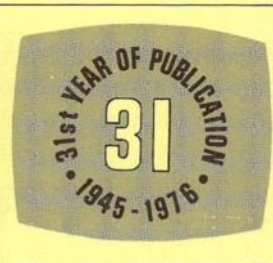


WEEKLY

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NAEB PLEAS FOR FUNDS: Contributions asked to end deficit financing, retire \$160,000 debt. Fellows hits public TV's 'very precarious & unhealthy situation.' Exhibit show may be dropped. (P. 5)

NAB GETS FORD & CARTER VIEWS: Washington & Portland, Ore. were sites last week of broadcaster meetings with President Ford and Jimmy Carter's top people—and most of NAB Exec. Committee came away from latter meeting still with feeling of uneasiness. NAB had asked for meeting with Carter after Democratic nominee explained his broadcast program-regulatory philosophy to Nader group (Vol. 16:33 p1), instead got 3 campaign assistants—Charles Kirbo, DeJongh Franklin, Barry Jagoda.

"I feel about the same...I'm still worried," according to broadcaster at meeting with Carter's people—sentiment echoed by several others, to wit: "They said all the nice things...but who the hell knows how it'll be if Carter wins." On other hand, NAB Radio Chmn. Donald Thurston said: "I felt very good about it...We have established a continuing dialog."

At NAB fall conference in Portland, President Ford brought cheers when asked about cable siphoning, responded: "I love sports broadcasts and anything that takes that away from me as a viewer or listener, I am going to raise the devil about it." Of 5-year licenses, President said: "I have supported that proposal. I think it is in the interest of the industry and in the interest of the public as a whole."

Ford said TV & radio have been 'fair, evenhanded' in covering campaign "in the highest

Consumer Electronics

WESTINGHOUSE QUILTS picture tube business after losing 'millions' in last 18 months, leaving only 4 in field which once supported 10 manufacturers. Corning seeks glass price increase. (P. 7)

COLOR SALES RISE sharply in first 3 weeks of Oct., running at nearly 8-million annual level. But retail continues to be plagued by crumbling prices, high inventories. (P. 8)

JAPAN TV EXPORTS to U.S. set record in Sept., as b&w hit 51-month high, color jumped 73.2%. Third-quarter shipments set new total TV, color records. ITC still sits on TV probes. (P. 8)

TV INDUSTRY FACES certain govt. action unless it deals with CB interference problem, FCC official warns. Study indicates more than million cases of interference annually. (P. 9)

JAPAN'S AUG. EXPORTS of audio hardware to U.S. a mixed picture. Gains posted for radio, phono. Tape units slip. (P. 10)

FCC SEIZES over \$65,000 in illegal radio equipment, charges 19, in CB crackdown. (P. 10)

ZENITH REPORTS flat sales, higher earnings for 3rd quarter. Matsushita sales up, net more than double in 3rd quarter, 9 months. (P. 11)

tradition of your profession." Asked about possible repeal of Sec. 315 & fairness doctrine, he said law should be "amended to put more burden on you, more responsibility on you... If I had a choice, I would leave it [fairness & equal time] up to the good judgment of those that have the responsibility in the electronic media... a responsibility that I think you have handled well."

Asked about future of OTP (subject President hadn't been briefed on prior to NAB appearance, according to White House official), he said: "There is a division of opinion in the Administration. One group advises me that it ought to be folded [into] the Dept. of Commerce... Others feel that OTP ought to be maintained as the communications advisor to the President and probably expanded... I anticipate that between now and January I will make a decision and I expect to have an option paper from the 2 differing views within the Administration. I don't think it is proper for me to make that judgment today, preempting the hard work that I know both are doing." (Note: OTP Dir. Thomas Houser told us this is first he's heard about possibly transferring OTP into Commerce. He said OTP future has been under review by White House task force ever since he became dir. in July [Vol. 16:28 p5]. Commerce Dept. isn't member of task force; OMB & National Security Council are.)

On cable re-regulation, Ford said recommendations of reform task force (Vol. 16:15 p4) "came to me roughly 3 or 4 months ago... I was not satisfied with that report [by Paul MacAvoy]. I told the group to go back and reevaluate the over-all situation and to report back [with] recommendations more in line with my own views." (Note: OTP is expected to have its own report for President ready in couple weeks.)

Of meeting at NAB hq, Jagoda said broadcasters "did most of the talking... The idea was for us to have an opportunity to hear their views... I was really pleased with the interchange." Kirbo assured NABers that Carter wouldn't engage in any form of censorship and that appointment of FCC members with broadcast experience wouldn't be ruled out. However, he said, "it's not appetizing to the public to see people moving back & forth from the industry to the federal agency that regulates it." In saying he'd appoint regulatory commissioners that met Nader approval, Carter meant that he'd consider that segment of society and their interests, Kirbo said, adding: "You can expect appointments to be made with great care and investigation. Jimmy feels it's in the best interests of the country... You will be refreshed after talking to Jimmy because he understands business."

After hearing that Ford would be with NAB in Portland, Carter sent his own message, read by Sen. Inouye (D-Hawaii), in which presidential candidate: Commended industry's Watergate coverage, which had "the effect of restoring the confidence of our people in their basic institutions"; promised 20 news conferences per year as President; said he will make Cabinet members available for "public cross-examination." Speaking for himself, Inouye suggested that TV news correspondents should be required to disclose their personal financial statements "just like politicians." He also endorsed 5-year licenses.

"I am frankly troubled by the steady encroachment by the networks into the proportionate share of air-time and revenues of the local affiliates," FCC Comr. Abbott Washburn told TV session in Portland. Referring to Group W petition for investigation of networks' alleged domination in programming (see p. 4), he said undesirable trend has continued for 15 years. "I now believe the Commission should take a thorough & objective look at the network affiliate relationship in the context of a notice of inquiry. The Group W petition [Vol. 16:36 p1] raises a set of points several of which seem to me deserving of our careful consideration."

Portland registration of 281 included 50 who came primarily to hear President; of regular registrations, 117 were radio, 54 TV, 60 engineering. NAB now takes hiatus from fall conferences, resuming in N.Y. Nov. 11-12, Atlanta Nov. 15-16, Chicago Nov. 18-19, Washington Nov. 22-23.

LONGER NEWS 'NOW A DEAD ISSUE': "Right now expanded network evening news is a dead issue," member of ABC TV Affiliates' Board told us Oct. 29 after network had informed board's Hawaii meeting that "there are no plans now for an expansion of the half-hour evening news program." NBC made similar announcement 2 weeks ago (Vol. 16:43 p6) and it's known CBS also decided not to move first toward expansion. ABC had been expected to make first move ever

since strong pitches at affiliates' convention last May were made by News Pres. William Sheehan and Barbara Walters (Vol. 16:22 p1).

All 3 networks have said they'd like to expand evening news and they met almost unanimous opposition from affiliates, who were sure extra network time would come out of highly-profitable station fringe time. Failure of networks to force issue is clear victory for affiliates over alleged network domination (see p. 2).

ABC told Affiliates' Board that it was taking "dead aim" on leadership in all areas of news, that "the emphasis & priority... is the continued growth of 'The ABC Evening News with Harry Reasoner & Barbara Walters.'" Network also said it was considering: (1) Hour prime-time news magazine. (2) Daily minute "news headline report" in prime time. (3) New 5-min. Mon.-Fri. daytime news program. ABC Chmn. Leonard Goldenson noted that ABC long has been leader in sports, is now No. 1 in prime time and "we're not going to settle for third in news... We are going to achieve leadership in news."

Goldenson stressed "stability" of ABC management, noting that Pres. Elton Rule & TV Pres. Frederick Pierce recently signed long-term contracts—"not like across the street," a reference to CBS (Vol. 16:42 p1). And, after hearing explanation of programs under development, one affiliate said network is in "superb position... much better than any other network" in that regard. ABC Exec. Vp Everett Erlick gave 20-min. slide presentation on evils of pay cable, will make it available to affiliates for local showings to civic clubs, etc.

* * * *

Also last week, ABC reported record 3rd-quarter & 9-month net income & revenues, with "all segments of the broadcasting operations contributing significantly." For quarter, net income increased to \$16.95 million (95¢ per share) from \$384,000 (2¢) in July-Sept. 1975; 3rd-quarter revenues increased 37% to \$321.3 million, compared with \$234.6 million last year. For 9 months ended Oct. 2, ABC had net income of \$47.36 million (\$2.69), up from \$21 million (\$1.22) in 1975; revenues for period were \$950.9 million, up 28% over \$742.9 million year ago.

FCC HITS ESCONDIDO CATV IN PAY-CABLE CASE: Precedent-setting pay-cable case is developing at FCC. Last week, it ordered TM Communications, operator of cable system in Escondido, Cal. to show cause why it shouldn't permit Pacific Cablevision to lease a channel for pay operation. We've learned that Floyd Gleeson, Pacific owner, is adding pressure by seeking similar channels on systems in Palm Springs & Palm Desert, Cal.

Escondido system, owned by L.A. Times Mirror, has a pay channel, says it didn't lease to Pacific for several reasons, including: It doesn't have enough capacity; it doesn't lease to its pay-cable affiliate TM Program Services—but has separate company for "administrative convenience"; its pay operation is "experiment"; forcing it to lease channel violates Fifth Amendment; it isn't a common carrier; questions raised should be considered in rulemaking; Pacific hasn't shown financial or operational qualifications; Pacific could hurt technical quality of system.

Commission concluded that TM unfairly refused to allow Pacific to test channel to see if it can be accommodated; that charges of Pacific financial & technical disqualification "are not supported"; that TM hasn't "made reasonable efforts" to furnish channel to Pacific. Commission ordered hearing on controversy—though TM may waive hearing and submit written statements.

Gleeson, onetime cable operator, recently made similar request of Warner's Palm Springs system and of Palm Desert system owned by Palmer Bcstg. Warner wrote Gleeson that it's considering standards for leasing, asked him to furnish details of financial & operating qualifications, said it's planning its own "Star Channel" pay system there—but that this doesn't preclude leasing channel to Gleeson. Palm Desert hasn't responded yet.

Whole pay-cable leasing issue has many system operators worried—about multiplicity of decoders on subscribers' sets, subscriber confusion, varying quality of service, different prices, plain old-fashioned competition.

ELECTION MAY ALTER TV COMMITTEES: Nov. 2 election results and series of proposed congressional reforms could bring about major changes in communications leadership in 95th Congress. Senate Commerce Committee and its Communications Subcommittee may undergo major changes in membership, jurisdiction and size, while House side, as well, is marked by several close races and almost-certain contest over Committee leadership in Jan.

Nine seats of 20-member Senate Commerce Committee are up for grabs this week: Two seats have been vacated by retiring Sens. Pastore (D-R.I.) & Hart (D-Mich.), while occupants of 7 more are involved in reelection fights. Of latter, only 2 are considered certain to be reelected—Sens. Cannon (D-Nev.) & Weicker (R-Conn.). Sen. Tunney (D-Cal.), opposed by San Francisco educator S.I. Hayakawa, and Sen. Moss (D-Utah), running against Salt Lake City attorney Orrin Hatch, are considered running in races too close to be predicted. Considered likely to lose Commerce seats: Sen. Hartke (D-Ind.), running from 3%-19% behind Indianapolis Mayor Richard Lugar in most recent polls; Sen. Beall (R-Md.), trailing Rep. Sarbanes (D-Md.), and Sen. Buckley (R, Cons.-N.Y.)—to former U.N. Ambassador Daniel Moynihan.

Hartke—who stands in line to inherit Communications chairmanship from Pastore—remains optimistic. "What you're beginning to see in the final days of the campaign is the sheep coming home," Hartke spokesman Michael Ungersman told us. "Hartke is kind of a legend in coming from behind." However, if Hartke loses, Moss & Sen. Hollings (D-S.C.) both have indicated they'd be interested in job. Situation is further complicated by: (1) Committee rule which states that if chairmanship changes, Subcommittee disbands "and seniority on the particular Subcommittee does not necessarily apply." (2) Hollings may run for post of Majority Leader; though he could keep Commerce seat if he won, he is likely to turn down any subcommittee leadership post. (3) Higher Ranking Democrat Cannon is seeking chairmanship of Armed Services Tactical Air Power Subcommittee; if he gets it, he will have to relinquish Aviation Subcommittee chairmanship, which ranks close to communications in power & prestige. In short, Committee leadership posts may be wide open in Jan.

Various analyses indicate that changes in full Senate could range from gain of 2 seats by Democrats to gain of 7 seats by Republicans. Extreme changes could alter number of Republicans on each Committee. More important, however, are committee reform proposals to be considered first thing next session; reforms were drafted by Sen. Stevenson's (D-Ill.) Committee on Committees. Proposals would cut number of committees from 31 to 15, limit each senator to membership on only 2 standing committees, and cut Commerce from 20 to 17 members while greatly expanding its jurisdiction. While reform supporters give plan 50% chance of adoption, others predict many—if not all—changes will be put off for later consideration.

On House side, Communications Subcommittee members Carney (D-O.) & Russo (D-Ill.) are involved in tight election races, while Reps. Wirth (D-Colo.)

& Waxman (D-Cal.)—earlier believed in tight contests—now seem assured of re-election. Carney, of heavily-Democratic Youngstown, is opposed by popular Youngstown Mayor Jack Hunter. Russo, who has been targeted by Republicans as one of dozen "most vulnerable freshmen," faces S. Holland, Ill. attorney Ronald Buikema. Russo won by only 6,600 votes in 1974 against different opponent. "It's close, but I think we're going to win," Russo spokesman James Sherman told us. At full Commerce Committee level, Reps. Maguire & Florio (both D-N.J.) are in close races, while Rep. Devine (R-O.) is favorite to retain seat; Columbus City Council member Fran Ryan earlier was favored, but entry of independent William Moss into race is expected to siphon off enough Democratic votes to assure Devine victory.

Group W network investigation requested of FCC (Vol. 16:36 p1) is supported in comments filed with Commission by WNDU-TV South Bend, Black Hawk Bcstg. (KWVL-TV Waterloo, Ia., KAAL Austin, Minn. & KTIV Sioux City), WBRE-TV Wilkes-Barre, Pa. & 5 citizens groups (United Church of Christ, NCCB, NBMC, Committee for Open Media, & Boston Committee for Community Access). Deadline for comments has been extended to Nov. 22 at request of NBC. Broadcasters said Group W had correctly identified problem of network encroachment on affiliate time, and all but WNDU-TV asked full FCC inquiry; latter said that solution is to allow collective bargaining by affiliates with networks, rather than to increase FCC involvement in network-affiliate business relationships.

FCC meetings with broadcasters and public in Kansas City Oct. 28 were described by Commission official as "good as any we've had." Afternoon workshops for broadcasters attracted 3-400, discussing renewals, EEO, fairness, political broadcasts, etc. Meeting with public in evening had fairly light attendance, about 250. Group of some 25 pressed for deaf-captioning of TV, while CB drew considerable attention. Cable group lobbied on exclusivity, 1977 rules, etc. There was some discussion of TV violence and family viewing. Questioning about minority programming and employment was relatively light. FCC call-in program on KMOX-AM St. Louis Oct. 27 drew some 5,000 calls, and session was extended extra hour, ran 9-midnight.

Both newspaper & broadcast news reports are generally perceived as "true, accurate & objective; complete, substantial & in adequate amounts; and, generally, informative & understandable, specific & first-hand," according to ANPA study conducted by U. of Tenn. Assoc. Prof. Eugene Shaw. Study concluded that public found TV faster than newspaper, but felt that newspapers were "significantly more public-spirited." TV news personnel were judged "more expert, informed & energetic," with TV news content "more interesting & dramatic" than newspapers, but less "substantial & complete." Study also found broadcast presentation of news "pessimistic."

FCC Tampa field office moves to Barnett Office Bldg., 1000 Ashley Dr., 33602, 813-228-2605.

NAEB PLEAS FOR FUNDS: Major issue at last week's NAEB convention in Chicago was group's deficit financing and plea for individual contributions to raise \$160,000 to retire debt. Pres. James Fellows said response in Chicago was "very good" although actual pledges hadn't been totaled. Members were asked to contribute \$20-\$30 each.

NAEB had annual deficits up to \$200,000 in 1973-75, cut it to \$10,000 (on \$400,000 total budget) for fiscal year ended June 30. Fellows noted total staff had been trimmed from 19 to 12. Outgoing Chmn. Jack McGuire said it's "tragic" that professionals took voluntary pay cut 3 years ago, haven't received raise since.

Fellows also hit "a very precarious & unhealthy situation" in public TV's dealings with "the growing bureaucracies in Washington... There is a fear of repercussion for any who reveal problems... and there is an unwillingness to call attention to these issues for fear of embarrassment and scorn—if not explicit retribution."

He charged licensees are being "intimidated & immobilized... They seem weary and wary of fighting battles. No single problem seems to be worth the trouble so they submit to bureaucratic imposition. They need the money; they pay the price. They are discouraged but they do not feel strong enough to do anything about it." Fellows said amount of money that "society allocates to broadcasting for public purposes remains disgracefully small," that pleadings for more money are "timid, their evidence is old and the result is predictable."

Exhibitors at NAEB were unhappy with light traffic; NAEB was unhappy with small number of exhibitors—and Assn. may decide to drop equipment show altogether. Just few years ago, NAEB exhibit was nearly as large as NAB's with manufacturers often previewing new equipment. There was little new in Chicago last week and exhibits failed to fill smallest hall at Conrad Hilton Hotel. Registration of just over 2,300 was down from 2,700 at 1975 convention in Washington.

Broadcasters attending 3 NAB fall conferences to date (see p. 1) have expressed concern about illegal advertising of roadside businesses on CB radio. Practice was said to be widespread on interstate between Houston & Dallas, causing NAB to lodge formal complaint with FCC.

TV advertising, "in constant dollars," is less costly than in 1965, NBC-TV Pres. Robert Howard told AAAA workshop. While cost of living went up 81%, he said, TV CPM rose 50%, "well behind the inflation rate."

FCC's pay-TV rules which prohibit more than one over-the-air operation per city shouldn't be waived without full-scale rulemaking, NAB said last week. Ch. 50 Inc. is seeking waiver to provide 2nd over-air pay signal in Washington.

NCCB 2nd annual conference is scheduled Nov. 12-14, Roberts Motel, Chicago. Panels are planned on CATV & minorities, renewals, public broadcasting, community relations.

American Psychiatric Assn.'s executive committee voted at Sept. meeting to support AMA House of Delegates resolution opposing TV violence as "a risk factor threatening the health and welfare of young Americans" (Vol. 16:27 p5). At House Communications Subcommittee Family Viewing hearing in L.A., ex-Cal. Medical Assn. Pres. Dr. Thomas Elmendorf admitted psychiatrists had been sole AMA group not supporting resolution he sponsored. Seattle physician Dr. Michael Rothenberg, author of Dec. 1975 AMA Journal article on TV violence & youth, subsequently wrote to APA Medical Dir. Melvin Sabshin requesting APA's endorsement. Rothenberg told Sabshin he'd been working closely with Sen. Magnuson (D-Wash.), and that Magnuson's staff had told him "repeatedly... that input from physicians and medical societies is extremely important to them in terms of their ability to develop congressional response."

Delay in March 31, 1977, deadline—when all CATV franchises are supposed to meet FCC standards—is opposed by Citizens Communications Center. Writing to FCC, Center's Curtis White states: "Sec. 76.31 was included [in FCC rules] for the express purpose of insuring full and viable participation by local citizens in the cable franchise process. It was designed to bring together citizens, potential cable operators and franchise authorities in an attempt to give the public an opportunity to participate in a delineation of needs and make suggestions on the most effective means for addressing such needs. The Commission has steadfastly argued the sanctity of this process. It is now time for the Commission to heed some of the same advice it has been putting to Courts of Appeals all over the country."

Public Service Satellite Consortium is hosting Dec. 8-10 seminar on satellite communications at Washington Hilton. Speakers include Rep. Van Deerlin (D-Cal.), Sens. Stevens (R-Alaska) & Moss (D-Utah), NASA Administrator James Fletcher, CPB Pres. Henry Loomis, AID Asst. Administrator John Wilhelm. Attendance is limited to 200; cost to Consortium members is \$100, non-members \$200.

Unusual fairness doctrine complaint: Saul David, MGM, told FCC that KNBC-TV L.A. critic attacked movie "Logan's Run," and station didn't balance attack with favorable review. FCC's William Ray responded that David failed to show that issue was "controversial and of public importance."

For comparison with CPB (Vol. 16:42 p4), PBS released salaries of top executives: Pres. Lawrence Grossman, \$63,335; Senior Vp-Programming Chloe Aaron, \$45,000; 6 other vp salaries range \$37,322 - \$50,162. Last PBS raise was in Feb.

Group W won't carry CBS-TV movie "Death Wish" on KDKA-TV Pittsburgh & KPIX San Francisco Nov. 10 on grounds that vigilante killings are presented as "effective answer" to crime in the streets.

NCTA is seeking nominations for technical achievement awards, to be presented at April 17-20 Chicago convention.

Personals

Leavitt Pope, WPIX N. Y., elected INTV chmn., succeeding **James Terrell**, KTVT Ft. Worth; **Robert Wormington**, KBMA-TV Kansas City, named vice chmn., new post; **Crawford Rice**, KSTW Seattle, secy.; **Robert Glaser**, RKO General TV, treas. INTV convention is Jan. 9-11, San Francisco.

Stephen Gentry promoted to vp-programs, West Coast, ABC Entertainment, new post; other ABC Entertainment promotions: **Brandon Stoddard** to vp-dramatic programs & motion pictures; **Marcia Carsey** to vp-comedy & variety programs; **Pam Dixon** to vp-talent; **Robert Boyett**, vp and asst. to Gentry.

Florence Monroe, WBHM(FM) Birmingham, becomes first woman chmn. of NAEB in Jan. when she succeeds **Jack McBride**, KUON-TV Lincoln, Neb... **Elizabeth Young**, former exec. dir. of Kan. Public TV Network, appointed dir. of telecommunications, Ohio State U., succeeding **Richard Hull**, retired.

Irwin (Sonny) Fox, game-show host and producer of children's shows, joins NBC-TV as vp-children's programs... **Wayne Krogloss** promoted to local sales mgr., WCCO-TV Minneapolis... **Bill Butler**, ex-WLWT Cincinnati, named promotion dir., WSPA-TV Spartanburg, S.C.

Keith Fuller, AP vp-deputy gen. mgr., elected pres., succeeding **Wes Gallagher**, retired... WPHL-TV Philadelphia promotions: **Ted Baze** to vp-station mgr.; **Edward Lacey** to vp-finance; **Charles McFadden**, vp-sales dir... **Steve Peskin**, ex-Metro TV Sales, joins WTTG Washington as national sales mgr.; **Jill Krasner** promoted to WTTG ad-promotion dir.

