 3 in prime time this past season. However, what is generally overlooked is the very profitable daytime segment of the business—plus the Today Show, Tonight Show, and now Tomorrow—and they're very strong in those areas. Now, since the beginning of May, excluding the 2 weeks of the Olympics—when ABC had the whole country watching—less than one rating point has separated the 3 networks in prime time. The significance is not that NBC has overcome last season's prime-time problem, but all 3 networks go into the fall season on about an equal footing.

We've spent a lot of money, we've brought in 2 key people—Irwin Siegelstein, formerly the No. 2 programming man at CBS, and we've brought back Paul Klein. NBC does not know what 3rd position is. One season doesn't give you any lease on it, and we're not about to stay there.

**Q**—Do you have any comment on Group W's charges that networks are "exerting undue power & influence" over affiliates?

**A**—Westinghouse has been outspoken before. We certainly have been mindful of the rights of affiliates and I think we have good relations with them. I don't think this is an industry where any network can be high-handed, and we certainly aren't. That kind of a statement is hard to defend by precise language, but if you know the business, you know that it's highly unlikely.

**Q**—How do you see the economic prospects for next year?

**A**—I think the economy will unfold at a plateau that is higher than this year and it will grow on a line that is a continuation of this year. Which is probably good—it has its little "up" bump and its little "down" bump—and this is probably protecting us from inflation.

**Q**—Can you sum up your philosophy with relation to RCA?

**A**—My philosophy is that the company is paramount to any man, and this doesn't in any way detract from my predecessor. I would just say keep your eye on us—keep your eye on us while we make an honest dollar. And while we develop full & sustained respectability for all our businesses. I think we have the inner desire to make it happen.