Craig Foster, ex-William Morris Agency, named assoc. dir.-business affairs, CBS Sports; **Glenda Garcia** promoted to CBS talent & program negotiator... **Bruce Cotter**, ex-WDVR(FM) Philadelphia, named eastern sales mgr., Compu/Net... FCC Chmn. **Richard Wiley** & Rep. **Lionel Van Deerlin** (D-Cal.), address Cal. Bcstrs. Assn. convention, Jan. 9-11, Del Coronado Hotel, San Diego.

Kenneth Rosen, ex-Coca-Cola Bottling Co. of N. Y., joins Warner Communications as exec. vp and a dir. in new "Office of the President" at Warner; also joining new office are Exec. Vps **Jay Emmett**, **Emanuel Gerard** & **David Horowitz**... **Aaron Fleischman**, Washington law firm Fleischman & Walsh, heads new 9-member NCTA Rural Telecommunications Committee formed to encourage rural cable service and formulate Assn. translator policy.

Russ Ide, ex-Telemation, joins Ampex as Rocky Mountain sales engineer, audio-video systems div... **Louis Kaib** advanced to TV services sales mgr., Cox Data Services... **Robert Bilodeau**, E. Orange, N.J., re-elected SCTE pres.

Neville Thompson, Columbia Pictures TV Australian vp, promoted to vp in charge of European operations, succeeding **Ken Page**, now vp-gen. mgr. of domestic syndication; **Phil Cuppett** promoted to business affairs dir., worldwide distribution; **George Milner** to midwest sales dir., Chicago hq.

WSWB-TV Orlando—which went dark Sept. 30—has accused Ted Turner, Turner Communications, of forcing station to go bankrupt in order to purchase it. In "formal complaint" to FCC, licensee Sun World Bcstrs. charged that Turner bought land on which station's transmitter was located, announced monthly rent would increase to \$10,000 payable in advance. When station went off air, Sun World signed "letter of intent" to sell station to Christian Bcstg. Network, but said Turner refused to sell transmitter land and went to court to try to force station to go into bankruptcy rather than sell its assets.

Sen. Buckley (Cons.-R-N.Y.) is entitled to "reasonable access" on 5 ETV stations in state before Nov. 2 election, FCC ruled last week. However, Commission refused to order stations to provide time in 5-min. segments, as sought by Buckley. Chmn. Wiley & Comr. Fogarty—who engaged in bitter wrangle over Buckley complaint 2 weeks ago (Vol. 16:43 p4)—issued joint statement seeking congressional clarification of meaning of "reasonable access" on public TV.

Media Access Project, National Black Media Coalition, NOW, NCCB & Action for Children's TV urge FCC in letter to act now to allow reimbursement of public interest participants' costs in FCC proceedings, rather than wait until Congress makes funds available. FCC Chmn. Wiley recently said that "no one is opposed to the request philosophically," but that public interest groups should ask for help from Congress, not FCC.

AT&T spent \$1,040,009 lobbying for its Consumer Communications Reform Act April 1-June 30, 1976, firm reported to FCC. Chmn. Wiley requested that AT&T keep track of its expenses in promoting bill (Vol. 16:36 p4) at request of Reps. Wirth (D-Colo.) & Moss (D-Cal.).

L.A. Dist. Judge Ferguson plans to hand down decision Nov. 4 in producers' suit against networks & NAB on family viewing (Vol. 16:27 p2). Law clerk said it's long opinion and "we might not make it" because of production problems.

FCC agenda this week includes: Nov. 2, syndicated exclusivity, ex parte rules; Nov. 4, 1977 cable rules (final vote due Nov. 10), future of Review Board.

Obituary

P.A. (Buddy) Sugg, 68, veteran broadcast executive, died of cancer in Tampa Oct. 24. He began career in 1929 as engineer with KPO(AM) San Francisco, before beginning active Navy duty in 1940. During World War II, he served on staff of Adm. Nimitz, retired with rank of captain in 1945. He served as exec. vp for broadcasting for predecessor of Gaylord Bcstg., Oklahoma City, 1945-56, headed Gaylord's WTVT Tampa 1956-58, joined NBC where he became exec. vp for owned stations before returning to WTVT in 1962. In 1965, he was chief exec. officer of First Federal Savings & Loan, Tampa, then served as broadcast consultant to Curtis Publishing Co. and other organizations until death. He was active in forming MST in 1950's. Survivors include wife, daughter.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 15 (41st week of 1976):

	Oct. 9-15	1975 week	% change	Oct. 2-8	1976 to date	1975 to date	% change
Total TV.	273,606	269,236	+1.6	334,448	9,262,121	8,611,967	+7.5
color	172,767	150,319	+14.9	192,344	5,519,446	4,833,796	+14.2
monochrome	100,839	118,917	-15.2	142,104	3,742,675	3,778,171	-0.9
Total radio	784,411	616,387	+27.3	682,244	30,550,272	25,622,779	+19.2
home, portable . .	530,818	376,494	+41.0	415,604	20,739,338	18,759,759	+10.6
AM-only	254,860	107,556	+136.9	225,227	6,002,281	5,199,561	+15.4
FM & FM-AM . .	275,958	268,938	+2.6	190,377	14,737,057	13,560,198	+8.7
auto	253,593	239,893	+5.7	266,640	9,810,934	6,863,020	+42.9
Port.-comp. phono.	75,671	53,341	+41.9	75,663	2,260,503	2,537,942	-10.9

Color TV 5-week moving average: 1976—189,560; 1975—157,371 (up 20.5%).

WESTINGHOUSE QUILTS PICTURE TUBE BUSINESS: Westinghouse will "close down or sell" its color picture tube business by Dec. 1, affecting 1,200 employees at Horseheads, N.Y. plant. Long-rumored shutdown leaves only 4 U.S. OEM color tube manufacturers—RCA, Sylvania, Zenith & GE—in field which once had 10.

Operation "lost millions of dollars" in last 18 months, according to Electronic Component Div. Gen. Mgr. Paul Lego. During past few years, he said, it has been impossible to make product consistently at competitive price and sell at profit. Company tried to find buyer for plant, and "efforts will continue." Shrinking domestic market and doubling of imports, increasing freight & duty rates in Europe, tube prices lower than 1973, significant increases in material costs, overcapacity in market "just won't allow us to pass increases along to our customers," he added. Company's profitable industrial & govt. tube businesses will continue.

Westinghouse is last of U.S. "independent" picture tube manufacturers, having left TV set business in 1968. With attrition in domestic TV set business, there just weren't enough set makers left who didn't have own tube-making capacity. Westinghouse's principal customer in recent years had been Magnavox, which switched much of its business to RCA last year. Once a large factor in European & Australian export market, it gradually lost much of that business as result of Japanese inroads and increasing share gained by RCA. It served recently as 2nd or 3rd source for most domestic independent TV makers.

Its product line for domestic market recently had shrunk largely to 23" & 25" delta color tubes. It wasn't offering popular narrow-neck or wide-neck in-line tubes. Other manufacturers which have quit U.S. color tube business are Philco, Admiral, Motorola, National Video and Channel Master. Of those left, GE makes tubes only for own needs, and it's believed only RCA (with big export business) is really profitable. Zenith, which manufactures largely for own sets, has been trying to get bigger share of OEM market.

Life isn't going to get any easier for remaining tube makers. Corning last week informed them of revision of total glass pricing structure which amounts to uniform increase across board. It's probably only first feeler, and if past practice is any indication, subject to negotiation—but it appears some increase will go into effect early in 1977. Commented one source close to tube business: "Nobody can afford cost increases. The problem is who's going to stay alive—and how."

COLOR SALES RISE SHARPLY IN OCT.: Color TV sales to dealers in first 3 weeks of Oct. were running at annual rate of close to 8 million, good improvement over 7.2-million rate in Sept. With sales up nearly 21% over last year for Oct. so far, industry is right on target for 7.5-million-set year. Retail sales in Oct. also appear to be showing lift, but prices are continuing to crumble.

Sales to dealers for 3rd week in Oct. totaled about 193,500 sets, up nearly 20% from 1975 week, following increases of 14.9% & 27.2% for 2nd & first weeks. Domestic & foreign manufacturers all are engaged in series of price wars. Dealers report strong price erosion since July 1, portables dropping \$15-\$25 at wholesale, consoles \$40-\$50. Where \$299 was hot price for 19" just few months ago, it now seems to be regular starting price for reductions in imported sets—although not all importers are that low.

Some domestic manufacturers are following recent importers' moves of offering straight "unbundled" deals—dropping promotional allowances and other hidden discounts and simply lowering dealer prices. And new pre-Christmas promotions from some manufacturers are about to break; Magnavox "Holiday Values" sale, for example, runs Nov. 7-Dec. 24. There's also expectation by some retailers that leading domestics are about to shave prices more. This could depend on how well retail sales go in next few weeks. There's some indication of increasing dealer inventories, as retailers snap up bargains faster than they can sell them.

Rest of year will be devoted to race to get rid of as much inventory as possible. Consumers are buying, dealers are buying—and there's plenty of stock to choose from. And more coming in all the time (see below).

JAPAN TV EXPORTS' SEPT. RESURGENCE: After one-month lapse, Japanese exporters resumed their record-setting ways in Sept., setting new mark for total TV shipments to U.S. for any month, as color fell just short of record 340,000 set last July and b&w hit 51-month high. In related areas: (1) International Trade Commission continued to study scope of probe into import relief petition. (2) European industry moved for continent-wide color TV import quota.

Japanese shipped 489,300 TV to U.S., up 77.6% from same month last year, with color up 73.2% to 337,500, b&w 88.4% to 151,800, Finance Ministry reported. In first 9 months, TV export total stood at 3.08 million, up 141.9%, with color at 2,078,700, up 149.6%, b&w at 1,005,800, up 127.3%.

Third quarter, with pair of record-setting months, established new highs for any quarter for both color TV & total TV. Total TV shipments in July-Sept. rose 102.9% to 1.34 million, as color jumped 105.3% to 921,200, b&w 98% to 417,800. Total value of Japanese TV exports for 9 months rose 147.2% to \$429.9 million, with color at \$371.1 million (up 151.9%), b&w at \$58.8 million (up 121.4%). Compared with same year-earlier period, average price of TV exports held relatively steady, with color at \$178.54 (up from \$176.95) and b&w at \$58.47 (down from \$60.03).

Scheduled for last week, formal ITC notice of opening of probe into union-industry request for color TV import quotas now is expected later this week—probably after election. While agency has decided to broaden study to include b&w (Vol. 16:43 p8), question of whether to expand into need for quotas on imports of chassis & kits as well as other TV parts is still unresolved.

Also still pending at ITC, and possibly coming this week, is decision on whether to continue investigation into Sylvania's charges that Japanese engage in unfair color TV import competition. Several ITC staffers and attorneys for Sylvania & Japanese are slated to be in Japan next week to take depositions, and it's assumed Commission will announce decision in time to abort what would be wasted trip.

There's strong feeling ITC will decide to shelve Sylvania case temporarily while it tackles quota petition. Under law, latter can't be delayed, and there's some question about legality of investigating both cases at same time. "Our attorneys see no reason why both cases can't be pressed," we were told by George Konkol, pres. of GTE Consumer Electronics Business Group. He said Sylvania's focus continues on unfair-import-competition complaint, even though firm is a co-sponsor of quota case. As for latter case now including b&w, "that move was not at our

urging—I think it's too late," to do anything for U.S. b&w industry "and all American manufacturers would argue against quotas" on b&w.

While RCA is keeping out of quota case in U.S., it's being dragged unwillingly into one in Europe by Videocolor Ltd., French-based Italian color tube producer in which it holds 49% interest. Control is held by Thomson group, which also supplies all top management for operation. According to French daily Figaro, Videocolor is asking EEC officials to slap quota on color imports for 3 years in return for pledge that domestic color industry will promote development of color technology & export markets. Videocolor says that without respite from import competition, color industry would suffer depressed fate of European radio, watch & motorcycle producers. Article says that while U.S. industry has had problems coping with color imports, Europe should have less trouble because it's technologically armed to meet challenge, and should survive if domestic producers don't encroach on each others' sales territories.

* * * *

CB market may be in trouble here, but somebody's buying. Finance Ministry says Japanese exported 1.38 million units to U.S. in Sept., up 261.4% from last year. Sept., in fact, was 3rd biggest month of year for CB exports, topped only by 1.47 million in June & record 1.66 million in July. Nine-month total was 10.6 million, up 413.2%, with value of total exports up 413.3% to \$566.8 million, topping value of total TV exports. Average CB export price was \$53.26, just about equal to year-earlier \$53.24.

FCC Vs. TV MAKERS: TV manufacturers face certain govt. intervention if they don't voluntarily take measures to reduce mounting CB interference, FCC official said last week. Coming on heels of earlier statements (Vol. 16:43 p9), comment was strong indication FCC intends to keep pressure on TV industry over interference problem. Amplifying on tentative results of CB-TVI study released at last week's Personal Use Radio Advisory Committee (PURAC) meeting, Investigations Branch Chief Richard Smith said TV producers are "begging for govt. intervention in this area. It's within the realm of technical & economic feasibility for them to improve the rejection characteristics of their product. I hope they do it, and this is really a word to the wise."

Behind warning is high number of interference incidents—more than a million yearly—indicated in study. Field Operations Bureau told PURAC that field work on 41 of 72 CB-TVI cases selected at random for comprehensive study (Vol. 16:31 p12) is complete, and that 35% involved illegal use of "over-power" equipment, mostly linear amplifiers. In 7 cases involving illegal equipment, FCC canvassed households within 1,000-ft. radius of CB operator's home, discovering that for every complaint reported, 10 TV receivers experienced CB interference.

Based on current rate of about 100,000 reported complaints yearly, Smith said actual number could be a million or more. "We hope to come up with a more exact factor, but 10-to-1 is a good ballpark figure." Total is important, he said, because TV makers claim only small percentage of people are affected.

Despite fact study so far deals only with illegal operators, Smith said TV industry must realize "this is the real world." Up to now, most powerful illegal CB rig located was 300 watts, most falling in under-100-watt range. "Some other radio services, including amateurs, are operating with 500-1,000 watts," Smith said, "and if there's interference, it's the set makers' fault because those operations are perfectly

legal." At same time, despite continuing FCC enforcement activities, Smith said illegal operators will remain on air, estimating there are now 5-6 million illegal amplifiers in use.

Smith said FCC is facing its responsibility by tightening up CB equipment standards (Vol. 16:43 p9) and stepping up enforcement activities with raids similar to one carried out last week in Baltimore (see p. 10). "There are some indications that the TV makers are waking up to this, but their track record isn't good. I think a word to the wise is appropriate."

Other FCC developments: EIA Citizens Radio Section filed 2 more petitions—one asking that 50-microvolt chassis radiation tolerance be permitted on 23-channel radios which will be remanufactured for 40 channels, other asking that date for releasing names of 40-channel equipment which passed tests be changed from Nov. 1 to 10 days after decision is reached on EIA/CR waiver petition (Vol. 16:43 p9). Chances of latter's succeeding were described as "out of the question" by FCC official.

Notification date itself has been changed, however, from Nov. 1 to Nov. 5 when complete list of CBs passing tests will be published. List will include any CB submitted to labs by Nov. 1, if it passes tests, and those listed may be legally sold Jan. 1. CBs submitted after Nov. 1 will be given sales date on first-come-first-served basis.

New CB names cropped up in latest list of firms submitting 40-channel CBs, including Lear Jet (Vol. 16:19 p10), Sony, Superscope and ITT Consumer Specialty Products. Others: Allan Communications, Arthur Fulmer, Automotive Communication Systems of America, Behar International, Benjamin, Chiba, Colt Communications, Gemtronics, GM, Independent Agencies of Japan, Kris, Mars Radio, Neisei, Meriton, Motorola, Pathcom (resubmission), President Electronics, Reeder, Royce, Shinwa, Tokyo Sansei, Tram Diamond (resubmission), Uniden, TZL International, Well Inc.

JAPAN'S AUG. EXPORTS: Japan's Aug. consumer electronics exports presented mixed picture, as most key products joined with TV & CB in registering gains from 1975 (Vol. 16:40 p8), but tape recorders posted decline, Finance Ministry totals show.

Total audio tape hardware shipments slumped 20.2% to 955,500 as 2.9% gain to 171,800 for automotive players failed to offset 24% drop to 783,600 reported for recorders and combination units. Radio shipments rose 36.6% to 939,600, with home units up 32% to 277,600, while auto radios enjoyed 454.2% gain. In phonos, total shipments climbed 382.4% to 93,600, with radio-phonos up 224.2% to 40,200, and phonos registered better than 7-fold increase. For details see table below.

Also for Aug., EIA-Japan reported color production rose 41.4% from same month last year to 878,000, with domestic shipments up just 7.7% to 409,000, exports (worldwide) up 38.9% to 389,000. Total shipments of 798,000 were up 20.9%. End-of-month inventories stood at 977,000, up 34.8%.

JAPANESE EXPORTS TO U.S.

	August 1976		August 1975	
	Units	Value(\$)	Units	Value(\$)
Total TV	375,830	65,104,241	202,795	29,180,106
color	243,218	43,156,717	145,559	25,589,896
b&w	127,308	7,522,624	57,236	3,590,208
chassis & kits	5,304	14,424,900	—	—
Radio-phono, stereo ..	4,843	345,962	7,651	656,720
Radio-phono, mono. .	35,373	2,502,665	4,750	170,966
Radio-recrdrs. &				
other comb.	246,827	10,533,475	477,461	19,304,158
Auto radios.	661,986	26,219,155	119,429	3,084,259
Clock radios.	62,973	1,082,037	31,848	714,791
Radios, AM	43,751	550,817	28,376	210,178
Radios, FM	72,843	2,388,424	150,028	10,235,218
FM hi-fi rcvr. &				
tuners*	98,017	12,008,831	—	—
CB trcvrs., under				
100mw.	118,696	1,257,913	152,054	590,030
CB trcvrs., other ..	1,291,228	69,327,427	292,982	15,134,845
Phonos.	53,399	30,074,993	7,000	43,454
Tape players, auto,				
cart.	119,878	1,975,010	166,976	2,947,306
Tape players, auto,				
other*	51,971	1,150,224	—	—
Tape recdr. ., reel. .	3,637	1,664,068	1,412	177,239
Tape recdr. ., cass. .	330,733	8,819,506	350,080	8,179,845
Tape recdr. ., cart. .	73,092	1,331,931	103,673	1,907,013
Tape decks, audio ..	129,354	9,865,993	97,971	6,060,255
VTR*	6,198	4,640,403	—	—

*Not reported separately in 1975.

In largest simultaneous execution of search & seizure warrants against illegal radio operators in FCC history, Commission last week seized over \$65,000 in altered CB and amateur radio equipment in crackdown on alleged illegal CB operators in Md. Action followed 3 months of surveillance and complaints of CB interference from area govt., military and business telecommunications users. Nineteen warrants were executed simultaneously Oct. 27 by 24 U.S. marshals and 12 engineers. In addition to equipment seizures, 19 individuals were charged with 9-25 violations, punishable by up to \$500 each. Individuals were characterized as "frustrated CBers" by Robert Mroz, FCC Baltimore field office engineer-in-charge, who told us seized equipment consisted of CB radios combined with amplifiers which boosted power from permissible 4 watts to up to 2,000 watts and transmitted in non-CB bands, as well as 200-watt amateur radios modified to transmit in CB band.

Unforeseen problem with video games is beginning to disturb some TV manufacturers: When game is left on screen for extended period of time, picture tube may suffer "burn-in" of stationary part of picture—for example, vertical line representing tennis net—permanently damaging tube. Most complaints have been from retailers who leave games on all day, but at least one case has been reported involving set in home which was left on for night. Tube makers & Corning Glass are said to be looking into matter, which isn't serious now but could increase in importance when millions of games are in use. One simple solution suggested is automatic shutoff of game after reasonable interval of inactivity.

Magnavox is introducing modification kit to interface its 25" Star & Touch-Tune digitally tuned sets with CATV. Kit eliminates converter, works with system up to 20 channels. To tune Ch. B through I, user selects Ch. 84-91 on keyboard. Pay cable can be tuned if it's not scrambled type. Isolation unit is attached to antenna terminals to prevent feedback through cable; technician must modify set. Priced at \$15, kit can't be used on 19" sets, which have hot chassis.

Comparable-tuning rules were waived by FCC for Jerrold wired remote tuner with 12 pushbuttons covering all VHF channels and selector switch permitting same pushbuttons to be used to tune any 8 UHF channels between 14 & 61 and any 4 between 58 & 83, to be preset by consumer (Vol. 16:25 p15). Although not literally in compliance with rules, Commission found system meets their intent.

Need for mandatory TV safety standard still hasn't been determined by Consumer Product Safety Commission, which has decided to hold off decision while seeking comments from industry & consumers on proposal UL developed and submitted to agency last July (Vol. 16:28 p11). Document isn't being sent out as formal standard proposal.

GE will recall & modify some 36,000 ranges containing microwave ovens which didn't meet Bureau of Radiological Health radiation emission standards. GE decided against appealing to FDA for recall exemption.

Recall of 110,000 smoke detectors, model SS749, is being conducted by BRK Electronics. Company told Consumer Product Safety Commission that about 0.2% contain resistors which may break down.

Trade Personals

Paul Van Orden promoted from GE Audio Electronics Dept. gen. mgr. to Housewares & Audio Business Div. gen. mgr., succeeding Vp **John Chamberlin**, resigned to return to Lenox (china) as pres. . . **Conrad Jutson**, ex-Toshiba, joins Texas Instruments Consumer Products Group as consumer products mktg. strategies mgr. . . **Jack Craven**, ex-Kris, appointed Gladding Electronics Group gen. sales mgr. & div. vp, responsible for sales management of Pearce-Simpson, U.S. Fiberglass Antenna Div. & Keytronics. . . **James Adams**, ex-Shakespeare, joins President Electronics as national sales mgr.

Robert Kunz advanced at RCA Distributor & Special Products Div. to west central mgr., succeeding **Andrew Mallard**, retired; **Anthony Boyle** promoted from east region national & special accounts mgr. to Kansas City district mgr., replacing Kunz; **Raymond Schmitt** promoted from central region national & special accounts post to northern Chicago district mgr. . . **Marvin Cash** advanced at Radio Shack to west coast div. mgr. . . **Steve Olin** resigns as Unitrex sales & mktg. vp to form own trading company.

Donald Kronenwetter promoted to Sylvania Components Group replacement markets operation vp; **Donald Russell** advanced to new products-new market development mgr. . . **Edward Poole** advanced from GTE Service equal employment dir. to asst. vp for affirmative action programs in Human Resources Dept. . . **Robert Melnicke**, ex-Bunker Ramo mktg. vp, joins Bourns as corp. staff operations vp. . . **George Harrison**, ex-International Communications, named pres. of Innovative Electronic Systems, new Miami consulting firm specializing in design of microprocessor-based consumer & industrial products.

K. Blair Benson, ex-Goldmark Communications, joins Teletronics as technical operations mgr. . . **J. Cameron Gordon**, ex-Seeburg, appointed Segavision Commercial Systems (projection TV) sales dir. . . **John Batlin**, Motorola Automotive Div. product operations dir., named vp. Other new vps: **David Hickie**, Semiconductor Group finance & planning dir.; **Pasquale Pistorio**, SG European operations managing dir.; **Charles Thompson**, SG mktg. dir. Americas; **Richard Weise**, deputy gen. counsel; **Arnie Brenner**, Communications Products Div. mobile operations dir.; **Gordon Comerford**, Communications Group business management dir.; **Gene Sempson**, CG asst. systems operation dir.

Larry Kissel appointed sales & mktg. vp of Orovox Sound, car stereo speaker producer. . . **Robert Altshuler** promoted at CBS Records from information services vp to press & public affairs vp, new post. . . **Donald Lippon**, ex-National Semiconductor, named Omron Consumer Products Div. west coast sales mgr.; **James Burton**, ex-Milliken, appointed for central region.

Gertrude Michelson, Macy's senior vp, and **Lewis Preston**, J.P. Morgan & Co. vice chmn., elected to GE board. . . **John Nesheim** named National Semiconductor treas., assuming duties of **E. Joseph Willits**, who continues as finance vp.

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with
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ZENITH & MATSUSHITA REPORT: Zenith posted \$1-million hike in 3rd-quarter net on virtually flat sales (see financial table). For 9 months, sales were up 8%, operating income (before 1975 \$4.8-million special credit) up 119.5%. Commenting on quarter sales results, Zenith said distributors worked off Color TV inventories this year, while last year inventories were being built up. Company said it maintained its color market share at distributor-to-dealer level in period. Company declined comment on, but didn't dispute, contention that contributing factor was start-up difficulties that cut into planned deliveries of high-end 19" color portables with new Able tube.

Matsushita consolidated results for 3rd quarter show sales up 29.8% to \$1.46 billion, net up 142.2% to \$58.6 million, while for 9 months sales rose 25% to \$4.23 billion, net jumped 134.9% to just under \$158 million. Export sales rose 71.8% in quarter to \$406.7 million, 66.3% for 9 months, to \$1.02 billion. For respective periods, sales in Japan were up 18.5% to \$1.56 billion & 15.8% to \$3.21 billion. Sales of consumer electronics & related components were up 30.7% to \$665 million in quarter, up 29.8% to \$1.91 billion for 9 months.

General Instrument is investing \$1 million in expansion of Glenrothes, Scotland plant which produces ICs for TV games & telephones.

Obituary

Leonard Ashbach, 72, pioneer in consumer audio and among first to build low-priced TV in late 1940s, died Oct. 27 in Encino, Cal. hospital. One of industry's more flamboyant figures, he was founder of Majestic International, later Grundig-Majestic, also acquired Wilcox-Gay. In recent years he was in semi-retirement, active in rep field. Survivors include wife, children.

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
Acton			
1976-9 mo. to Sept. 30	11,610,000	1,093,000	.41
1975-9 mo. to Sept. 30	6,249,000	73,000	.03
1976-qtr. to Sept. 30	6,608,000	819,000	.31
1975-qtr. to Sept. 30	1,992,000	371,000	.15
American Bcstg. Cos.			
1976-9 mo. to Sept. 30	950,953,000	47,360,000	2.69
1975-9 mo. to Sept. 30	742,896,000	21,049,000	1.22
1976-qtr. to Sept. 30	321,316,000	16,950,000	.95
1975-qtr. to Sept. 30	234,657,000	384,000	.02
Arvin Industries			
1976-9 mo. to Sept. 30	298,408,000	21,655,000 ^a	3.39
1975-9 mo. to Sept. 30	239,089,000	1,039,000	.17
1976-qtr. to Sept. 30	102,387,000	7,963,000	1.23
1975-qtr. to Sept. 30	89,728,000	3,425,000	.57
Bell & Howell			
1976-9 mo. to Sept. 30	326,020,000 ^b	7,652,000	1.33
1975-9 mo. to Sept. 30 ^c	291,642,000 ^b	9,543,000	1.66
1976-qtr. to Sept. 30	117,081,000 ^b	2,853,000	.50
1975-qtr. to Sept. 30 ^c	101,207,000 ^b	3,110,000	.54
Buckbee-Mears			
1976-9 mo. to Sept. 30	42,437,000	636,000	.21
1975-9 mo. to Sept. 30 ^c	35,723,000	451,000	.15
1976-qtr. to Sept. 30	14,471,000	17,000	.01
1975-qtr. to Sept. 30 ^c	13,299,000	410,000	.14
Chris-Craft Industries			
1976-year to Aug. 31	69,614,000	2,920,000	.43
1975-year to Aug. 31	61,150,000	(3,100,000)	--
1976-qtr. to Aug. 31	19,131,000	1,890,000	.37
1975-qtr. to Aug. 31	16,318,000	(3,291,000)	--
Cox Cable Communications			
1976-9 mo. to Sept. 30	27,507,778	2,659,491	.75
1975-9 mo. to Sept. 30	21,113,888	2,033,849	.57
1976-qtr. to Sept. 30	9,629,942	953,514	.27
1975-qtr. to Sept. 30	7,491,811	770,431	.22
CTS			
1976-9 mo. to Sept. 30	121,472,668	10,443,578	2.24
1975-9 mo. to Sept. 30	89,660,067	5,452,669	1.17
1976-qtr. to Sept. 30	41,944,334	3,550,324	.76
1975-qtr. to Sept. 30	32,198,571	2,155,565	.46
Electro Audio Dynamics			
1976-year to July 31	52,503,000 ^b	777,000	.30
1975-year to July 31	43,082,000 ^b	(1,132,000)	--
Esquire Radio & Electronics			
1976-9 mo. to Sept. 30	14,382,618	590,275	.92
1975-9 mo. to Sept. 30	15,963,012	511,174	.79
1976-qtr. to Sept. 30	6,870,754	269,432	.42
1975-qtr. to Sept. 30	9,150,728	290,723	.45
Fuqua Industries			
1976-9 mo. to Sept. 30	384,765,000	10,789,000	1.18
1975-9 mo. to Sept. 30 ^c	363,722,000	525,000	.03
1976-qtr. to Sept. 30	129,336,000	3,089,000	.33
1975-qtr. to Sept. 30 ^c	132,630,000	1,507,000	.16
International Rectifier			
1976-14 wk. to Oct. 3	20,232,000	50,000	.02
1975-13 wk. to Sept. 28	12,704,000	13,414,000 ^a	4.83
Interpublic Group			
1976-9 mo. to Sept. 30	141,081,000	6,230,000	2.62
1975-9 mo. to Sept. 30	124,607,000	4,345,000	1.90
1976-qtr. to Sept. 30	47,842,000	1,189,000	.50
1975-qtr. to Sept. 30	40,805,000	333,000	.15
LIN Bcstg.			
1976-9 mo. to Sept. 30	26,712,000 ^b	3,995,000	1.55
1975-9 mo. to Sept. 30 ^c	22,683,000 ^b	2,603,000 ^a	1.09
1976-qtr. to Sept. 30	9,199,000 ^b	1,339,000	.52
1975-qtr. to Sept. 30 ^c	7,358,000 ^b	755,000	.31

Company & Period	Revenues	Net Earnings	Per Share
Lloyd's Electronics			
1976-6 mo. to Sept. 30	46,349,000	667,000	.35
1975-6 mo. to Sept. 30	46,128,000	806,000 ^a	.43
1976-qtr. to Sept. 30	29,308,000	937,000 ^a	.49
1975-qtr. to Sept. 30	30,204,000	1,109,000	.59
Major Electronics			
1976-6 mo. to Sept. 30	17,057,000	676,000	.70 ^d
1975-6 mo. to Sept. 30	9,646,000	5,000	.01 ^d
1976-qtr. to Sept. 30	10,572,000	474,000	.51 ^d
1975-qtr. to Sept. 30	6,480,000	291,000	.36 ^d
Meredith			
1976-qtr. to Sept. 30	55,802,000	3,591,000 ^a	1.17
1975-qtr. to Sept. 30	40,448,000	5,234,000 ^a	1.72
Needham, Harper & Steers			
1976-9 mo. to Sept. 30	25,715,000	1,134,000	1.38
1975-9 mo. to Sept. 30	21,810,000	266,000	.32
1976-qtr. to Sept. 30	8,016,000	117,000	.14
1975-qtr. to Sept. 30	7,157,000	99,000	.12
A.C. Nielsen			
1976-year to Aug. 31	231,653,000	17,148,000	1.62
1975-year to Aug. 31	201,717,000	13,205,000	1.25
1976-qtr. to Aug. 31	60,674,000	4,826,000	.46
1975-qtr. to Aug. 31	54,330,000	4,300,000	.41
Regency Electronics			
1976-qtr. to Sept. 30	8,129,725	130,729	.05
1975-qtr. to Sept. 30	10,531,281	1,789,065	.68
Soundesign			
1976-9 mo. to Sept. 30	95,806,000	6,141,000	2.78
1975-9 mo. to Sept. 30	65,899,000	1,603,000	.74
1976-qtr. to Sept. 30	42,535,000	3,248,000	1.46
1975-qtr. to Sept. 30	32,902,000	1,676,000	.77
Texas Instruments			
1976-9 mo. to Sept. 30	1,187,701,000	68,115,000	2.97
1975-9 mo. to Sept. 30	976,679,000	41,359,000	1.80
1976-qtr. to Sept. 30	426,136,000	24,259,000	1.06
1975-qtr. to Sept. 30	312,961,000	16,072,000	.70
J. Walter Thompson			
1976-9 mo. to Sept. 30	104,919,000	2,149,000	.78
1975-9 mo. to Sept. 30	91,356,000	(490,000)	--
1976-qtr. to Sept. 30	36,275,000	505,000	.18
1975-qtr. to Sept. 30	27,138,000	(1,230,000)	--
20th Century-Fox			
1976-9 mo. to Sept. 25	259,786,000	5,098,000 ^a	.67
1975-9 mo. to Sept. 30	259,150,000	18,917,000 ^a	2.50
1976-qtr. to Sept. 25	98,892,000	7,641,000	1.01
1975-qtr. to Sept. 30	90,965,000	6,536,000 ^a	.86
Washington Post			
1976-39 wk. to Sept. 26	264,848,000	15,052,000 ^a	3.33
1975-39 wk. to Sept. 28	223,228,000	6,502,000	1.37
1976-13 wk. to Sept. 26	85,840,000	3,524,000	.78
1975-13 wk. to Sept. 28	71,641,000	1,069,000	.23
Zenith Radio			
1976-9 mo. to Sept. 30	698,800,000	24,800,000	1.32
1975-9 mo. to Sept. 30	647,100,000	16,100,000	.86
1976-qtr. to Sept. 30	248,800,000	9,600,000	.51
1975-qtr. to Sept. 30	248,100,000	8,600,000	.46

Notes: ^aIncludes special credit. ^bFrom continuing operations. ^cRestated. ^dAdjusted.

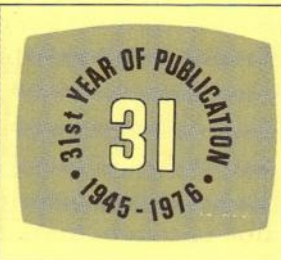
3-D projection TV was demonstrated at SMPTE technical conference in N. Y. by TV consultant Bruce Stephens using GE's widescreen Light Valve projector, Marks Polarized Corp. film-projection Polarator and polarized viewing glasses. Stereo effect was pronounced & effective in segment taped from video cameras at Camera Mart and in film transferred to tape. Stephens visualizes system being used for live sports on theater TV.

Raytheon will buy Switchcraft for undisclosed sum; latter is Chicago-based manufacturer of electrical switches & connectors.

WEEKLY

Television Digest®

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NOVEMBER 8, 1976

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

POST-ELECTION PROSPECTS: Carter remains unknown until he acts. Hooks not certain as FCC chmn. Vacancies permit faster action in other agencies. TV-radio fairly comfortable with Congress. Many changes possible in Senate Communications Subcommittee, few in House. (P. 1)

FCC, NAB 'LAWLESS CONDUCT' hit by Judge Ferguson in family viewing decision ruling First Amendment is violated. He says that networks were coerced into adopting concept, that such 'censorship' can't be tolerated. CBS & ABC to appeal; other defendants undecided. (P. 3)

RADIO STATION PROFITS were up 7.8% in 1975, FCC figures show. Revenues reach \$1.7 billion, up 7.6%. Radio networks lose \$2.5 million on revenues of \$40.5 million. (P. 4)

SENATE COMMERCE loses 5 incumbents in Nov. 2 election, leaving 20-member committee with 7 vacancies. All House Communications Subcommittee members re-elected, though Wirth results are contested. (P. 5)

COMMUNICATIONS ACT REWRITE debate for BEA by Washington experts. Geller asks reliance on technology & marketplace, calls Congress 'the culprit'; Shooshan urges immediate beginning to avoid later 'crisis.' (P. 5)

POST-ELECTION PROSPECTS: Impact of Carter election on TV-radio industries remains most speculative. Fact is, no one will really "know" Carter—in any area of govt., not only communications—until he acts. Furthermore, even if he seeks extensive changes, govt. is extremely difficult to change quickly.

At FCC, for example, there are no vacancies. All Carter can do is designate a Democrat chmn.—unless someone leaves, allowing new chmn. to be brought in.

Though there's been strong assumption Comr. Hooks would be named chmn., there's stronger likelihood he won't. First, he's a leading candidate for head of NAACP—which pays about twice FCC salary, and Hooks was accustomed to that kind of income when he was in private practice. Second, he'd like more prominent govt. post—such as Cabinet undersecy. Third, as FCC chmn. he'd be under enormous pressures to deliver, on behalf of minorities, things he just can't deliver. An FCC chmn. is influential—but he has just one vote. (As former Chmn. Fred Ford once said: "Why, you have to get 3 commissioners to go with you even if you're just going to the bathroom.") Last week, Hooks told us he hasn't been contacted about chairmanship by anyone on Carter's transition team, but that he'd probably take chairmanship if offered. Hooks says Carter has more important chores right now. "I would guess," he said, "that FCC is about 75th on a scale of 100" in Carter priorities.

Consumer Electronics

BEST COLOR SALES week in nearly 3 years brings Oct. to annual rate of 8.2 million sets. Monochrome up 71.8% in week. (P. 7)

SONY MULLS PURCHASE of Westinghouse picture tube plant to supply U.S., Europe. Corning notifies tube makers of 6% color glass price increase. Sylvania moving color out of Batavia. (P. 7)

COLOR TV IMPORTS topped million in 3rd quarter, thanks to 193% jump in Sept. B&w at 1.37 million in quarter, just short of record. CB import boom continued. (P. 8)

GE SEES PROFIT from TV this year, thanks to soaring VIR console sales. Wellner sees no hope for price increases. (P. 10)

TV GAME MAKER First Dimension in serious financial trouble, with production virtually halted while it seeks manufacturing partner. High executives leave. (P. 10)

FIRST CB APPROVALS under 40-channel rules announced by FCC. Less than half of first batch met tests. (P. 11)

NO INJURY TO U.S. industry from dumped Japanese capacitors, ITC rules. Labor Dept. approves import aid for some Oak workers, rejects bid by plastic parts producers. (P. 11)

It's most unlikely either of other 2 Democrats on FCC would get top spot if Hooks doesn't. Quello is scarcely a Carter-style Democrat, Fogarty is new boy on the block—and both were appointed by Republican President. There's fear in industry that Carter will pick militant Nader types, but others are confident Congress will persuade him to steer clear of far-out characters.

First vacancy at FCC comes when Chmn. Wiley's term expires July 1. Wiley says intention is to stay until then, presumably stepping aside for new chmn. He hasn't decided what he'll do thereafter. He'd like exec. post in private industry, might go into law practice. If he left FCC before term expires, he'd have to wait a year before practicing before Commission; after term expiration, he can start immediately—though he can't handle cases in which he had participated. He has turned aside all inquiries. A lot of outfits are interested in him, impressed by his enormous productivity.

Wiley says "it will be business as usual" as long as he's chmn. He may press for abolition of Review Board, believing it has too little to do. He says it would be easy transition if Hooks is named chmn. "We like each other," he said, "we get along."

Top FCC staffers will be replaced, and there's considerable bustling in Washington as they line up jobs, prepare to leave. Several will resign quite soon, others before long. Most near-top career staffers will remain, as customary, regardless of elections.

In Congress, it's likely to be "business as usual," too. All members of House Communications Subcommittee were re-elected, Rep. Van Deerlin (D-Cal.) still in charge. House Commerce Committee Chmn. Staggers (D-W. Va.) was reelected, but Rep. Moss (D-Cal.) may try to oust him in Jan. In Senate, there's considerable uncertainty about composition of Commerce Committee and Communications Subcommittee, but broadcasters are resting easily. Sen. Hartke (D-Ind.), no friend of industry, was defeated, as was consumerist Sen. Moss (D-Utah). A good prospect for chmn. of Subcommittee is Sen. Hollings (D-S.C.), much trusted by industry. (For details of congressional prospects, see p. 5.)

In several significant regulatory agencies, Carter could have earlier impact than on FCC. There's one vacancy on 5-member FTC, and there's considerable talk that Chmn. Collier will resign, leaving 2 Democratic slots. There's a vacancy at Consumer Product Safety Commission. FDA Chief Alexander Schmidt is resigning, as is USIA Dir. James Keogh. SEC Chmn. Roderick Hills says he'll resign.

There's lots of speculation about return to FCC by former stalwart Commission Democrats, such as ex-Gen. Counsel Henry Geller. Geller says he'd be interested in major policy-level job at FCC, or elsewhere in Administration.

There's also lots of talk about "new faces." Two people on transition team who have advised Carter on communications are attorneys John Harmon, Statesville, N.C., and Curt Hessler, L.A. Harmon said that Carter "is fully aware of the options in communications. He's aware of the critical issues facing FCC, the vacancies arising." Harmon wouldn't name names, give time-tables. Top transition man of all is Jack Watson, Atlanta attorney. President Ford has named his counselor John Marsh as liaison with Carter.

OTP Dir. Thomas Houser says he hasn't been contacted by transition people, but he's prepared to stay on as consultant for specific period—such as 6-12 months—if wanted. "But," he added, "I wouldn't want to stay on and drift." He's interested in staying in Washington, "in law practice or something else." Work at OTP now is devoted to wrapping up legislative and policy recommendations.

Shaping up as a possible power in Administration is Michael Pertschuk, chief counsel of Senate Commerce Committee. He just returned from week in Atlanta with transition team, where several of his staffers have been working. Though FCC & FTC are "probably not high on the Carter transition team's agenda," he said, regulatory agency appointments can be expected soon after Jan. 20 inauguration. Of transition team, he said: "They won't turn to the Washington 'shadow government,' but the people they choose won't be all from outside Washington, either. I would expect there'll be a mix."

Summing up: Industry is apprehensive but not frightened, despite Carter's on-again-off-again talking tough to Nader group (Vol. 16:33 p1) and sending soothing messengers to NAB (Vol. 16:44 p1). Particularly, they know they have clout in Congress. Actually, industry is considerably more comfortable than it was when Republican was elected in 1972. Nixon's effort to whip broadcast news into line was something else (Vol. 12:46 p1).

FCC & NAB 'LAWLESS CONDUCT' IN FV: "This lawless conduct cannot be tolerated if broadcasters are to enjoy meaningful First Amendment freedoms," L.A. Dist. Judge Warren Ferguson said last week in ruling that FCC, NAB & networks all violated freedom of speech in adopting family viewing (FV) standards into TV Code. "Censorship by government or privately-created review boards cannot be tolerated," he said.

While Ferguson ruled that FV's creation violated First Amendment because of govt. coercion, networks could continue FV programming but decision to do so must be based "on their[networks'] independent conception of the public interest... In short, the NAB has no constitutional right to set up a network board to censor and regulate American TV." In 223-page decision, he said in-junction against NAB enforcement of FV isn't necessary: "The Court has plainly declared such enforcement to be illegal. The Court is confident that the NAB will respect that declaration."

Suit was brought nearly year ago (Vol. 16:2 p3) by several network program producers and writers' & actors' guilds. It charged family viewing violated First Amendment and antitrust laws (still pending before Ferguson is antitrust charges, to be tried separately). FV—which requires that programming 7-9 p.m. be suitable for viewing by children and is aimed primarily at a reduction in sex & violence—has been praised highly by church & congressional leaders, particularly by retiring Senate Communications Subcommittee Chmn. Pastore (D-R.I.).

Long decision—issued in L.A. Nov. 4—didn't reach Washington until next day, and very few of defendants (FCC, NAB & networks) had read it at press time. However, CBS & ABC immediately said they'd appeal; NAB & NBC were withholding judgment, while FCC already had met with Justice Dept. lawyers on possible appeal. Ferguson was highly critical of FCC Chmn. Richard Wiley and role he played in effectuating FV, to wit:

"The Court finds that Chmn. Wiley, acting on behalf of the Commission (and with the approval of the commissioners) in response to congressional pressure, launched a campaign primarily designed to alter the content of entertainment programming in the early evening hours... Wiley, in the course of his campaign, threatened the industry with regulatory action if it did not adopt the essence of his scheduling proposals... The Commission's pressure in this case was persistent, pronounced and unmistakeable... Were it not for the pressure he exerted [FV] would not have been adopted by any of the networks nor by the NAB... The evidence supporting these conclusions is contained in the massive record before this Court." Judge said FCC, "believing it could not develop a record sufficient to support regulatory action, threatened such action anyway. This lawless conduct cannot be tolerated."

Ferguson said he wouldn't rule that FCC would never have authority to adopt program standards—that perhaps a record could be made for certain types of programs to protect children, for instance—but that if Commission attempts such action it must be done with proper notice through Administrative Procedures Act. Ruling that Commission had violated such procedures, he said: "The Commission has no right whatsoever to demand or to secure commitments from broadcasters that its suggestions be accepted. It has no right to launch orchestrated campaigns to pressure broadcasters to do what they do not wish to do..."

"The existence of the threats and the attempted securing of commitments, coupled with the promise to publicize non-compliance in this case, constituted per se violations..." Any attempt by the NAB to enforce family viewing policy would be so impermissively tainted by the government's conduct that it could not longer (if that were the case) be labeled private action for First Amendment purposes." However, judge stressed nothing in his decision prohibits NAB from having TV Code—"including one with family viewing policy."

Ferguson refused to order CBS to shift "All in the Family" back into FV time, adding: "The Court is painfully aware that it cannot erase all the effects of the FCC's illegal campaign"—thus,

it has no authority to order such a move. Judge also said "equitable considerations" point to fact networks should be ordered to reimburse plaintiffs' legal fees (over \$1 million) but that, here again, he has no such authority under Supreme Court decision.

Wiley denied strongly that he had threatened or coerced broadcasters during FV negotiations in Nov.-Dec. 1974 (Vol. 14:49 p4). "I believe that my colleagues and I acted in a responsible and proper manner... People who know me know that I don't believe in government involvement in programming." He told us that "protection of children... that's what it's all about." He said TV doesn't hold all the answers but that it can assist parents "and that's how I viewed the family viewing concept... I know in my heart... my role was consistent with the public interest."

Comr. Washburn didn't participate in FV negotiations with networks & NAB—nor did any other commissioners except Wiley—but the strong advocate of FV was more outspoken than chairman. "It is a wrong-headed decision," Washburn said. "One which undercuts the right of an industry to take responsible self-regulatory action in the public interest... I know of absolutely no 'threats' on the part of the chairman or anyone else at the Commission. Such a finding is contrary to the facts."

CBS Bcst. Group Pres. John Schneider said Ferguson "has unfairly singled out the broadcasting industry for prohibitions not applied against other industries and professions. It thereby has set a dangerous precedent that threatens the American tradition of self-regulation... Consequently, we shall appeal... In the meantime and until further notice, CBS will voluntarily continue to adhere to the family viewing concept." NBC & ABC also said they'd continue voluntary compliance.

Plaintiff Tandem Productions charged that "Family" was moved from 8 p.m. to 9 p.m. because of FV and that this would cost several million dollars in syndication fees. Ferguson said there's "persuasive evidence" that syndication value of program has been reduced, that private defendants (excluding FCC) are liable and that Tandem's \$10 million suit could be litigated later. Tandem Pres. Norman Lear said "the family hour has been dead since the day it was announced... [Ferguson's] decision means that the people writing scripts will be freer; they won't have to worry about people 3,000 miles away in N. Y. blue-penciling their copy."

Several broadcasters also expressed fear—though none would be quoted—that Court's decision will mean gradual increase in 7-9 p.m. sex & violence. "No question about it, there'll be slippage by all 3 networks," we were told. "It'll be noticeable before very long, too."

Finally, on West Coast, officials of 3 Hollywood guilds which are plaintiffs called for resignations of Wiley and network officials who took part in FV negotiations.

Radio station profits in 1975 were up 7.8% to \$90.7 million, as revenues rose 7.6% to \$1.725 billion and expenses rose 7.6%, FCC reports. Earnings in 1974 had dropped 23.6% from 1973. Of revenues, network was up 20.6%, spot up 7.6%, local up 7.2%. National radio networks lost \$2.5 million on revenues of \$49.5 million—vs. \$6.2 million loss in 1974. Network owned AM stations earned \$11.5 million, up 35.7%. All other AMs & AM-FM combinations earned \$86.5 million, down 6.5%. In 1975, 61% of AM and AM-FM combinations showed profit vs. 65% in 1974, 69% in 1973. FM revenues were up 24.3% to \$308.6 million. Though independent FMs increased revenues 11.6%, they lost \$9.5 million, compared with \$13.1 million loss year before. (Complete report, comprising 22 tables, is available from FCC Information Office.)

Children's TV Workshop was awarded \$5.4 mil- by HEW Office of Education under Educational TV & Radio Program for "Sesame Street" & "The Electric Co." Nabisco will underwrite 26 weeks of Sesame Street from Nov. 1, 1976 through April 29, 1977.

NBC's all-news radio feed—National News & Information Service (NIS)—bites the dust, will be phased out by mid-1977. NBC figured service would be viable with 150 subscribers and mere 750,000 listeners, but it got only 70 stations, about 250,000 listeners. Loss was "multi-millions," according to spokesman. Network will help stations make transition, allow them to quit whenever they choose. Some of 200 employees will be shifted elsewhere in NBC, others let go. NBC Radio Pres. Jack Thayer said projections even years ahead didn't indicate profitability. Meanwhile, NBC Pres. Herbert Schlosser said commitment to radio remains strong, NBC radio network making "significant progress" in last year.

FCC Comr. White has written Commission staffers asking that they alert her in event her husband's law firm is involved in any case coming before Commission (Vol. 16:35 p2).

FCC received 3,119 complaints in Sept., increase of 1,108 over Aug.

FIVE LOSE SENATE COMMERCE SEATS: Senate Commerce Committee was thrown into total disarray by Nov. 2 election, suffering loss of 5 incumbents. Of 7 incumbents up for reelection, only Sens. Cannon (D-Nev.) & Weicker (R-Conn.) retained seats. Defeated were Sens. Hartke (D-Ind.), Moss (D-Utah), Tunney (D-Cal.), Beall (R-Md.) & Buckley (R, Cons.-N.Y.). Two vacancies created by retirement of Sens. Pastore (D-R.I.) & Hart (D-Mich.) leave 20-member Committee with 7 vacancies.

All signs point to wide-open season on subcommittee chairmanships, but early speculation is that Sen. Hollings (D-S.C.) is likely to take Communications, Sens. Ford (D-Ky.) or Durkin (D-N.H.) Consumer. Democratic & Republican leadership will begin informal meetings on organization of 95th Congress in Dec., but formal organization won't take place until after Jan. 3 swearing-in.

At week end, Hollings was in People's Republic of China until Nov. 24, but spokesman said Hollings is "very interested" in communications post. Factors that might alter his interest: (1) Success in his race for post of majority leader against Sen. Byrd (D-W.Va.). (2) If Oceans & Atmosphere Subcommittee he now chairs is switched to new Energy Committee under proposed Senate committee reforms (Vol. 16:44 p4), he may leave Commerce. (3) Higher-ranking Commerce Democrat—or even someone from another committee—might request post. On Republican side, Commerce Sens. Baker (Tenn.) & Griffin (Mich.) have declared interest in minority leader post; both were members of Communications Subcommittee in last Congress.

On House Communications Subcommittee, all members were re-elected. Rep. Wirth (D-Colo.) had closest race, winning by approximately 2,400 votes out of 240,000. In early returns, one Boulder precinct reported twice, and closeness of final tally caused Colo. Secy. of State Mary Buchanan to announce she'll run ballots through computer again.

In other contests, Rep. Russo (D-Ill.) won easily with 35,000-vote margin of almost 200,000 cast, while Rep. Carney (D-O.) squeaked by with 5,000-vote surplus of about 175,000 cast. In close contests on full House Commerce Committee, Ranking Republican Devine (R-O.) won with only 2,000 more votes than his Democratic opponent, with 15,000 votes cast for 3rd-party candidate. Reps. Maguire & Florio (both D-N.J.) also were reelected. In contest involving broadcaster, Heftel Bcstg. owner Cecil Heftel (who's selling properties) won House seat as Democrat from Hawaii. House organized in Dec. 1974 for 94th Congress in effort to get jump on busy legislative year, and is expected to do same for 95th Congress.

"Cable Films", recently formed in Kansas City, offers some 100 "vintage" & "classic" films to cable. Marketing vp is Herbert Miller, ex-Columbia Pictures & NBC: Country Club Station, Box 7171, Kansas City, Mo. 64113, 913-362-2804.

SMPTE winter conference has been set for Jan. 28-29, St. Francis Hotel, San Francisco. Themes are "Beyond ENG" and digital TV.

COMMUNICATIONS REWRITE DEBATED: Panel of Washington communications figures debated pros & cons of proposed Communications Act rewrite for BEA seminar last week, could agree only that some parts of Act need rewriting sometime, but not necessarily now.

Technological advances and marketplace, not Congress, should be relied on to change nation's telecommunications policy, ex-FCC Gen. Counsel Henry Geller stated. Attempt to revise Communications Act "is always worth making, but Congress should continue to do what it can with band-aids, and not stake everything on a revision," he argued. "As a matter of fact, Congress often is the culprit—it's the Congress that pushes the FCC into doing things like family viewing." He said trouble spots will be fairness and Sec. 315. "You can't rely on the Congress because it doesn't believe in the First Amendment."

House Communications Subcommittee Chief Counsel Harry (Chip) Shooshan disagreed: "Whatever the end result may be, we're getting ahead of ourselves in predicting dire results. The point is that the process is beginning, the questions are being asked. If you leave this to technology, the problem will remain what it is today—regulation will remain a drag on technology... We must avoid having to legislate under a crisis atmosphere, as we did during the 'energy crisis.'"

Ex-OTP Gen. Counsel Henry Goldberg argued for retention of OTP "to look over FCC's shoulder," said it should be kept small and in White House. Shooshan argued that OTP should confine itself to coordinating Executive Branch telecommunications policy, rather than watch over FCC. Goldberg said Communications Act should be rewritten to allow increased competition in both common carrier and broadcasting, and to reverse "judicializing" effect created by current law. "The role of the courts in basic FCC decisions is extremely constraining. This works against policy planning."

Daniel Toohey, Washington attorney, said Congress should leave alone sections of law dealing with broadcasting. "It really bothers me to think of Congress sitting down and meddling with the fairness doctrine or Sec. 315, unless it's talking about repealing both." Marcus Cohn, Washington lawyer, said he'd have "philosophers, artists and scholars—certainly not lawyers—sitting around deciding what our basic communications needs and goals are, and work from there."

"Tampering" with at least 7 of 700 diaries has caused Arbitron to recall original April-May Memphis radio rating, re-issue new one. "In all the years that Arbitron has been in business—during over 10,000 surveys and over 20 million diaries sent out—this is the first situation of this type to ever occur," research firm said. All 7 diaries were on same postal route, and postman allegedly tried to sell diaries to Memphis stations. Arbitron said it checked with addressees, found at least 3 returned diaries that weren't received by home owner. Black-programmed WDIA(AM) is strong first in market; revised rating returned WMPS(AM) to customary 2nd spot.

Personals

Corydon Dunham, NBC vp-gen. counsel, advanced to exec. vp-gen. counsel... **Richard Coulter** promoted to gen. mgr., WIS-TV Columbia, S.C., replacing **Todd Spoerl**, resigned.

Bailey Dwiggins promoted to program operations mgr., WWBT Richmond... **Babs Pitt**, ex-CFCF-TV, Montreal, named CTV TV Network information services dir... **Elissa Lebeck**, ex-NBC Stations Div., appointed research dir., Corinthian Bestg... **Judi Kauffman** promoted to art dir., WTTG Washington... **James Grobe**, ex-Nahas Bracken, Houston ad agency, named advertising & promotion dir., KHOU-TV Houston.

Aubrey Groskopf, Entertainment Corp. of America pres., elected exec. vp, National Telefilm Assoc... **Christopher Seltz**, producer, joins ABC-TV as film production dir., operations & administration... **Joseph Indelli**, ex-MGM-TV, named Metromedia Producers Corp. divisional sales mgr... **Nat Leipziger** advanced to exec. vp-programming & production, ITC Entertainment.

In PGW restructuring: **Albert Strada** named eastern mgr., **Thomas Will**, midwest mgr., **Charles Kinney**, western mgr. & **Roy Terzi**, N.Y. mgr.; **Dennis Gillespie** appointed vp-strategy & performance, new post... **Ed Warren**, ex-ABC, CBS and one-time program dir. of several stations, joins Viacom as dir.-syndicated program development, new post... **Arthur Muth**, Petry TV exec. vp, and **Adam Young**, Adam Young pres., join TvB board, succeeding **Robert Dudley**, Meeker pres., and **William Walters**, PGW chmn.

Edward Fitzgerald named broadcast audio sales group product mgr., Telex Communications, new post... **Raymond Gensinger** appointed Anixter-Pruzan eastern operations mgr., new post.

CBS telecast of "Death Wish" won't be carried by at least 4 network affiliates Nov. 10 because station executives decided film was too violent; 5th station has scheduled film for 11:30 p.m. instead of originally scheduled 9 p.m. Film's hero kills several street criminals following wife's murder & daughter's rape. Made-for-TV movie "Nightmare in Badham County" planned for Nov. 5 broadcast was to be kept off air by 7 ABC affiliates—also due to excessive violence. Movie concerns black & white young women who are jailed, raped, whipped & shot; lesbianism & suicide also are plot elements. Movie is scheduled for 9 p.m. telecast.

FCC started inquiry on cable syndicated program exclusivity, said goal is to complete whole proceeding by Jan. 1, 1978. Comments are due Feb. 14, replies March 16. Commission said that if rule changes are indicated, it will start rule-making promptly after comments are in. Notice of inquiry asks dozens of questions—how's it working, should it be eliminated or strengthened, who has been helped or hurt, impact on program production, effects in different size markets, effects on program prices, etc. etc.

WEEKLY Television Digest

with
Consumer Electronics...

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Referendum in Altoona rejected new franchise for Warner Cable, which had been approved by city council. Warner Pres. Gustave Hauser said Warner continues with current franchise which expires Feb. 1978, will negotiate amendments with city council. He said he hopes no new referendum will be sought. Legality of last week's referendum is being litigated. System is 5-channel, charges \$4.50 monthly. New franchise had called for expansion to 30 channels, \$6.50 monthly, and Warner had earmarked \$3 million for rebuild. FCC recently approved import of 2 N.Y. independents. System serves about 30,000 subscribers; referendum affected only half of them—those in city of Altoona. Balance of subscribers are covered by variety of franchises in surrounding communities. Hauser said he doesn't know why voters rejected franchise: "I think it was a sort of protest against the city council."

"Adequate" N.J. TV service does not require N.Y. & Pa. stations to maintain auxiliary studios in that state, FCC concluded last week in "third" report on inquiry into N.J. TV service (Vol. 16:27 p1). Commission also said it would "accept as being consistent with FCC service goals for N.J." commitments made by N.Y. & Pa. stations. In concurring statement, Comr. Fogarty warned: "If further experience indicates that this reliance [on commitments] has been misplaced or that the remedy is inadequate," the question of N.J. TV service should be reopened. In dissent, Comr. Hooks said "the score is 23 N.Y. VHF stations, Pa. 12, N.J. zero."

Earth satellite grants: Charleston, W.Va., ATC; Brookfield, Wis., RVS Cablevision. Applications: Juneau, Alaska, B.C. Cable; Kankakee, Ill., Kankakee TV Cable; Houma, La., Houma Cablevision. Juneau applicant proposes to carry Home Box Office & WTCG Atlanta. (For details, see CATV Addenda.)

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 22 (42nd week of 1976):

	Oct. 16-22	1975 week	% change	Oct. 9-15	1976 to date	1975 to date	% change
Total TV.	308,905	284,830	+8.5	273,606	9,571,026	8,896,797	+7.6
color	193,507	161,499	+19.8	172,767	5,712,953	4,995,295	+14.4
monochrome	115,398	123,331	-6.4	100,839	3,858,073	3,901,502	-1.1
Total radio	971,342	704,696	+37.8	784,411	31,521,614	26,327,475	+19.7
home, portable	731,654	462,233	+58.3	530,818	21,470,992	19,221,992	+11.7
AM-only	287,529	109,642	+162.2	254,860	6,289,810	5,309,203	+18.5
FM & FM-AM	444,125	352,591	+26.0	275,958	15,181,182	13,912,789	+9.1
auto	239,688	242,463	-1.1	253,593	10,050,622	7,105,483	+41.4
Port.-comp. phono.	93,778	100,919	-7.1	75,671	2,354,281	2,638,861	-10.8

Color TV 5-week moving average: 1976—194,884; 1975—160,600 (up 21.3%).

OCT. COLOR SALES IN SMASH FINISH: Best single week for color sales to dealers in almost 3 years capped sharply upbeat Oct., EIA figures for year's 43rd week are expected to show. Sales for full month ran at estimated 8.2-million annual rate, highest since July 1974.

Hot week saw color sales of some 250,600, up 35.8% from same 1975 week, bringing total Oct. sales to about 809,220, increase of 25.1% over year earlier. Monochrome had best week since mid-1974, sales of 173,500 sets exceeding year-earlier figure by 71.8%.

SONY MULLS WESTINGHOUSE TUBE PLANT BUY: Sony is seriously exploring possibility of buying Westinghouse picture tube plant, converting it to Trinitron production, possibly to feed potential east coast Sony set plant as well as its European facilities.

As industry's cost-price-competition squeeze accelerated, there were these other developments: (1) Corning officially notified its tube-making customers of 6% across-board price increase on color TV glass effective Nov. 19. (2) Sylvania announced it will move all color TV final assembly operations to Smithfield, N. C. plant Jan. 1, laying off 488 workers in Batavia.

Sony team currently is exploring Westinghouse's about-to-be-closed Horseheads, N. Y. tube plant (Vol. 16:44 p7) to determine whether it could be adapted profitably to Trinitron production. Sony America Pres. Harvey Schein, who visited facility, told us: "If our business expands, it wouldn't be bad to have an east coast Trinitron plant; it also could help us supply [Sony set factories in] Europe. This is still in the preliminary stage, and it depends whether it's feasible, inexpensive enough and whether N. Y. state is cooperative. We have to weigh that against starting from scratch."

In past, Sony has indicated it may eventually build east coast TV plant, and it plans to introduce 25" color set here next year. Westinghouse has large-screen-tube-building equipment which would require considerable modification for Trinitron approach. Plant is believed to have capacity of 750,000-1 million tubes annually. Sony has color tube assembly plant adjoining its San Diego TV plant, plans to add screening facilities there for building complete tubes in 1978 or 1979.

Westinghouse has been supplying much of Magnavox's 25", all of Curtis Mathes' requirements. Its former Tube Div. Chief Engineer H. M. (Pat) Patel joined Sony's U.S. tube operation in a top post about month ago. Conversion of plant to Trinitron might take 18 months.

Corning's glass-price increase will intensify cost pinch on tube makers, who absorbed similar hike last Jan. 1, found they couldn't increase own prices and, in fact, reduced them below 1975 levels (Vol. 16:5 p8). Corning spokesman told us that despite aggressive cost program (which included closing Canada & Albion, Mich. plants in last 12 months), it anticipates its cost increases will exceed the 6% price boost during 1977. U.S. color glass prices are lowest in world. Company noted that its new Mark IV glass, used in Zenith Able tube, would continue to cost 24% less than conventional 19" bulb and that its experience now shows Mark IV's cost reductions are "real."

Corning's principal competitor Owens-Illinois hasn't reacted yet to increase, spokesman saying it has been studying situation and will have "better picture next week."

In announcing end of TV production in Batavia, Sylvania Entertainment Products Senior Vp Frank Lann said move was forced by "increasing penetration of the U.S. color TV market by certain Japanese manufacturers, using unfair competitive practices." Despite consolidation of production in 686,000-sq.-ft. Smithfield plant, he said company plans "increased production" of Sylvania & Philco sets next year.

Batavia plant currently employs 1,200. New move will leave 190 workers in warehousing, injection molding & printed-circuit depts., 515 in group hq.

COLOR IMPORTS TOP MILLION IN 3RD QTR.: This year's 3rd quarter goes down as 6th biggest "year" ever for color imports, with shipments of 1.02 million, besting same 1975 quarter by 180.2% and topping full-year totals for 1968, 1969 & 1970, Commerce Dept. figures show.

Sept. color imports of 366,700, just 200 short of all-time monthly record set in Aug., were up 193.1% from same 1975 month, while b&w rose 57.8% to 443,500, for combined 810,200 total, up 99.5%. Monthly color figures may be somewhat inflated by 47,000 unfinished or un-assembled sets reported as having entered from Mexico, where Admiral, Sylvania & RCA have color component assembly operations.

We had figure checked with Customs at El Paso (point of entry) and were told numbers are right and fact no comparable imports had been reported from Mexico in past was caused by long-standing interpretation error. Prior to establishment of special classification for unfinished sets last July, such entries were supposed to have been reported under appropriate listing for finished sets, but instead were included under value-only classification for unspecified TV parts. Incidentally, EIA in its calculations considers TVs assembled in U.S. from imported parts to be domestic-made. Mexican assemblies had average value of only \$70.26, as against \$108.30 average for 37,000 unfinished color sets imported from Japan in July-Sept.

In first 9 months, 5.15 million TVs were imported, up 75.2% from same period last year, with color up 165.1% to 2.03 million, b&w up 43.6% to 3.12 million. In torrid 3rd quarter, total imports leaped 106.9% to 2.39 million, with b&w up 73.1% to 1.37 million. Both total & color imports set records for any quarter; b&w fell just 2,600 short of record set in 3rd quarter 1972.

Imports from Japan in Sept. rose 170% to 412,400, with color up 150.7% to 277,100, b&w up 220.2% to 135,300; Taiwan TV total of 302,300 was up 29%, with color up 154.2% to 36,600, b&w up 20.8% to 265,700. Imports of 52,200 from Korea were up 188.8% as color jumped ten-fold to 10,600, b&w 130.1% to 41,600.

Imports by country for first 9 months: Japan 2.76 million (up 163.1%), color 1.79 million (up 179.3%), b&w 974,100 (up 137.8%); Taiwan 2 million (up 18.9%), color 159,100 (up 47.1%), b&w 1.85 million (up 17%); Korea 330,100 (up 80.7%), color 34,400 (up 160.2%), b&w 295,700 (up 74.5%).

For complete sets, imports were up in all color screen sizes and smaller b&w sizes. In color, biggest gain was in 18"-19", rising whopping 210.3% to 1.08 million to account for 55.4% share of 9-month imports, up from 45.3% share last year. Results for other sizes, with comparable 1975 share in parentheses: 10"-&-under 91,500, up 93.2% for 4.7% share (6.2%); 11-12" 240,300, up 97.5% for 12.4% share (15.9%); 13" 303,900, up 136.7% for 15.6% share (16.8%); 14-15" 170,900, up 119.2% for 8.8% share (10.2%); 16-17" 59,200, up 36.7% for 3%

share (5.7%). Results for b&w: 10"-&-under 648,400, up 38.5% for 21.1% share (21.5%); 11-12" 2.01 million, up 57.2% for 65.3% share (58.8%), 13-17" 183,100, up 1.9% for 6% share (8.3%), 18-19" 235,600, down 5.4% for 7.7% share (11.5%).

Japan improved its position as major foreign source for color imports, accounting for 88% of 9-month shipments, up from 83% in same 1975 period, while Taiwan's share slipped to 8% from 14% and Korea held steady at just under 2%. In b&w, Taiwan retained leadership, but at lesser pace, providing 59% of imports, down from 73%, while Japan increased share to 31% from 19% and Korea took 10%, up from 8%.

* * * *

CB sales boom may have ended in Sept. but import boom roared right along, further aggravating industry's over-inventory situation. Month's total transceiver imports were record 2.44 million, up 127.4%; auto CB units leaped 319.1% to 1.1 million, non-CB automotive 347.9% to 112,700, hand-held models 79% to 1.02 million. Only other types, which include base stations, showed signs of reacting to market conditions, slipping 1.3% to 216,500. In first 9 months, total transceiver imports were up 181% to 15.7 million, CB automotive up 592.5% to 8.68 million, non-CB auto up 276.3% to 1.27 million, hand-held up 30.1% to 3.74 million, others up 78.8% to 1.99 million.

Unfair import competition complaint against Japanese color producers by Sylvania has been declared a "more complicated" case by International Trade Commission, which permits extension of hearing deadline to April 6 from Nov. 1. ITC has yet to rule on Japanese motion to dismiss case despite fact ITC staff team was slated to leave for Japan last week-end to take depositions. Meanwhile, D.C. Federal Dist. Court will hold hearing Nov. 9 on Melco (Mitsubishi) suite to have case dismissed on jurisdictional grounds. In Philadelphia Dist. Court, where Zenith's \$900-million antitrust suit against Japanese is pending, Judge Leon Higginbotham last week heard oral argument on Matsushita's request for permission to file countersuit against Zenith (Vol. 16:33 p7), and on Zenith's motion that statute of limitations be waived on certain aspects of its complaints on grounds Japanese engaged in fraudulent concealment of their alleged actions.

Some 130 companies have expressed interest in exhibiting at Audex, audio-only show planned for Las Vegas, April 25-28, according to Show Manager Charles Snitow (Vol. 16:30 p10 et seq.). At press briefing in N.Y. last week, Snitow said show is going ahead despite fact "the establishment (EIA, ERA, etc.) is against us," stated 100,000 sq. ft. have been reserved at L.V. Convention Center to accommodate up to 200 exhibitors. At meeting in N.Y. this week, EIA Consumer Electronics Group Staff Vp Jack Wayman is expected to announce that Las Vegas won't be able to handle Summer Consumer Electronics Show in May 1978, and that event will stay in Chicago through 1979, with shift to L.V., on alternate-year basis, now tentatively set for May 15-18, 1980.

Korean bulb-making plant, Samsung Corning, which currently seals imported panels & funnels, will add complete bulb manufacturing capability by mid-1977. Corning is making additional \$685,000 investment in plant, and \$5.4 million is being secured through loans.

CB Scene: Japanese confidence in U.S. CB market apparently remains high, despite scaled-down 40-channel production schedules of major OEM suppliers (Vols. 16:40 p11, 16:43 p10). Bigston, leading cassette recorder supplier, is making major commitment to CB under own name, starting with high-end SSB units and moving into in-dash radio/CB combinations next year. By end of 1977, it expects CB sales to account for about 20% or \$8.3 million of annual production... **NEC** will open CB & audio factory in April, eventually producing 40,000 units monthly... **Toshiba** will produce 100,000 CBs monthly in new Tokyo factory scheduled for completion in Dec... **Canadian** govt. will tackle CB interference problem with tighter technical standards when its conversion from current 22 to 40 channels takes place April 1. Govt. will streamline reciprocal licensing agreement with U.S., accept new CBs for testing Jan. 1.

Intentions to buy color TV rose slightly in Sept.-Oct., according to Conference Board survey. Some 6.4% of 10,000-family panel said they planned to buy color sets within 6 months, up from 6% in July-Aug. and 6.3% in Sept.-Oct. 1975. B&w buying plans were down to 1.4% from 1.5% in July-Aug. and 1.7% in Sept.-Oct. 1975. Consumer Confidence Index, however, dropped to 79.3% of 1969-70 average, down 7.5 points from July-Aug. Board noted: "Consumer caution has clearly turned to concern."

BMC (Japan) & Qualitron (Taiwan) are latest offshore video game producers eyeing U.S. market. BMC TVG-5000 plays 6 games, features 2 paddle sizes, Qualitron (formerly Unitron) TV Game plays 4 games. Neither has FCC approval.

Sylvania appoints National Sales Co. (Harvey Grossman, pres.) as Rochester area distributor for TV & audio, replacing factory-direct sales, and names OAC Industries, Haywood, Cal. & William Sales & Mktg., Longwood, Fla. as hi-fi reps.

GE SEES TV PROFIT: Sparked by success of VIR TV sets and 20% increase in console sales (vs. 6.5% industrywide gain), GE TV Business Dept. Gen. Mgr. Fred Wellner said last week: "We expect our TV to be profitable this year—a statement few TV manufacturers can make."

GE has concentrated heavily on large-screen sets this year and will continue. "We underestimated the appeal of VIR," Wellner said at press briefing in N. Y. "Frankly, we expected that others would have it, too," and as result didn't schedule sufficient production, but now hopes to catch up with demand by year's end.

Wellner announced 5 new 25" VIR consoles at new low price of \$720, down \$10 from Sept. introductions and \$60 from last May's starting price. Although company officially says VIR adds \$50 to list price, new units are VIR versions of consoles which previously sold for \$700. Company now has 12 VIR consoles, one 19" VIR.

GE sees 1976 industry sales at 7.6-7.8 million color, 5.1-5.2 million monochrome, with color rising to about 8.5 million next year, b&w unchanged. Wellner made clear GE is concentrating on consoles to capitalize on replacement market in area where there is no Japanese competition, 25" size representing 50% of industry dollar sales. As to imports, Wellner feels huge stockpiles have been built up, but "when they run out of inventory [of Japanese color sets], they face the same costs we do."

He's not optimistic on subject of price increases. "Profits in TV must come out of cost—reductions in overhead, distribution costs, standardization, automation." He sees these "keys to success in TV": (1) "You must build your own tubes." (2) "You must have a very strong distribution or be in white goods." (3) "You must continuously bring out a better product, and this means strong technology."

Japanese competition "won't go away," said Wellner. "Their twin attack is to take over American companies and apply price pressures." Asked about COMPACT group which is fighting for TV import quotas, he said: "GE doesn't subscribe. We believe in free & fair trade. But legislative relief or the [unfair competition] action [petition] is seeking would take 3-4 years. We're not protectionist but we see [COMPACT's] escape clause [petition] as the only fast instrument."

GE is "not as large" in private label as it was before W. T. Grant folded, "but we had too much of our business in it." Japanese are taking over most of portable private-label business, but GE's share, presumably in consoles, is "still substantial" and Wellner forecasts increase next year. In its tube business, GE continues to sell about 10% of its output to other set makers to keep feel of competitive market.

Among GE's plans for next year: (1) 50% increase in ad budget. (2) Probable IC version of VIR. (3) "Some very important announcements in smaller screen sizes." Wellner says he thinks GE is still No. 2 or 3 in b&w, No. 3 in total TV.

Wellner sees home projection TV in GE's future, but not of type now being sold. "Beyond the 25" size,

rear-screen projection is the next step." As for video games: "We won't go into the toy business. A TV set is a carefully engineered high-performance device." Video cassette: "I don't see a big volume in this. If there's a reasonable amount of money in it, we'll go in. But there must be some kind of standardization."

FIRST DIMENSION CRISIS: Early entrant in volatile TV game field, First Dimension, is in serious financial trouble and its manufacturing arm Video Design Industries has all but halted production. Firm's relationship with design & engineering firm Novatech (Vol. 16:36 p10) is in jeopardy, and it is actively looking for outside source to produce firm's games.

Chmn. John Jay Hooker confirmed problem, gave following account of situation: When Hooker joined firm several months ago, he loaned it \$500,000, which he was told would provide sufficient working capital to keep company afloat. "It wasn't enough and we could only manufacture on a limited basis because we couldn't get enough chips." Now, Hooker said, he's working to pay off debts and has rehired 25 of 225 workers laid off, producing 25 games a day. Prospects of finding partner to make games "are very good, and there's no reason to think we'll go into bankruptcy," he said.

Novatech's Eric Peterson said he "greatly questions the validity of our continuing to be a technical resource for First Dimension, considering the financial difficulties they're in." Relationship will be severed, and proposals from other game producers entertained "if there isn't an immediate resolution." First Dimension Pres. Norvell Olive and Video Design Pres. Mary Lou Wright have left company. First Dimension is 2nd game manufacturer to run into financial difficulties, Japanese producer Systek having halted production (Vol. 16:43 p11).

Game Plans: Panasonic hopes to get under-\$100 GI-chip game FCC-approved in time for Christmas market... New \$250 Ski-V by ski equipment specialist Northeast International simulates slalom course, with skier controlling action on screen by placing feet in special "boot" racks. Game will be in ski specialty outlets by Christmas, spokesman claiming potential market is 7 million. Game was approved last week by FCC. Other approvals: Video Volley (TD Mfg.), \$99 unit using National chip & circuit; "4+6" from Video Design Inc. (First Dimension); model GD1999 from Heath... Intercon Mktg. filed \$11-million-plus suit against GI charging component maker failed to meet chip commitments, insisted Intercon purchase other GI devices to get game chip.

ELAC line of German hi-fi equipment is being marketed in U. S. by Somerset Assoc., formed by Newton Channin, who headed Ortofon, before it was acquired by Harman International. First product will be belt-drive automatic turntable featuring strobe, idler-drive from tone arm, at \$195. Phono cartridges, components & compact systems are scheduled to be added to line. ELAC products, mainly record changers, had been marketed here under Miracord brand by Benjamin Electronics, which will drop line when inventory is worked off.

FIRST 40-CH. APPROVALS: FCC released names of first 25 40-channel CBs approved for Jan. 1 sales (see below), said additional approvals would be announced Nov. 12. Though it originally intended to issue complete list of approved CBs under Sept. 10-Nov. 1 submission plan (Vol. 16:31 p9) on Nov. 1, FCC said heavy volume submitted plus pressure on labs to okay as many video games as possible for Christmas market forced revision of plan.

Total of 485 CBs were submitted in time to guarantee approval for Jan. 1 sale—or notification that unit failed tests and must be resubmitted. Of total, 70-80 have completed testing process, and initial indication is that less than half live up to new transmitter & receiver specs. Chief Engineer Raymond Spence said he hopes additional CBs submitted this week & next will be tested in time to notify makers whether they can market CBs by Jan. 1, but he warned that Jan. 1 guarantee policy doesn't apply to these.

Approved CBs: Alpine Electronics (BR640), Boman (CBR-9950), Channel Master (CB 6835), Com-mando Communications (CC 4040), GE (3-5801A), Hy-Gain (2701, Kraco (KCB 4003 & 4030), Lafayette (HB 740), Matsushita (CR-B4700EU), Midland (77-888), Pathcom (8041), Pearce-Simpson (Tiger 40), Pioneer Electronics (GT 6600), RCA (14T270), Radio Shack (21-1520, 21-1526 & 21-1542), Regency (CR-485), Sears (CM-2378SA & 28-62674), Sharp CB-2460), Teaberry (4001 & 4006), Toyota Motor Sales (00860-00001).

Note: Comments on EIA Citizen's Radio Section petition asking for 1-year waiver on 40-channel receiver radiation standard were filed by Echo Communications, U.S. Citizens Radio Council, Radio Shack, A.R.A. Mfg. FCC also received telegrams from "several congressmen," but RF Devices-Experimental Services Branch Chief Herman Garlan declined to release names. "We don't want to get politics into this," he explained.

Watch watch: Hughes says that its upcoming modules include watch-calculator combination, stop-watch feature, pre-programmed 5-word message, claims it's still largest module producer, says it will continue as OEM supplier only, won't enter finished watch field... **International Trade Commission** study of appropriate duty rates for digital watches has been ordered by House Ways & Means Committee, which earlier this year rejected bill to hike present 75¢ per unit rate to \$5.37 (Vol. 16:8 p10, et seq.). Now awaiting results of ITC study is bill (HR-14600) to set duty on complete watches at 22% of value or \$1.60 each plus 12%, whichever is higher, 27.5% on modules & components... **Harris Semiconductor** has rented 25,000-sq.-ft. plant in Poughkeepsie, N.Y. for immediate production of watch modules to meet "heavy demand" which has "strained our existing capacity." Company's planned \$7.5-million 60,000-sq.-ft. module plant expansion in Melbourne, Fla., to boost capacity 35%, is slated for completion in mid-1977... **Pierre Remy** opens module production & watch encasing operation in Guatemala, says plant increases capacity to more than 10,000 monthly.

NO DUMPING INJURY: By 5-1 vote, International Trade Commission ruled dumping of Japanese tantalum capacitors in OEM market here wasn't injuring domestic producers, closing case stemming from Treasury's July dumping finding (Vol. 16:31 p14). While majority found Japanese had too small a share of U.S. market to pose threat, Comr. Joseph Parker, dissenting, said Nippon Electric's plan to expand next year would boost Japan's capacity far beyond domestic needs. Situation is likely to lead to more dumping here, cause harm to U.S. producers.

Labor Dept. (LD) rejected import adjustment aid for TV tuner workers, approved it for those making CATV converters, at Oak's Elkhorn, Wis. plant. LD said Oak laid off 12% of tuner employees, 12% of converter force, in first half this year, but said it found tuner operations were restricted mainly to inspection & repair of units made in Taiwan, so layoffs in that area couldn't be keyed to import competition. However, it found Oak's converter customers have switched to imports.

LD also rejected aid for workers formerly producing plastic TV parts at Superior Plastics, Chicago, noting business picked up this year after decline in 1974-75, and imports have insignificant share of custom-molded plastic parts market.

Elcaset tape decks will be offered in U.S. with some reluctance by Panasonic next June. Initial model has single motor, will list at \$750. High-end version due later in year, boasts 4 motors, lists at about \$2,000 with optional cue-search adaptor to permit skipping of unwanted selections on cartridge. Latter model is aimed at professional & broadcast markets. At press briefing in N.Y., Technics (hi-fi) Div. Gen. Mgr. Jeff Berkowitz said introductions were mainly probe "to see if the market is there" for new format at consumer level, expressed more confidence of acceptance in other markets. In Japan, Toshiba, Aiwa & Victor have shown Elcaset models... At Audio Engineering Society meeting in N.Y., Panasonic displayed Elcaset models, Sony delivered paper on standards. Other originator of system, Teac, didn't have one at exhibit, where spokesman explained company hadn't finalized design. In 4-channel at AES, Sansui was demonstrating QS matrix, while JVC was showing off new bi-phonic-quadrasonic system which provides striking spatial relationship effects. Audio innovator Richard Sequerra represented his new company, Pyramid Speaker, which plans to offer \$2,000-a-pair triangular speaker system by year end.

First U.S. demonstration of TED system with changer capable of providing 2 hours playing time is promised next week at International Videodisc Programming Conference in N.Y. by organizer Vision-disc Corp., which says Telefunken officials will discuss European, Japanese & U.S. marketing plans. MCA, Philips & RCA won't be represented at conference.

Sony plans to boost annual dividend to 7¢, at current exchange rates, from 4¢ last year.

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
Avnet			
1976-qtr. to Oct. 1	174,773,000	9,183,000	.65
1975-qtr. to Oct. 3	142,868,000	7,865,000	.57
BBD International			
1976-9 mo. to Sept. 30	61,500,000	5,250,000	2.09
1975-9 mo. to Sept. 30	51,300,000	4,239,000 ^a	1.69
1976-qtr. to Sept. 30	20,500,000	1,722,000	.69
1975-qtr. to Sept. 30	16,600,000	1,293,000 ^a	.52
John Blair			
1976-9 mo. to Sept. 30	79,890,000	3,419,000	1.42
1975-9 mo. to Sept. 30	60,604,000	1,215,000 ^a	.51
1976-qtr. to Sept. 30	28,542,000	1,364,000	.57
1975-qtr. to Sept. 30	21,506,000	541,000	.23
Cowles Communications			
1976-9 mo. to Sept. 30	--	2,795,000 ^a	.70
1975-9 mo. to Sept. 30	--	2,209,000 ^a	.56
Dynascan			
1976-9 mo. to Sept. 30	78,965,200	7,295,000 ^b	2.93
1975-9 mo. to Sept. 30	31,905,400	3,349,900	1.46 ^c
1976-qtr. to Sept. 30	22,991,600	231,561 ^b	.09
1975-qtr. to Sept. 30	14,020,400	1,610,000	.70 ^c
Globe-Union			
1976-year to Sept. 30	289,381,000	11,794,000	3.67
1975-year to Sept. 30	261,993,000	6,657,000	2.04 ^c
Gross Telecasting			
1976-9 mo. to Sept. 30	5,395,371	984,381	1.23
1975-9 mo. to Sept. 30	4,527,564	671,265	.84
Matsushita Electric ^d			
1976-9 mo. to Aug. 20 ^e	4,231,875,000	157,972,000	1.59 ^f
1975-9 mo. to Aug. 20 ^e	3,387,450,000	67,253,000	.68 ^f
1976-qtr. to Aug. 20 ^e	1,462,827,000	58,574,000	.59 ^f
1975-qtr. to Aug. 20 ^e	1,127,644,000	24,180,000	.24 ^f
MGM			
1976-year to Aug. 31	273,178,000	35,557,000 ^a	2.72
1975-year to Aug. 31	260,120,000	31,862,000	2.46 ^c
1976-qtr. to Aug. 31	76,707,000	18,031,000 ^a	1.38
1975-qtr. to Aug. 31	69,889,000	7,325,000	.55 ^c
Ogilvy & Mather			
1976-9 mo. to Sept. 30	78,200,020	4,632,509 ^a	2.50
1975-9 mo. to Sept. 30	68,509,827	2,705,901 ^a	1.49
1976-qtr. to Sept. 30	26,225,541	1,711,712 ^a	.92
1975-qtr. to Sept. 30	22,839,343	455,250 ^b	.25
Pemcor			
1976-6 mo. to Sept. 30	55,065,694 ^g	1,551,207	.75
1975-6 mo. to Sept. 30	41,536,517 ^g	541,919	.26 ^c
1976-qtr. to Sept. 30	30,027,989 ^g	1,065,646	.51 ^c
1975-qtr. to Sept. 30	21,230,001 ^g	427,450	.20 ^c
Sprague Electric			
1976-9 mo. to Sept. 30	146,013,628	5,846,460 ^b	1.69
1975-9 mo. to Sept. 30	120,597,004	(6,419,994) ^a	--
1976-qtr. to Sept. 30	50,160,929	2,484,684 ^a	.72
1975-qtr. to Sept. 30	36,873,685	(2,310,995) ^a	--
Superscope			
1976-9 mo. to Sept. 30	130,000,000	6,200,000	2.69
1975-9 mo. to Sept. 30	105,800,000	5,300,000	2.29
1976-qtr. to Sept. 30	45,500,000	2,200,000	.95
1975-qtr. to Sept. 30	39,400,000	2,100,000	.91
Times Mirror			
1976-9 mo. to Oct. 3	714,713,000	49,021,000	1.45
1975-9 mo. to Oct. 5	589,182,000	35,075,000	1.04
1976-qtr. to Oct. 3	240,800,000	17,661,000	.52
1975-qtr. to Oct. 5	207,438,000	17,395,000	.52
Walt Disney Productions			
1976-year to Sept. 30	583,896,000	75,599,000	2.41
1975-year to Sept. 30	520,006,000	61,741,000	2.00 ^c
1976-qtr. to Sept. 30	179,987,000	26,536,000	.86 ^c
1975-qtr. to Sept. 30	172,908,000	24,729,000	.80 ^c

Company & Period	Revenues	Net Earnings	Per Share
Wells-Gardner			
1976-9 mo. to Sept. 30	9,545,000	(555,000)	--
1975-9 mo. to Sept. 30 ^e	11,541,000	(916,000)	--
1976-qtr. to Sept. 30 ^a	5,171,000	100,000	.24
1975-qtr. to Sept. 30 ^a	3,639,000	(547,000)	--

Notes: ^aIncludes special credit. ^bAfter special charge. ^cAdjusted. ^dAt rate of 289 yen to \$1. ^eRestated. ^fPer ADS. ^gFrom continuing operations.

Trade Personals

Willis Wolf advanced at Olson Electronics from exec. vp to pres., succeeding **Sid Olson**, who continues as chmn. **Richard Lask** advanced at Fanon/Courier from midwest mgr. to national sales mgr. **Henry Eberle** named pres. of Visonik America, newly formed German speaker import-distributor; **Chris Hartnack** appointed sales mgr.

Richard Kelly resigns as vp of Time-Life Multimedia, to be succeeded as gen. mgr. by **Rick Schilling**, now program dir. **David Block**, ex-Time-Life Films, named mktg. consultant to Sony/Paramount Home Entertainment Center (Vol. 16:32 p9). **Michael Masterpool & Vivian Manuel** leave GE PR posts to join Standard Brands as, respectively, corporate communications vp & corporate communications program dir. **Cy Kneller** retires as editor-assoc. publisher of Radio & TV Weekly after 48 years with publication, succeeded by **Edward Walter**.

Alfred Shultz, ex-Singer, appointed National Semiconductor ad & sales promotion account exec. for microprocessors, memory devices & point-of-purchase systems, succeeding **Chris Soter**, advanced to head of European & U.K. mktg. services operation; **Barbara Jean Fikes** joins as account exec. for ICs, large MOS products, transistors, display devices & modular microcircuits. **Wilson Hastie** appointed TRW/IRC national distributor sales mgr., succeeding **Ralph VanHaren**, resigned.

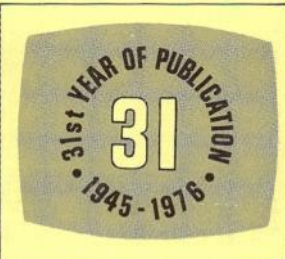
Nicholas Tournillon advanced at GTE International from asst. treas. to treas., adds post as GTE Service asst. treas. **Ronald Campbell** named Raytheon engineering dir. & **John Pasquariello** appointed mfg. dir., respectively succeeding **Vps Harold Hart & Robert McCormack**, retiring. **N.B. Hannay**, Bell Labs research & patents vp, receives Electrochemical Society's Edward Goodrich Acheson Medal for work in electronic materials.

Subpoena for 1975-6 TV fire incident records has been sent to all major TV manufacturers by Consumer Product Safety Commission. Agency is trying to find out if more stringent UL testing standards, adopted in 1974, have resulted in safer sets. Presumably, it will use information to help decide whether to impose mandatory TV safety standard or settle for voluntary compliance program. CPSC has set Jan. 17 for submission of 1975 data, March 1 for information on 1976. Agency still hasn't circulated UL TV safety standard proposal for industry comments, hopes to have it out in time to receive replies by April 1.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

TRACKING WASHINGTON POWER SHIFT: Transition team includes communications figures Cutter, Wellford, Coffey. Hooks' departure date, to head NAACP, uncertain. (P. 1)

NBC SPLITS ON FV APPEAL, won't join other networks & FCC in fighting First Amendment ruling; NAB undecided. (P. 2)

DEFINING CABLE SYSTEMS: FCC considering regulating MATVs same as CATVs, exempting those under 250 subscribers from rules. Would create 2 classes of CATV & MATV—250-999, over-1,000. (P. 3)

TvB KNOWS WHAT IT WANTS and how to get there, Chmn. Bartlett tells happy Washington convention. Record 315 impressed by State Dept., White House visits. Third network seen as viable. (P. 4)

PUBLIC SERVICE SATELLITE proposed for PSSC by Hughes Aircraft. NASA is asked for free launch. Consortium also eyes PTV & earth stations. (P. 5)

CONGRESS TAKES FIRST STEPS toward reorganization for 95th. Senate Commerce communications staffers named; Inouye eyes Communications post. Moss won't seek Commerce chairmanship 'as long as there's no vacancy.' (P. 5)

TRACKING WASHINGTON POWER SHIFT: Carter's transition team is in town—lining up policy, plans, people, procedures—but main decisions are yet to come. One of most significant actions last week, and it wasn't Carter's, was naming of FCC Comr. Hooks as head of NAACP, which came as no surprise (Vol. 16:45 p1). (For details of Hooks' move, see below.)

Several people well known to communications industry are emerging in positions of some influence. W. Bowman Cutter, former head of Cable TV Information Center, is a major honcho on budget, with impact on just about everything. Harrison Wellford has big role in regulatory agencies & re-regulation. He's former chief legislative aide to Sen. Hart (D-Mich.), well-remembered by broadcasters because of part he played in renewal bill in 1974 (Vol. 14:31 p2). At one point, bill provided that FCC couldn't consider media cross-ownership at renewal time. Wellford devised strategy for Hart to block bill unless provision was knocked out—and Sen. Pastore (D-R.I.) had to go along. Matthew Coffey has 70-day leave of absence as pres. of Assn. of Public Radio Stations to serve as head-hunter. He worked 4-1/2 years for LBJ as personnel recruiter, will be involved in scouting regulatory agency candidates.

Transition chief Jack Watson said Carter will interview, in Plains, Ga., all candidates for Cabinet posts and other major positions, will make names public as they're interviewed.

At FCC, top staff jobs still pend designation of chairman. Broadcast Bureau Chief Wallace Johnson says he has variety of options, including retirement with 35 years' service—"but I'm

Consumer Electronics

COPYRIGHT SUIT by Universal & Walt Disney challenges legality of using home videocassette to tape material from TV. Sony, ad agency, Betamax dealers & owners named. Hitachi chooses JVC system. (P. 7)

IMPORTS TOOK 59% of TV market in 3rd quarter, topping U.S. production for first time. For 9 months, imports held 49%—33% of color, 71% of b&w. (P. 8)

ITC IMPORT QUOTA investigation to cover color & monochrome TV as well as 'subassemblies.' Agency rejects Japan bid to halt unfair-competition probe. Japan objects to ITC investigators. (P. 8)

GOOD OCT. SALES of color to dealers, at 8.2-million annual rate, supply momentum for 37% increase over year earlier in first Nov. week. Inventories unchanged in Oct. (P. 10)

RCA TO CLOSE picture tube plants for 2 weeks to 'adjust inventories,' hints at price increase as tube makers are caught between over-capacity & soaring costs. (P. 10)

FCC CB WAIVER gives limited relief on receiver standards, applies only to 23s being converted to 40. Quello dissents; Radio Shack blasts everyone involved. Latest approvals. (P. 11)

not ready to hang it up; there are a number of things I'd like to see through." Cable Bureau Chief James Hobson would like to serve until mid-1977, then leave for private industry.

* * * *

Just when Hooks will leave FCC is very much up in air. He would like to stay until successor (who also is expected to replace Wiley as chmn.) is confirmed by Senate. NAACP said Hooks "will assume office Jan. 1" as exec. dir.-designate—but Roy Wilkins, man he'll succeed, doesn't leave until July, and we're told "a sticky situation" is building. Wilkins didn't attend Washington news conference to announce hiring of Hooks although he was invited, according to NAACP Pres. W. Montague Cobb.

Hooks told other commissioners last week that he could still be at FCC into March, but he obviously will resign as soon as Jimmy Carter says Administration needs seat. Hooks was appointed in 1972 by Nixon; his term runs until June 30, 1979. He said that he expects to have input with Carter's people on his successor and that he expects person to be black.

At news conference, Hooks was asked if FCC has any plans to do something about "the dearth of blacks on the network level." He noted Commission doesn't have jurisdiction over networks but that "I will be able to do more about it at the NAACP and that's what I plan to do." He added:

"To those who have expressed reservations over my leaving the FCC amidst rumors of an impending chairmanship [Vol. 16:45 p1], let me say that—although I believe my presence at the Commission has had an important impact on making broadcasters more responsive...and that I have been able to be a voice for those previously not heard—I also feel that I can do more, much more, for so many more people in my new post...The fact is I've been on the Commission for 4-1/2 years and I'm not altogether certain there is much more I could do as chairman." He said First Amendment is "the greatest tool" for advancement of blacks because it prevents TV-radio stations from keeping blacks and their views off air.

Hooks will receive \$50,000 base salary, expense account, other perquisites. He'll also be able to benefit from fees for non-NAACP speaking functions and for preaching—extra income he was prohibited from accepting as commissioner. Hooks told us he probably won't take any of FCC staff with him—although he'd like to—because "they don't pay much" at NAACP.

NBC SPLITS ON FV APPEAL: "A clear and strong prohibition against government interference with broadcast program content and scheduling"—that's thrust of L.A. Dist. Court decision on family viewing (FV) according to NBC, which said it won't appeal that part of decision which rules FCC violated First Amendment by coercing networks & NAB (Vol. 16:15 p3). However, network will appeal portion of Judge Warren Ferguson's ruling that networks could be liable for monetary damages because CBS moved Tandem Productions' "All in the Family" out of FV (7-9 p.m.).

Justice Dept.-FCC will appeal ruling that agency acted unconstitutionally, hasn't decided on Tandem phase. Notice of appeal on Tandem is due Nov. 15, appeal on First Amendment in 20 days. NAB said last week adoption of FV "was in the public interest and there was nothing illegal or improper...We will, of course, comply with the [Court] decision pending any appeal."

NAB staff has recommended that Assn. join CBS, ABC—both of which announced they'd appeal 10 days ago (Vol. 16:15 p3)—and FCC in appealing. Decision will be made at Nov. 23 Exec. Committee meeting in Washington. NAB has spent over \$125,000 on case in legal fees and other expenses, probably will handle any appeal through in-house counsel (Vp-Gen. Mgr. John Summers, Gen. Counsel Erwin Krasnow).

NBC said Judge Ferguson's decision "emphasizes the right & duty of broadcasters" to determine suitability of programming for specific time periods and that it doesn't "dismantle" NAB TV Code. Throughout discussions before FV was adopted by Code (Vol. 15:15 p2), NBC said it maintained application of FV "would be a matter for judgment solely by the broadcaster on a case-by-case basis. NBC intends to follow its independent policy on this subject."

At NAB conference in N. Y. last week, House Commerce Committee Chmn. Staggers (D-W. Va.) said Ferguson decision "is not the last word... Family viewing is good for America."

He said there's still too much sex & violence on TV but "we should be self-regulatory and the industry should police" itself. Referring to CBS & ABC affiliates which refused to carry movies including rape scenes (Vol. 16:45 p6), Staggers said: "God bless those affiliates."

Print media and public interest groups were critical of CBS & ABC for attacking Judge Ferguson's ruling that govt. had violated First Amendment. Frank Lloyd, who entered amicus appearance in trial for ACT & NCCB, called it "ironic" that CBS attacked decision enforcing First Amendment as "'a dangerous precedent.'" He said it took "citizens groups—often accused of being censors—to secure such a strong First Amendment decision."

At TvB convention in Washington last week, FCC Chmn. Wiley said: "There is much that I would like to say about this decision and the manner in which it was written. However, I am an attorney and have great respect for judicial institutions. Accordingly, I can respond to the opinion, in detail, only in a judicial setting. Suffice it to say...that I totally reject the Court's findings. At no time were threats expressed or implied..."

"I believe that we acted at all times in a responsible manner and with appropriate sensitivity to the very important First Amendment values involved. I also believe that this point is supported by the testimony of all the individuals...who actually attended the meetings which preceded the industry's adoption of the family viewing plan. Indeed, I cannot account for the fact that the Court chose to turn its back on this testimony and rely instead, in large measure, on [ex-FCC Comr.] Nick Johnson's interpretation of events he neither witnessed nor participated in."

DEFINING CABLE SYSTEMS: FCC discusses new definitions of cable systems this week, has before it staff proposals to: (1) Include, for first time, master antenna systems (MATV) within rules. (2) Exempt CATVs & MATVs with fewer than 250 subscribers from rules. (Only 2-3% of MATVs have more than 250 units.) (3) Create two classes of CATV & MATV: "Small," 250-999 subscribers; "large," over 1,000. (4) Exempt small systems from exclusivity rules.

(5) Consider franchise rules for MATV in separate proceeding. (6) Apply technical standards to new large & small MATVs but grandfather existing MATVs. (7) Exempt MATVs from access rules at present, but continue to study issue. (8) Give MATVs time to comply with anti-siphoning rules, because of contractual obligations. (9) Require certification of all CATVs, plus MATVs using microwaves for distant signals. (10) Apply cross-ownership rules to all large & small CATVs & MATVs. (11) Continue annual reports by CATVs. Exempt existing MATVs from reporting, but require reports of new large MATVs.

CPB board approved budget for fiscal 1977 as well as formula for distributing funds between public TV & radio over next 3 years, to enable long-range planning "now that advance-year funding is a reality"—due to signing into law of CPB long-term funding bill last Congress. In Denver meeting, board earmarked 90% of budget—\$92.7 million—for direct TV-radio support, with \$77.32 million going for TV activities (\$51.5 million going directly to stations, \$12.5 million for interconnect and \$13.32 million for national production activities), \$15.38 million to radio activities. Remaining 10% is for CPB administration, minority & women training grants, satellite project, development, research, etc. Board also voted to accept 12 pages of "statements" of CPB's "tasks & responsibilities" & "missions & goals." Board gave no explanation for action, but CPB has been subject of rash of criticism from PBS and PTV stations in recent months.

NAB is "vigorously opposed" to FCC rulemaking which would make portions of annual financial reports (Form 324) public. Assn. said purpose of proposed disclosure of net revenues, total expenses, depreciation, etc., is to "pave the way for waiver of cable TV distant signal limitations." FCC has extended deadline for comments to Dec. 3.

NCTA has challenged NAB figures on audience loss due to cable (Vol. 16:40 p5). NCTA Pres. Robert Schmidt wrote Rep. Van Deerlin (D-Cal.), stating that potential audience loss due to cable in Palm Springs, Cal. is maximum of 11%, compared with NAB's estimate of 45%. He said that Flagstaff maximum loss would be 4.3%, compared with NAB's 31% estimate. Markets with fewer than 3 stations, he said, might have 12% loss, vs. NAB's estimate of 34.4%. In addition, according to Schmidt: "We must continue to stress the fact that audience fractionalization does not translate to revenue loss. NAB has consistently failed to present any data which would confirm their claim of a direct audience-revenue loss relationship." NAB says it's found distortions in NCTA's figures, will so state to Van Deerlin this week.

All-UHF Kaiser Bcstg. had 3rd-quarter pre-tax earnings of \$3 million—including \$846,000 in sale of KBSC-TV L.A.—up from loss of \$608,000 year ago. Revenues for period were \$10.6 million, double the \$5.2 million in 1975. Jan.-Sept. earnings were \$6.86 million, compared with \$1.8 million loss last year, on revenues of \$29.8 million, up from \$17.1 million.

TvB KNOWS WHAT IT WANTS: "Right now—as never before—[TvB] knows where it's going and how to get there," Chmn. Walter Bartlett told record 315 registrants at last week's TvB convention in Washington—and hardly a murmur of dissent was discernible. "Maybe it's because we're approaching the end of a year that will far surpass the most optimistic projections of a year ago, and 1977 is looking even better," commented major group exec.

It was all happiness for TvB in Washington. Station execs. were super-impressed by briefing and reception at State Dept.—and similar sessions for smaller group at White House next day. They heard success after success story for TV from retail advertisers. They're glowing in 25% increase in business this record year and a TvB-projected growth of 13% on top of that for 1977.

TV stations have raised spot prices 18-20% this year, causing Katz Tv's Walter Schwartz to observe: "Stations now are being accused of venality, avarice and other assorted forms of greed as they adjust their rates to reflect the new market conditions. In actuality, stations are catching up to other media after years of enduring artificially depressed rates."

And there's more good news. TvB Pres. Roger Rice outlined personal communications training courses planned for next year under Charles Reilly—"an opportunity to have an outside and objective perspective on personal communications skills," according to Reilly. "It's a natural for the sales people, of course...and for the executive group as well."

There was panel talk about 4th network—with experts seeing it coming about gradually, starting with 2-3 hours daily in prime time. "I think it can happen," although not structured like existing networks, according to Grey Media Mgr. Larry Lamatina. "There's money to support it" among advertisers & agencies. "It's a hot issue...There are a number of advertisers interested."

Big question for affiliates, according to Peter Spengler of Bristol Myers, is "when we have a quality show, will you dump the networks and clear...Will you encourage us?" He said 4th network will need more flexible approach than Mobil attempt to clear stations for telecast of "Ten Who Dared" on same day & time (48 stations have signed to date).

MCA's "Operation Prime Time" also was seen as forerunner of 4th network. Due to start in May as mini-series based on novel, it now has 49 stations signed. MCA's Don Menchel described it as putting "a key in the lock" for future 4th network. He said major advertisers, "including the very biggest," are interested, that all major groups except Capital Cities have bought program.

In addition to discussing family viewing (see p. 2), FCC Chmn. Wiley said it's time for Congress to "seriously address" question of repealing Sec. 315. "Its actual effect more often than not has been to assure no coverage (outside of exempt programs) for any of the candidates. It is clear enough that this law does not serve the public interest and is not in keeping with the spirit of the First Amendment."

Museum of Bcstg. opened doors in N.Y. last week, established with personal funds of CBS Chmn. William Paley; Paley also promised to underwrite museum's first 5 years, cost of which he estimated at \$2 million. Museum will collect and preserve TV & radio programs and other materials such as books & periodicals, make them available to scholars and public. Museum is located next to Paley Park at 1 E. 53rd St., is equipped with Sony Betamax videotape players and standard cassette players. Archive agreements have been signed with NBC & CBS, while ABC, PBS & NPR have agreed in principle to submit programs to museum. Collection now has 718 programs, and museum is expected to have 4,000 by end of first year, 18,000 by 1980 (7,000 TV, 11,000 radio); site has total capacity of 40,000, expected to be reached by 1982. President is Robert Saudek, TV producer and visiting lecturer on "visual studies" at Harvard U.; Paley is chmn. Board members include ABC Chmn. Leonard Goldenson, NBC Chmn. Julian Goodman, Washington Post Chmn. Katharine Graham, CPB Pres. Henry Loomis, ex-RCA Chmn. Robert Sarnoff, NAB Pres. Vincent Wasilewski, Mrs. Paley. Meanwhile, Triangle Publications Pres. Walter Annenberg gave \$20 million to N.Y. Metropolitan Museum of Art for establishment at museum of new wing to house Fine Arts Center of the Annenberg School of Communications. Center will produce TV & films.

Teleprompter showed profit in 3rd quarter—its first black-ink quarter in 3 years. Net earnings were \$910,000 vs. \$665,000 loss in same 1975 period. Earnings benefited from Filmmation's 3rd quarter pre-tax profit of \$1,150,000 in syndication sales. Company had total pre-tax profit of \$1,644,000 in quarter vs. \$399,000 loss in 1975. Revenues in 3rd quarter were \$34,681,000 vs. \$27,333,000 last year. Net loss for 9 months was \$1,166,000 vs. \$3,576,000 last year. Gains in cable, said Pres. Russell Karp, came mainly from pay cable. TPT is discussing change in its ownership of Manhattan & L.A. systems from joint ownership with Hughes Aircraft to 50-50 joint venture, said move would improve earnings "significantly." Details weren't provided, but it's assumed savings would be in taxes.

Increased forfeiture authority for FCC—to replace "death penalty" of non-renewal, was urged by FCC Comr. James Quello, speaking at NAB regional conference in N.Y. He also: (1) Favored 5-year licenses. (2) Welcomed congressional review of Communications Act. (3) Suggested amendment of Sec. 315 to encourage political discussion, perhaps using fairness doctrine instead. (4) Urged improvement in local service—particularly with satellite-to-home-broadcasting threat on horizon: "Local service might well emerge as the sole justification for the continued existence of our present system of broadcasting." (5) "Expansion of network time at the cost of local programming would be viewed with concern by at least some members of the Commission."

All exhibit space in 3 hotels comprising 84,502 sq. ft. has been sold for NAB Washington convention in March. NAB said 188 associate members have leased space, up from 182 at Chicago's McCormick Place last April.

PSSC & HUGHES ASK NASA HELP: Possibility of high-powered satellite provided free of charge for public service experimentation looms for Public Service Satellite Consortium (PSSC)—group of 65 "public service" telecommunications users including health, education and social services as well as Alaska and several state ETV Commissions.

Hughes Aircraft has filed letter of intent with NASA to develop experimental satellite ideal for public service applications and experiments, provided that NASA launch it as part of agency's "pre-operational" space shuttle experiments projected for 1979.

If NASA approves Hughes' application, project will "meet each participant's mutual needs," PSSC Pres. John Witherspoon told us. "Everybody's self-interest meshes nicely. Hughes will have a working model-in-the-sky of the likely next generation of satellites, NASA wants to demonstrate the usefulness and efficiency of its shuttle system, and we'll have a satellite with great potential for public service."

Hughes' proposed satellite will be in tradition of ATS-6—designed to beam signals to small dishes located at point of use—but it "rewrites the rules for satellite design," Witherspoon said, to take maximum advantage of proposed shuttle's enormous cargo hold. Intended to operate in 2.5 & 11-14 GHz bands, it will be larger & heavier than previous high-powered satellites, have more complete backup systems, and lifespan up to 15 years.

Satellite won't make PSSC "a public service Ma Bell," Witherspoon said. Though it represents "a great technical step forward," it still is primarily experimental. "It is an opportunity for us to do studies and proto-operational work, looking forward to meeting the needs of the consortium's members on an operational basis in the future."

PSSC (annual dues \$500) has completed study of members' communications needs, is still looking at alternative ways to fulfill them. One interim possibility while members wait for high-powered satellite's launch might be use of spare-channel capacity of existing earth stations using RCA and WU communications satellites, including those belonging to both public broadcasters and cable systems. "My own view is that there is a lot that can be done in the public service area with the marriage between cable and satellite," Witherspoon said.

NBC & Justice Dept. (JD) reportedly are close to signing consent order involving JD antitrust suit to force all 3 networks out of program ownership & production. JD would say only that nothing has been filed in L.A. Dist. Court—where case has been pending nearly 2 years (Vol. 14:50 p2)—and neither side would comment officially. Negotiations reportedly were initiated by NBC. "I know they're up to something," JD official said. "There's talking going on." Spokesmen for CBS & ABC said they aren't negotiating such settlements.

Participants at FCC en banc open meeting, 2:30 p.m., Nov. 15: CTIC, National Gay Task Force, National Federation of Local Cable Programmers. Each has 30 min.

CONGRESS BEGINS REORGANIZATION: Preparing for 95th Congress, House and Senate Commerce Committees have taken first steps toward organization.

On Senate side, Nicholas Miller was named Commerce communications counsel, and 3 other Commerce staffers were assigned communications responsibilities (in addition to other Committee duties): Edward Cohen, formerly responsible for consumer & product safety legislation; David Berger, ex-Seattle antitrust attorney who specialized in FPC and ratemaking legislation on Committee last session, and Timothy Nulty, ex-Oxford U. professor and UAW chief economist, as well as Commerce chief economist last year. Cohen will specialize in broadcast matters, Nulty and Berger in common carrier. Additional staffers are likely to be appointed when Communications Subcommittee chmn. is named. In consumer area, Edward Merlis, former staffer of defeated Sen. Moss (D-Utah), will be promoted to asst. to Chief Counsel Michael Pertschuk.

Senators continue to jockey for variety of positions. Joining Sen. Hollings (D-S.C.) in competition for Communications post last week was Sen. Inouye (D-Hawaii), who said he'd be interested if higher-ranking Hollings is named majority leader. Hollings faces Sens. Byrd (D-W.Va.), Muskie (D-Me.) & Humphrey (D-Minn.) in that contest.

On House side, Commerce has 3 vacancies—sought by many—but Communications Subcommittee has none. Contest for full Committee chairmanship hasn't shaped up yet. Second-ranking Democrat Moss (Cal.) told us last week he doesn't plan to seek post now occupied by Rep. Staggers (D-W.Va.) "as long as there is no vacancy." Under new procedures adopted last Congress, for vacancy to occur, Democratic Steering Committee would first have to vote to reject Staggers. Democratic caucus meets Dec. 6 to begin lining up Committee assignments, choose leadership, set meeting date for Steering Committee.

All restrictions on radio station carrying programs of more than one network would be repealed under staff proposal to be considered by FCC Nov. 16. However, licensees will be "advised to exercise care and judgment in their choice of non-local news sources." Among other staff recommendations: (1) Definition of network would include state networks, sports hook-ups, AP Radio & UPI Audio, and would apply to feeds "entirely or chiefly by interconnection." (2) Network-affiliate contracts lengthened from 2 to 3 years. (3) FCC doesn't have authority to prohibit rep firms from calling stations they represent "networks," as sought by CBS. "The term network has a long history independent of its broadcast usage."

In first speech since joining FCC, Comr. Margita White told Ore. Assn. of Bcstrs. she favors 5-year licenses, is interested in Communications Act amendment to increase political debate and discussion, believes "FCC's efforts for regulatory reform are very much in the public interest."

EEO consultants, hired by NCTA to develop program for industry, is N.Y. organization, Clark, Phipps, Clark & Harris Inc. It will get about \$15,000 for 4 months' job.

Personals

John Dealy, ABC asst. secy., elected vp-corporate legal affairs, and Vp-Secy. **Jerome Golden** promoted in shift from legal dept. to staff of Pres. **Elton Rule**, in separation of ABC corporate secretary & legal depts.; **Richard Gitter** promoted to vp-broadcast standards & practices, succeeding **Grace Johnson**, retired; **Thomas Kersey** advanced to vp-broadcast standards & practices, west coast.

Emerson Stone, CBS Radio News vp, named CBS representative, AP Bcstrs. board, succeeding **Jim Holton**, NBC Radio News vp... **Layton Franko**, ex-J.C. Penney, appointed ABC-TV forecasting mgr.

Elected to TvB board: **Thomas Maney**, WCVB-TV Boston; **Paul Raymon**, WAGA-TV Atlanta; **James Terrell**, KTVT Ft. Worth; **Arthur Muth**, Petry TV; **Adam Young**, Adam Young Inc. Re-elected were Treas. **Arthur Watson**, NBC, & Secy. **Marvin Shapiro**, Group W.

National Bcstrs. Club holds reception Nov. 23 for FCC Comrs. **Joseph Fogarty** & **Margita White**... Ex-FCC Comr. **Charlotte Reid**, who resigned last spring after marrying H. Ashley Barber of her home town (Aurora, Ill.), is now divorced, has returned to Washington as consultant.

Christine Foster, ex-Wolper Organization, joins NBC-TV as mgr., film program operations, west coast, in restructuring of west coast programming dept. Other moves: **Leonard Hill** advanced to motion pictures for TV dir.; **Peter Andrews** to dramatic program development dir.; **Sheldon Pinchuck** to film program operations dir.; **Mike Klein** to film program operations mgr.

Lucille Larkin, ex-consumer affairs dir., Carl Byoir Assoc., Washington, named NCTA public affairs vp. Before joining Byoir in 1975, she was information dir., Ford Foundation's Energy Policy Project. She served Time Inc., 1963-70, as reporter for Time magazine and Time-Life stations, was PR dir. for Mrs. Sargent Shriver and Mrs. Edmund Muskie during their husbands' 1968 & 1972 vice presidential campaigns.

Stephen Zerkowitz, WMVO-AM-FM Mt. Vernon, elected pres., Ohio Assn. of Bcstrs.; **Neal Van Ellis**, WKYC-TV Cleveland, first vp; **Gunther Melsse**, WVNO(FM) Mansfield, 2nd vp... **W. Robert Rich** promoted to senior vp-special projects, National Telefilm Assoc.; **George Mitchell** advanced to vp-gen. sales mgr.

Donald Halverson named mgr. of Nielsen Boston office, succeeding **D.L. Ritter**, promoted to drug industry services mgr... **Larry Adams**, Katz Radio western mgr., appointed mgr. of new Katz Seattle office: 100 W. Harrison Plaza, Seattle 98119... **Ruth Whitmore** advanced to promotion mgr., WKBD-TV Detroit... **Bob Ware**, ex-Ga. Educational Network, named chief engineer, WPLG Miami.

Robert Brody, ex-Baker Industries, appointed financial dir., Hollywood Home Theatre; **Howard Levine**, ex-Warner Communications, advertising &

promotion dir.; **Steve Kutner**, ex-Playboy Enterprises, programming dir.; **Carolyn DeBroder**, ex-Telecommunications Systems, affiliate sales dept.

Leonard Gregory, Teleprompter central Fla. dist. mgr., named pres., Fla. Cable TV Assn. succeeding **Vern Coolidge**, resigned to become southeastern mgr., Theta-Com... **James Hanlon**, Suffolk Cablevision, elected pres., N.Y. State Cable TV Assn... **Samuel Street**, ex-Suffolk Cablevision, named mktg. dir., new post, Viacom's Showtime.

FCBA seminar Nov. 19-22, Cerramar Beach, P.R., includes 2 sessions: (1) "Competition in Telecommunications Services," with Henry Boettinger, AT&T; Walter Hinchman, FCC; Peter McCloskey, Computer & Business Equipment Mfrs. Assn.; William McGowan, MCI; John Morgan, Communications Workers of America; moderator, Peter Tannenwald, Arent, Fox, Kintner, Plotkin & Kahn. (2) "Ex-FCC Comrs.: What is Past Could be Prologue," with Kenneth Cox, Haley, Bader & Potts; Rosel Hyde, Wilkinson, Cragun & Barker; Glen Robinson, U. of Va.; moderator, Joseph DeFranco, CBS. Banquet speaker: Howard Eaton, Ogilvy & Mather. Seminar chmn.: Edgar Holtz, Hogan & Hartson.

Carriage of Canadian stations on U.S. cable systems is issue back before FCC, as D.C. Circuit Appeals Court remanded case after appeal by KIRO-TV Seattle. Station argued that carriage of programs pre-released in Canada was damaging—that about 50% of its prime-time programs would be carried via Canadian pre-release. Court found FCC decisions based on "contradictory rationales" and "improperly noticed facts."

Keystone Bcstg. petitioned FCC for rulemaking to bar TV or radio network ownership of common-carrier facility which could be used to interconnect stations. Petition cites "potential anti-competitive restraints." RCA currently is sole firm with both network & common-carrier facility.

N.J. Gov. Brendan Byrne notified FCC that its 3rd report in inquiry into N.J. TV service (Vol. 16:45 p6) indicates that it "has totally abdicated its responsibilities under the Communications Act of 1934." He again asked Commission to order Philadelphia and N.Y. stations to establish studios in N.J.

Two-year warranty on all cable products is offered by C-COR, which claims it's first of that length covering everything.

Obituary

John S. Cross, 72, FCC commissioner May 1958-Sept. 1962, died Nov. 8 in Greencastle, Ind. while driving to Bethesda, Md. home. He succeeded Richard Mack (who was forced to resign during ex parte scandal), told Senate confirmation hearing that "I'm as clean as a hound's tooth." He came to FCC from State Dept., where he was asst. chief of telecommunications and participated in 18 international communications conferences. Since leaving FCC, he has been engineering consultant. Survivors include wife, 2 sons.

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 Oct. 29 (43rd week of 1976):

	Oct. 23-29	1975 week	% change	Oct. 16-22	10 mos. 1976	10 mos. 1975	% change
Total TV.	424,151	323,408	+31.2	308,905	9,995,177	9,220,205	+8.4
color	250,637	184,566	+35.8	193,507	5,963,590	5,179,861	+15.1
monochrome . .	173,514	138,842	+25.0	115,398	4,031,587	4,040,344	-0.2
Total radio	2,558,907	1,367,879	+87.1	971,342	34,080,521	27,695,354	+23.1
home, portable.	2,279,034	1,132,149	+101.3	731,654	23,750,026	20,354,141	+16.7
AM-only	797,739	280,692	+184.2	287,529	7,087,549	5,589,895	+26.8
FM & FM-AM	1,481,295	851,457	+74.0	444,125	16,662,477	14,764,246	+12.9
auto	279,873	235,730	+18.7	239,688	10,330,495	7,341,213	+40.7
Port.-comp. phono.	134,070	105,070	+27.6	93,778	2,488,351	2,743,931	-9.3

Color TV 5-week moving average: 1976—209,349; 1975—164,373 (up 27.4%).

COPYRIGHT SUIT CHALLENGES BETAMAX SALES: Pilot lawsuit on legality of videotaping copyright material in the home was filed last weekend in L. A. federal court by Universal City Studios & Walt Disney Productions. Defendants are Sony Corp. of America, parent Sony Corp., its ad agency Doyle Dane Bernbach, some Southern Cal. Betamax retailers & Betamax owners.

Complaint charges "Sony induces the infringement of copyrights of motion pictures... through the use of its Betamax and, in fact, Betamax has been sold, advertised & used for infringing purposes," according to release by Universal & Disney. "Among the issues is the legality of commercial sales of equipment for purposes of copying motion pictures protected by copyright under federal law." Text of 37-page complaint wasn't available at press time. Sony America Pres. Harvey Schein & other Sony officials declined comment late last week because "we haven't seen the papers yet."

Suit asks injunction to "prevent further infringement" as well as unspecified damages. Stephen Kroft, of plaintiff's attorneys Rosenfeld, Meyer & Sussman, said complaint seeks to halt "sale & advertising under circumstances described in the complaint," wouldn't elaborate except to say that his clients viewed taping from home camera or copying non-copyrighted material from TV (such as Presidential debates) as only legitimate uses. Universal is subsidiary of MCA, one of co-developers of Philips/MCA videodisc system, which can play back programming over TV set, but can't record.

Litigation is bound to be long & involved, take place with other major copyright issues of recent past, such as CATV dispute. As one observer put it: "The question at issue is whether someone in the privacy of his own home is free to take something from the public airwaves to watch or even save." Suit was brought under old copyright law (new statute doesn't go into effect until Jan. 1, 1978), and question of "fair use" of copyright material is bound to be crux of issue. Only similar case involving home recording in memory of industry observers was one in which Bell & Howell was barred from advertising use of its recorders for taping from radio, but not enjoined from selling recorders. Germany recognizes applicability of copyrights to home taping, taxes audio recorders, proceeds going to copyright owners.

Interneccine battle among home videocassette proponents continued in Japan, meanwhile, under MITI pressure to choose standard system. In latest development, Hitachi has opted for Japan Victor (JVC) 2-hour system, which also seems likely to win approval of both Sharp & Mitsubishi.

IMPORTS DOMINATE 3RD-QUARTER TV MARKET: New chapter in history of domestic TV industry's battle against foreign encroachment was written in 3rd quarter: For first time, imports accounted for more than half of total TV set supply.

Record market share for foreign-made TV resulted from combination of U.S. production cutbacks and steeply rising imports, our analysis of EIA & Commerce Dept. data shows. While imports captured record 9-month market share, they fell just short of 50%.

For full period, imports provided 48.8% of total new TV supply—up from 38.1% in same 1975 months—including 32.8% of color (up from 17.1%) and 70.5% of b&w (up from 67.4%). Import shares are up significantly from first half when penetration was 42.6% of total market, including 26.6% in color, 65.5% in b&w.

In 3rd quarter, imports held 59.2% total market share (up from 38.9%), with color share at 43.9%—more than doubling 20.7% share held in same year-earlier quarter—b&w share at 78.4% (up from 65.1%). But that's not quite whole story. In calculating shares, we followed EIA statistical policy by assigning to U.S. production all imports of unfinished or unassembled sets which Commerce started reporting last July. If they were treated as imports, foreign share of 3rd quarter color market would have hit 48% for color, 81% for b&w, and would have dropped domestic producers' share of 9-month total market to 49.9%.

Imports apparently didn't do quite so well at retail. Analysis of Trendex retail sales survey by one industry researcher shows Japanese-made sets took about 29% of 3rd-quarter retail color market, up from 22% in 2nd quarter. Here's our picture of market at production-plus-imports level:

U.S. TV SUPPLY—9 MONTHS

	U.S. Produced	% change	Imports*	% change	Total	% change
Total TV, 1976	5,270,000	+10.5	5,020,000	+70.6	10,290,000	+33.4
1975	4,770,000		2,941,000		7,711,000	
color, 1976	3,983,000	+7.1	1,943,000	+153.7	5,926,000	+32.1
1975	3,719,000		766,000		4,485,000	
b&w, 1976	1,287,000	+22.5	3,077,000	+41.5	4,364,000	+35.3
1975	1,051,000		2,175,000		3,226,000	

3RD QUARTER

Total TV, 1976	1,557,000	-14.5	2,260,000	+95.2	3,817,000	+28.1
1975	1,821,000		1,158,000		2,979,000	
color, 1976	1,192,000	-14.6	933,000	+156.3	2,125,000	+20.7
1975	1,396,000		364,000		1,760,000	
b&w, 1976	365,000	-14.1	1,327,000	+67.3	1,692,000	+38.9
1975	425,000		793,000		1,218,000	

*Imports of unfinished & unassembled sets are included in U.S. Produced.

ITC GIVES GO-AHEAD ON TV PROBES: Inquiries into need for protecting domestic TV producers from either fair or unfair import competition shifted into high gear last week as International Trade Commission: (1) Issued formal notice of investigation into union-industry request for import quotas. (2) Rejected Japanese motion to dismiss probe into Sylvania's unfair competition complaint and eliminated Mitsubishi Corp. (trading arm) as defendant. At same time, D.C. Dist. Court Judge Joseph Waddy dismissed Mitsubishi's bid for injunction to stop ITC from investigating Sylvania case.

ITC notice in quota case says scope of investigation will include both color & b&w TV, finished or unfinished, plus subassemblies—expansion well beyond color-only quotas asked in petition filed by Committee to Preserve American Color TV (COMPACT) in Sept. (Vol. 16:43 p8). Hearings are planned starting Jan. 11 in Chicago, Jan. 18 in Washington.

Broadening of case is viewed unenthusiastically, even by those who generally supported petition as written. Industry believes U.S. b&w production is lost cause and that any time spent discussing import protection for what's left would detract from effort to halt loss of color business. Restricting imports of unfinished sets & subassemblies, which would include those brought in from Mexico, Taiwan & Japan by U.S.-brand producers, also could be harmful, some think.

Avoiding confusion over what's best for industry is uppermost in minds of COMPACT members, according to Co-Chmn. Jacob Clayman (AFL-CIO). He acknowledged that some unions, whose ranks have been decimated by plant closings, might believe that limits on b&w imports as well as color, could increase job opportunities here. He indicated COMPACT members would hold strategy meeting to work out position all could support, indicated individual members then might present divergent views.

Unresolved at ITC is what "subassembly" means. Spokesman said commissioners were deliberately ambiguous to provide maximum freedom of direction. He said aim is to insure that if quotas are imposed they won't be evaded through massive imports of assemblies which could quickly & cheaply be turned into complete sets here. Such items as tuners & deflection components aren't now being considered as subassemblies (discrete components, including picture tubes, aren't covered by probe). At far outside, it was indicated, wired circuit board might be a subassembly, but final definition probably won't go that far down line.

ITC's investigators in Sylvania case were in Japan last week starting 7 weeks of depositions from color manufacturers. These include Mitsubishi Corp. & Mitsubishi International, Hitachi, Toshiba, Mitsubishi Electric, Sharp, Sanyo, Matsushita. Last is only company being visited which wasn't named in Sylvania complaint. Visits are being made without blessing of Japanese govt., which, fearing precedent, is demanding that ITC prove it has authority to demand access to records of foreign companies. To eliminate diplomatic problem, it's expected status of ITC group will be changed from official delegation to invited visitors. Less certain is fate of Sylvania's own deposition collection team which also was supposed to be in Japan last week. At week's end, team members were waiting at airports in N.Y. & Honolulu for visas which Japanese consulates refused to issue. On visa applications, Sylvania group gave reason for visit as "investigation." Japanese said that wasn't acceptable.

Home videocassette standardization was requested formally by Japan's Ministry of International Trade & Industry (MITI), as we forecast last Aug. (Vol. 16:34 p8). EIA-J responded by saying it will move toward standard this month. Videocassette became political issue when Socialist Party questioned ruling Liberal Democratic Party in Diet (parliament) debate on proliferation of incompatible standards. Meanwhile, tape maker Sumitomo 3M told us its market survey indicated 2-hour playing time was desired "norm" for home videocassettes. Matsushita has confirmed our Sept. report that 2-hour cassette will be available by year's end for its VX-2000 recorder, to be introduced in U.S. by Quasar; 2-hour tape will sell in Japan for about \$30.

Replacement sales will account for about 60% of total TV market in either 1978 or 1979, exceeding original & 2nd-set sales for first time, according to RCA Consumer Electronics Mktg. Vp Jack Sauter. He put color & monochrome sets-in-use at 130 million, of which 52 million (40%) are at least 5 years old and 8-10% at least 10 years old. Owning, operating & maintaining TV set costs average family 22¢ a day, he said.

Admiral loss in fiscal 1976 exceeds that of preceding year, Rockwell said in financial statement, blaming intense import competition in TV, drop in demand for major appliances and losses in Mexico peso devaluation.

Magnavox will delay shipment of Touch-Tune color sets introduced in spring (Vol. 16:19 p9)—two 19", eleven 25"—until "early 1977" due to "shortage of required components." Delay doesn't involve STAR models and isn't expected to hurt sales, according to Kenneth Ingram, mktg.-sales senior vp. During Nov. 7-Dec. 24 "Holiday Values" sale, Magnavox is cutting \$30-\$40 off retail of Odyssey-19" color combination, offering these other discounts: Up to \$70 off on selected 25" Touch-Tune (STAR) consoles, \$80 on 19" Videomatic sets, \$40 on 13" models. Promotion will be backed by newspaper supplement in 4 regions.

Depth of CB slump is reflected clearly in losses posted by 2 major marketers, plus apparent loss from CB suffered by another. Pathcom reported loss of \$3.7 million in quarter to Sept. 30, including effect of inventory valuation writedown of \$2.2 million as sales dropped 24.1% to \$11.6 million. In fiscal 4th quarter to Aug. 31, Hy-Gain indicated loss of \$1.64 million on 2.2% sales rise to \$15.9 million. Dynascan reported 3rd-quarter earnings off 85% to \$231,600 after \$4.6-million writedown for Cobra CB radio inventories, while other operations had increased profitability.

Public gets first look at programmable video game this week as Fairchild VES goes on sale at Macy's & Bloomingdale's in N.Y., other locations around country.

GOOD OCT. SALES: Official EIA sales-to-dealer figures confirm our report last week that Oct. color TV sales ran at better than 8.2-million annual rate, best for any month this year (Vol. 16:45 p7). Sales of 809,255 sets make it 3rd best Oct. in history, 25.1% above Oct. 1975. First 10 months ran at annualized rate of 7.5 million. Color TV 5-week moving average broke through 200,000 level, was highest in nearly 3 years (see State of the Industry).

Momentum continued into Nov., with first-week sales of about 192,000 sets, up nearly 37% from same 1975 week—bigger rise than the 35.8% shown in final week of Oct.

With just 2 months to go, year's sales will total 7.5 million sets if rest of year runs 17.7% above 1975 rate, or 7.6 million if increase is 25.3%, and best guess now is that figure will be somewhere in between—perhaps 7.55 million. Most reports indicate good business at retail, confirmed in preliminary tabulation of our monthly Early Warning Report Survey; final figures will be mailed today (Mon.) to EWR subscribers.

Factory production plus imports totaled about 824,100 sets in Oct.—nearly 50% believed to be imports—for increase of 22.6% over Oct. 1975. Domestic inventories at factory & distributor levels were virtually unchanged during month, but total was up from year earlier. Factory plus distributor inventories totaled about 2.36 million color sets, up 18% in year, with factory stocks at same 1.32 million, up 36.5%, distributor holdings at 1.04 million, same as year earlier.

For the 2nd consecutive month, all EIA-tallied consumer electronics categories showed increases over year earlier; it's also 2nd time this has happened in nearly 4 years. EIA's sales-to-dealers figures:

Product	Oct. 1976	Oct. 1975	% change	Oct. 1974
Total TV	1,341,110	1,145,337	+17.1	1,129,829
color	809,255	646,981	+25.1	663,739
monochrome . . .	531,855	498,356	+6.7	466,090
Total radio	4,996,904	3,253,827	+53.6	3,420,973
home, portable .	3,957,110	2,300,993	+72.0	2,347,302
AM-only	1,565,355	596,206	+162.6	1,092,074
FM & FM-AM . .	2,391,755	1,704,787	+40.3	1,255,228
auto	1,039,794	952,834	+9.1	1,073,671
Port.-comp. phono.	379,182	317,232	+19.5	370,865

OTP had planned to announce last week the convening of its long-sought Pacific Telecommunications Conference May 16-20 in Hawaii, but was told to cancel announcement at last minute by State Dept. and White House. Present Administration shouldn't bind new one, officials said. They'll recommend new Administration approve conference. If okayed, conference will study impact of technology on society, promote East-West trade, push international policy planning and discuss upcoming World Administrative Radio Conferences.

Giant Canadian appliance firm being formed Jan. 4 from operations there of GE, Westinghouse & GSW, won't have consumer electronics arm. GE (U.S.), which will own 60% of new company, said Canadian GE will continue TV & audio marketing on its own.

RCA TUBE SHUTDOWN: RCA will close color tube plants last 2 weeks of year "to adjust inventories." Company indicated it may have to seek price increase as result of rising costs—underscoring dilemma of low-demand, overcapacity tube business.

RCA already has laid off 100 employees of Marion, Ind. tube plant because of "major equipment change-over and need to adjust inventory." Westinghouse is leaving tube manufacture, idling 1,200 unless Sony picks up pieces and buys its facility for Trinitron plant (Vol. 16:45 p7). Sylvania recently furloughed 240 picture tube workers in reduction of production schedules (Vol. 16:42 p8).

Corning's 6% increase in glass prices (Vol. 16:45 p8) is just one of cost pressures on tube makers—new union contracts, energy, other materials making up some of others, perhaps totaling 10% rise in costs, according to Sylvania Components Group Sr. Vp Roger Slinkman. Due to intense competition, color tube prices actually went down, despite cost increases. In guarded statement, RCA said last week that costs must be recovered by improved productivity, price increase or "combination of the 2." Development of new tube types adds to cost pressure.

Slinkman said Sylvania had "no disagreement with the philosophy" expressed by RCA. He said his company planned no further layoffs or cutbacks. Zenith, still revving up new Able tube production, indicated no layoffs were planned. Spokesman said Zenith couldn't absorb new cost increases but pointed out that company's share of outside tube business is minimal and that it isn't major factor in establishing industry tube price patterns.

There are now 4 U.S. manufacturers of OEM color tubes, not including Sony which in San Diego assembles pre-screened panels & aperture grilles—shipped from Japan—to U.S.-made funnels. There once were 10 U.S. OEM manufacturers. Only one of these still in color tube business (after Westinghouse quits) will be Channel Master, which claims to be top tube maker exclusively in replacement market.

Japan agreed to cut 1977 TV exports to U.K. to limit its share of market to 10% of color, 20% of b&w. Agreement is keyed to expectations that total TV sales in U.K. will decline next year, apparently doesn't affect U.K. manufacturing by Matsushita & Sony. Move follows by 2 months U.K. govt. decision to impose 70,000 quota on b&w TVs imported from Taiwan Oct. 1976-March 1978. Japanese TV producers say they will oppose any appeals for voluntary export quotas on color shipments to most of Europe. They point out that PAL patent license from Telefunken already controls number of sets that can be exported.

Oct. was biggest sales month in history of Panasonic's Consumer Electronics Group, with volume at \$50 million, according to Vp Ray Gates, who said sales were up in all products except CB.

Three major mass-market stereo manufacturers—Lloyd's, Major (Emerson), & Soundesign—have applied for membership in EIA Consumer Electronics Group.

Trade Personals

Vernon Leas joins Mirco Games Div. as gen. mgr., succeeding **Richard Raymond**, named Mirco Games GmbH (Germany) gen. mgr... **Noel Beasley**, ex-Mattel Toys product development vp, appointed vp-gen. mgr. of Ramtek Recreational Games Div., producer of coin-op video games, with responsibility for mktg., mfg. & R&D for electronic games... **Leonard Trachtman**, former Morse senior sales & mktg. vp, joins Kings Point as mktg. vp... **Terry Sexton**, ex-Toshiba & Krypton, named sales mgr. of Chelco Sound, newly formed to distribute CB & audio products of Japan's Asahi Electronics.

Marshall Cox, former Intersil pres., named Advanced Micro Devices vp-Europe... **Dave Uimari** ex-Signetics, joins Raytheon Semiconductor as LSI product mktg. mgr... **Glenn Oliver**, ex-Scientific Micro Systems, appointed engineering dir. for General Instrument Microelectronics Group's Chandler, Ariz. plant; **William Dunn**, ex-Eastman Kodak IC mgr., joins as engineering mgr. of GI's Glenrothes, Scotland facility; **Vivian David** advanced from calculator product line engineering mgr. to calculator product line mgr., responsible for mktg., customer service & applications engineering.

John Frantzen advanced at Buckbee-Mears to vp-worldwide color TV operations, new post, with responsibility for operation of color TV aperture mask plants in St. Paul, Minn., Cortland, N.Y. & Mullheim, W. Germany... **Dorick Mauro** upped from GTE International Sylvania Div. vp-controller to same post with GTE Consumer Electronics Products Business Group... **Kenneth Winslow**, ex-PBS, appointed ITA industry affairs dir., new post.

Robert Saunders, U. of Cal., elected IEEE pres., succeeding **Joseph Dillard**, Westinghouse; **Carleton Bayless**, AT&T, elected exec. vp... **Bruce Harders**, Toshiba International acting mktg. vp, named vp-gen. mgr. for Telecommunications Products Div., succeeding **Masuyuki Ihori**, named intercompany relations vp... **James Magid**, ex-Drexel Burnham consumer electronics & appliances analyst, moves to General American Investors... **Alex Jacobson** shifts at Hughes from Malibu Research Labs holographic optics section chief to liquid crystal programs mgr. of Industrial Products Div.

R.W. Anderson joins Murata America as gen. sales mgr., new post... **Jacques Meunier**, Centralab GmbH (Germany) gen. mgr., named to head new European mktg. organization... **Delbert Davidson** retires as superintendent of Lancaster Glass Park (TV bulb) plant after 25 years with company.

Watch watch: Optel is offering liquid-crystal displays for ladies' watches at \$10 in lots of 100... **New wrist-flick** magnetic switch with automatic shut-off from J.M. Ney Co. is designed to activate display of LED watches, change mode of LC model without pushbuttons. Switches are priced to OEMs from 97¢ to \$3.50, depending on quantity... **Japanese** produced 3.33 million digital & analog electronic watches in first 7 months of year, against 3.28 million in all of 1975. Electronics accounted for 42.5% of production, up from 30.1% last year, and average factory price has declined to \$49 from \$55.

FCC CB WAIVER: Hard-pressed CB industry got partial relief from new FCC rules via limited waiver of receiver radiation limits in 4-2 vote with Comr. Quello charging in dissent that FCC "has broken faith" with mfrs. who tried to meet original rules (Vol. 16:42 p7; 16:43 p9). Lee also dissented, White abstained.

Terms of waiver: (1) Chassis radiation limit is increased from 5 to 50 microvolts (uv) per meter at 3 meters on 23-channel units remanufactured for 40-channel use. (2) Ruling applies only to CBs in inventory Nov. 1, as reported to FCC in 40-channel certification applications. (3) Remanufacture must stop when inventories are depleted, but not later than Jan. 1, 1978. (4) Marketing must stop Jan. 1, 1979. (5) Inventory-reduction progress reports must be filed with FCC April 1, July 1 & Oct. 1, 1977. (6) CBs must carry label stating they are covered under FCC waiver.

FCC rejected EIA Citizens Radio Section petitions asking for total relaxation of receiver rules to 50-uv level and plea for change of date in releasing names of approved 40-channel CBs (Vol. 16:44 p9). Waiver is "better than nothing," EIA Communications Div. Staff Vp John Sodolski said, adding that it will prevent distress sale of many 23s with no radiation limits. Sodolski predicted sharp upturn in 23-channel sales Nov. & Dec., described sales drop during late summer & early fall as "modest dip in their record 1976 pace."

FCC rewarded defiance of suppliers who submitted CBs which they knew didn't meet standards, Quello argued. He said FCC majority "has undermined public confidence in its even-handedness... That is clearly unsound procedure and bereft of any substantive foundation."

In comments filed before decision, CB heavy-weight Radio Shack blasted EIA waiver petition as obvious delaying tactic by "small section of the CB radio industry," said: (1) FCC allowed "industrial convenience" to win out over logic in opposing, then approving, conversion. (2) CB industry perpetrated "falsehoods" in comments on power & modulation levels, displayed "lack of integrity" in calling receiver standards unrealistic. (3) TV industry failed to demonstrate good faith by continuing production of sets susceptible to CB radiation.

Latest 40-channel approvals: Fanon/Courier (Fanfare 100F), GE (3-5811A, 3-5811B, 3-5819A & 3-5821A), Lafayette (HB-640 & HB-940), Matsushita (CRB-4701EU, CRB-4747EU & CRB-4748EU), Midland (857, 882 & 883), Pierce-Simpson (Super Cougar 40), RCA 14T 304), Regency (CR-430, CR-486), Sears (CM 6000-LB & TA 4501), Sharp (CB-2260), Teaberry (4002).

Spain's Piher quits 2-year-old U.S. manufacturing experiment, will close Worton, Mass. plant this month. Facility is only carbon resistor production operation in U.S. Company said declining resistor prices made it unprofitable to produce here, indicated it would continue to market resistors & other components manufactured in Spain through present U.S. distribution operation.

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
Columbia Pictures Industries			
1976-qtr. to Sept. 25 ^b	89,763,000	18,486,000 ^a	2.24
1975-qtr. to Sept. 27 ^b	89,774,000	2,734,000	.33
Doyle Dane Bernbach			
1976-9 mo. to Sept. 30 ^b	43,118,000	2,850,000 ^a	1.57
1975-9 mo. to Sept. 30 ^b	35,337,000	971,000	.54
1976-qtr. to Sept. 30 ^b	13,060,000	55,000	.03
1975-qtr. to Sept. 30 ^b	8,892,000	(800,000)	--
Fairchild Camera & Instrument			
1976-9 mo. to Sept. 30	324,534,000 ^c	7,298,000	1.33
1975-9 mo. to Sept. 30	210,174,000 ^c	11,908,000 ^a	2.24
1976-qtr. to Sept. 30	118,157,000 ^c	4,243,000	.77
1975-qtr. to Sept. 30	71,453,000 ^c	2,717,000	.50
Foote, Cone & Belding Communications			
1976-9 mo. to Sept. 30	47,547,000	3,387,000	1.44
1975-9 mo. to Sept. 30	41,446,000	2,299,000	1.08
1976-qtr. to Sept. 30	16,007,000	1,088,000	.46
1975-qtr. to Sept. 30	13,851,000	837,000	.39
Grey Advertising			
1976-9 mo. to Sept. 30	41,874,000	2,147,000	2.08
1975-9 mo. to Sept. 30	35,537,000	1,440,000	1.20
1976-qtr. to Sept. 30	13,568,000	533,000	.60
1975-qtr. to Sept. 30	11,631,000	393,000	.33
Harman International Industries			
1976-year to Aug. 31	136,635,000	9,119,000	4.14 ^d
1975-year to Aug. 31	104,695,000	6,166,000	2.97 ^d
Heritage Communications			
1976-9 mo. to Sept. 30	3,206,495	(42,885)	--
1975-9 mo. to Sept. 30	1,916,351	(363,346)	--
1976-qtr. to Sept. 30	1,094,443	(4,703)	--
1975-qtr. to Sept. 30	712,796	(204,145)	--
Hy-Gain Electronics			
1976-year to Aug. 31	96,869,355	17,258,160	5.17 ^e
1975-year to Aug. 31	34,555,463	3,725,134	1.22 ^e
ITT			
1976-9 mo. to Sept. 30	8,297,242,000	423,049,000 ^a	3.41
1975-9 mo. to Sept. 30	8,219,183,000	288,086,000	2.32
1976-qtr. to Sept. 30	2,678,998,000	106,790,000	.86
1975-qtr. to Sept. 30	2,722,054,000	81,957,000	.66
Lafayette Radio & Electronics			
1976-qtr. to Sept. 30	20,250,000	202,000	.09
1975-qtr. to Sept. 30	20,260,000	406,000	.18
MCA			
1976-9 mo. to Sept. 30 ^b	574,509,000	69,123,000	3.96 ^d
1975-9 mo. to Sept. 30	575,622,000	71,462,000	4.12 ^d
1976-qtr. to Sept. 30 ^b	202,216,000	24,870,000	1.42 ^d
1975-qtr. to Sept. 30 ^b	237,496,000	36,232,000	2.09 ^d
Movielab			
1976-9 mo. to Sept. 25	19,887,084	432,352 ^a	.31
1975-9 mo. to Sept. 27	16,976,503	401,551 ^a	.29
1976-qtr. to Sept. 25	6,416,683	90,132 ^a	.07
1975-qtr. to Sept. 27	5,623,789	95,853 ^a	.07
Oak Industries			
1976-9 mo. to Sept. 30	107,378,034	1,873,535	.99
1975-9 mo. to Sept. 30	79,488,235	678,188	.26
1976-qtr. to Sept. 30	34,023,439	226,074	.09
1975-qtr. to Sept. 30	26,298,407	234,553	.09
Pathcom			
1976-9 mo. to Sept. 30	75,320,962	2,537,162 ^f	.88
1975-9 mo. to Sept. 30	30,996,167	3,046,566 ^f	1.27
1976-qtr. to Sept. 30	11,611,657	(3,713,566)	--
1975-qtr. to Sept. 30	15,308,697	1,628,777	.69
Premier Cablevision			
1976-year to Aug. 31	33,290,000 ^g	3,370,000 ^f	1.02
1975-year to Aug. 31	27,825,000 ^g	1,623,000 ^f	.50
Resdel Industries			
1976-qtr. to Oct. 3	7,854,941	216,113	.22 ^d
1975-qtr. to Oct. 3	7,970,396	403,043	.42 ^d

Company & Period	Revenues	Net Earnings	Per Share
Rockwell International			
1976-year to Sept. 30 ^b	5,195,000,000	123,400,000	3.62
1975-year to Sept. 30 ^b	4,803,900,000	101,600,000	2.96
1976-qtr. to Sept. 30 ^b	1,388,600,000	35,100,000	1.03
1975-qtr. to Sept. 30 ^b	1,267,300,000	30,900,000	.91
Sonderling Bcstg.			
1976-9 mo. to Sept. 30	22,306,000	1,856,000	2.54
1975-9 mo. to Sept. 30	19,090,000	1,159,000	1.60
1976-qtr. to Sept. 30	8,417,000	910,000	1.24
1975-qtr. to Sept. 30	7,178,000	594,000	.82
Teleprompter			
1976-9 mo. to Sept. 30 ^b	89,104,000	(1,166,000)	--
1975-9 mo. to Sept. 30 ^b	73,343,000	(3,576,000)	--
1976-qtr. to Sept. 30 ^b	34,681,000	910,000	.05
1975-qtr. to Sept. 30 ^b	27,333,000	(665,000)	--

Notes: ^aIncludes special credit. ^bRestated. ^cSales. ^dAdjusted. ^eFully diluted. ^fAfter special charge. ^gFrom operations.

WEEKLY Television Digest

with
Consumer Electronics...

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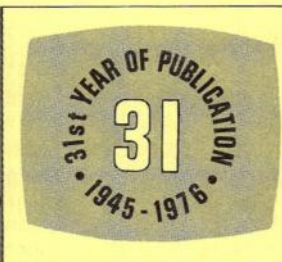
Edward L. Sellers Sales Dir.
Donald J. Roy Business Mgr.
Paul R. Levine Asst. Sales Dir.
O. L. Raymond Circulation Mgr.

Winter CES in Chicago Jan. 13-16 will be missing half-dozen CB majors who displayed last Jan., but most of rest of CB industry, along with virtually full roster of TV game marketers, will be on hand, according to exhibitor list. At press briefing in N. Y., EIA Consumer Electronics Group Staff Vp Jack Wayman confirmed that Summer CES will stay in Chicago until 1980 when it moves to Las Vegas for May 13-16. Show will run June 5-8 in 1977, June 8-11 in 1978, June 3-6 in 1979. Meanwhile, Harman International Vp Irving Stern, who has been agitating for trade show in Vegas, asked CEG Chmn. Walter Fisher (Zenith) to look into what Stern feels is unjustified cancellation of plan to move CES west in 1978. Wayman said CEG Board voted to stick with Chicago after CES Advisory Committee reported Vegas wouldn't have enough hotel rooms available on proper dates in 1978.

WEEKLY

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NOVEMBER 22, 1976

VOL. 16, NO. 47

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NBC-JD ANTITRUST ACCORD won't have financial impact, network assures Affiliates' Board. Most major provisions aren't effective pending settlement of suits against CBS & ABC, which vow to continue fight. (P. 1)

NETWORK CHILDREN'S TV revenues rise in 1975 despite NAB TV Code restrictions. NBC shows 'most dramatic' increase, CBS least, in study by House Communications economist Pearce. (P. 2)

1977 CATV RULES on franchising & certification postponed a year, rulemaking started. Hassle over controlling MATVs in prospect. (P. 3) More details of definition proposal. (P. 5)

'ROUGHER SLEDDING' ahead for broadcasters under Carter, Hooks tells NAB fall conference. Frey says TV-radio won't have high priority. (P. 3)

BACKE WON'T BE SPOKESMAN for industry, he tells CBS Affiliates' Board. NBC affiliates commend network for improved pre-screening procedures. (P. 3)

GOVT. RURAL TV LOANS get boost at conference on broadband service. Cable-phone cross-ownership prohibition is criticized. Goldmark discounts cable's rural potential. (P. 4)

CPB-PBS DISAGREEMENT again flares, as PBS boards denounce CPB program decisionmaking, 'wasteful bureaucracy.' (P. 6)

NBC-ANTITRUST ACCORD WON'T CHANGE THINGS: Day before it signed consent decree Nov. 17 with Justice Dept. (JD) settling Dec. 1974 program antitrust suit (Vol. 14:50 p2), NBC told TV Affiliates' Board settlement will have "no major financial impact." Lawyers we talked to agreed almost unanimously; network program suppliers were chary about any comment at all.

CBS & ABC—facing identical suits—are incensed that NBC "capitulated," as a network official put it, and both vowed they'd continue fight. Now pending in L.A. Dist. Court are CBS & ABC petitions to dismiss suit as "lacking merit"—but NBC's action is said to have hurt their cause tremendously. Although NBC's settlement had been expected (Vol. 16:46 p5), JD agreed that no negotiations presently are underway with other 2 networks. (Note: NBC also recently split from CBS & ABC in refusing to appeal family viewing decision [Vol. 16:46 p2].)

Meeting in Barbados last week (see p. 3), NBC also told Affiliates' Board that JD agreement merely codifies existing practices and will "cause no major changes in our way of doing business." In formal statement, NBC said settlement could "ultimately establish industry guidelines"—since most major provisions against NBC don't become active unless & until they're also applied to ABC & CBS—and that "we are pleased that this litigation... is now over, so far as NBC is concerned. By taking the lead in entering into this new charter, NBC continues its efforts to advance constructive relationships in the industry..."

Consumer Electronics

VTR STANDARD WAR simmers down to JVC's VHS system vs. Sony's Betamax. Matsushita, Hitachi, Sharp now have at least partial commitment to VHS. Sony denies copyright law violations. (P. 7) Beta-max Shortage seen probable by Jan., supply tightening as ad campaign fuels record 5,000-unit month. Cassette changer due in mid-Jan. (P. 11)

TV INTERFERENCE susceptibility rulemaking planned by FCC in 'next year or so,' claims it has authority. TV makers angered at FCC statements, say better methods are needed. (P. 8)

TED VIDEODISC player & changer make U.S. debut in NTSC format. (P. 9)

PROJECTION TV awaits breakthroughs, commercial & technological. Magnavox & Admiral still studying. Hughes Aircraft active. Sega naming distributors, goes nationwide next fall. (P. 10)

CB WAIVER 'ERRATA' explains that new 23-to-40 testing tolerance is tighter than originally indicated. Rulemaking on proposed 100-db harmonic suppression limit is issued. (P. 11)

GE'S NEW CB models will be shipped to retailers from bonded warehouses on first business day of Jan. Dullmeyer sees wholesale CB dollar volume next year climbing 10%. (P. 11)

Suit—charging anti-competitive program practices—first was brought in 1972 by Nixon Administration, was dismissed in Nov. 1974 by L.A. Court "without prejudice" to refiling after networks contended it was politically motivated. Ford Administration immediately refiled nearly identical suits against all 3 networks within month. Among major provisions of NBC-JD settlement which won't be effective until "similar relief" is obtained against ABC & CBS (news, public affairs & sports are exempt):

(1) Limits NBC to production of 2-1/2 hours of prime time programs per week for 10 years (network now produces only one hour, "Little House on the Prairie"); CBS now does one hour (after canceling 2 programs recently), ABC only made for TV movies, no series. NBC also would be allowed to produce 2 special programs every 6 months in prime time, 8 hours per week in daytime, 11 hours in fringe.

(2) Limits "exclusivity" to network series to 4 years (now generally 5) and restricts rental of facilities for production to year—both with right to renew for year. Both restrictions are for 15 years. (3) Prohibits NBC for 10 years from retaining "exclusive options" to more than 35% of programs not put into schedule. (4) Limits exclusive rights to "spin-offs" for 10 years. (5) Restricts use of repeats "to the same year as that in which the initial episodes...are broadcast," with several exceptions.

JD said provision limiting exclusivity of program series to 4 years was subject of "intense negotiation." Govt. originally sought 2-year option period and several other alternatives were discussed and rejected.

Consent decree is to become effective in 60 days (it was filed in L.A. Court Nov. 17) and a major provision that takes effect then—without waiting for decision on CBS & ABC suits—restricts NBC's exclusivity for movies against pay TV (over-air & cable), cassettes & video discs. NBC can't obtain exclusivity more than 30 days prior to first telecast or beyond last telecast; in all cases, such exclusivity is limited to 2 years for 2 runs, another year for each additional airing. JD first proposed to limit any exclusivity to 45 days before & after each network airing, said it accepted compromise because it would "eliminate any possibility that NBC can warehouse feature films for a number of years." Judgment also prohibits NBC from engaging in domestic syndication (already prohibited by FCC).

Justice said order was signed because "the only meaningful relief that can be obtained short of restructuring the networks is to limit network program production and restrict the program rights that each network may obtain from outside suppliers... This should minimize NBC's incentive to select a program on the basis of financial interests in it." Under order, NBC is required to furnish its officers & directors (for next 10 years) list of all independent program suppliers as published in then-current Television Factbook.

NETWORK CHILDREN'S REVENUES UP: Despite 1974 NAB TV Code reductions in number of commercial minutes allowed during weekend and early evening children's programming, all 3 TV networks showed increases in gross ad revenues for total children's programming time in 1975, according to report prepared by House Communications Subcommittee economist Alan Pearce. During same year, production costs rose "only marginally," Pearce said, adding that for 1976, despite further reductions in children's ad time, both revenues and profits are expected to be "much greater." Pearce will present report at Action for Children's Television Conference this week in Cambridge, Mass.

While at FCC Office of Plans & Policy in 1974, Pearce predicted in internal report that reduction in children's ad time wouldn't harm networks financially because as number of minutes available decreased, price would increase (Vol. 14:40 p2). FCC relied on Pearce's study in 1974 report & policy statement (Vol. 14:43 p2). CBS Bcst. Group Pres. John Schneider subsequently said Pearce was "wrong, terribly wrong," stating in May 1975: "The reduction... has been costly to the industry in general and CBS in particular" (Vol. 15:20 p4). Schneider declined for "competitive reasons" to reveal CBS children's show profits to House Communications Subcommittee 2 months later (Vol. 15:29 p4).

According to Pearce's latest study, gross revenues for 3 networks combined—for both regularly-scheduled and special children's programs—"reached an all-time high in 1975" of

\$90,805,400 vs. \$77,969,500 in 1974. (Figures exclude NBC's "Wonderful World of Disney," which also showed increased revenues but wasn't affected by commercial reductions because of its time slot.) Pearce states:

ABC had \$29,993,500 in total revenues (vs. \$25,897,300 in 1974), increase of 15.8%. Regularly-scheduled program revenues rose 14%, special programs 33%.

CBS: Total revenues increased 2.7% to \$40,359,000 in 1975 (vs. \$39,311,100 year earlier), with regular programs up less than 1% (\$33.5 million vs. \$33.3 million in 1974), and specials showing increase of 13.6%—from \$6 million in 1974 to \$6.8 million in 1975.

NBC: Network showed "most dramatic increase" in 1975 children's revenues, Pearce reported. Regular programs yielded revenues of \$19 million vs. \$13.3 million in 1974—45.5% increase. Specials showed 3.5% increase to \$1.1 million (vs. \$1.08 million year earlier), making revenue total of \$20.5 million for 1975—42% increase over 1974. "Wonderful World of Disney" had revenues of \$22 million—12% increase over 1974.

Despite 1975 revenue gains, CBS suffered losses in 1972-1974, Pearce report states, explaining: "It should not be assumed, however, that these reductions are the result of the reductions" in children's ad time. Instead, they're due to competition from NBC & ABC, Pearce concludes.

1977 CATV RULES POSTPONED A YEAR: An FCC under Carter administration will have to deal with cities unwilling to cut their cable franchise fees to 3-5%. That's one aspect of Commission's action last week, postponing until March 31, 1978, the deadline by which all franchises must comply with FCC standards. On other hand, systems with "sweetheart" franchises will enjoy them a year longer. In addition to year's delay, FCC started rulemaking to consider means of simplifying its certification process. It will issue detailed rules governing interim procedures—filings by new systems, existing systems seeking to add signals, etc.

Meanwhile, Commission didn't get into discussion of new cable definitions last week (Vol. 16:46 p3), but there's going to be a pretty good debate when it does. Particularly troubling to at least a couple commissioners is proposal to bring master antenna systems (MATV) of apartments, hotels, etc. under FCC control. (We've learned of additional aspects of whole definition proposal, detail them on p. 5).

"Rougher sledding" is ahead for broadcasters at FCC under Carter Administration, FCC Comr. Hooks told NAB Atlanta fall conference last week. He noted he's joining NAACP (Vol. 16:46 p1), that Chmn. Wiley's term expires in June, and that 2 new commissioners already are on board. Rep. Frey (R-Fla.) said Democratic take over of White House will "kick off an intense and interesting power struggle" in Washington, but TV-radio won't have top priority. Frey, ranking Republican on Communications Subcommittee, said family viewing decision (Vol. 16:45 p3) is wrong: "In the long run, self-discipline & self-regulation are the best answer. However, you should be aware of a real concern about violence among the public and in Congress. If you don't act, the question is not whether Congress will, but when..." Hooks warned of congressional pressure "to regulate the living hell out of you... The problem of violence and sexual excesses on TV isn't going away." NAB annual fall tour (7 cities) winds up in Washington's Statler Hilton Hotel Nov. 22-23, featuring FCC Chmn. Wiley & Sen. Pearson (R-Kan.).

Canadian govt. is "optimistic" about finding solution to CRTC policy requiring Canadian cable systems to delete commercials accompanying U.S. programs they carry, according to U.S. State Dept. report to Sen. Magnuson (D-Wash.).

New CBS Pres. John Backe told TV network Affiliates' Board last week that he won't try to be spokesman for industry but that when it's necessary to take position, he'll do so forcefully. He said he'll rely more on CBS Bcst. Group and its Pres. John Schneider than had been case under predecessor Arthur Taylor. Meeting in La Quinta, Cal., affiliates heard network denounce plans for expanded news in near future, adopted resolution condemning Sun. pro-football runover into "60 Minutes" time period (7 p.m.). Network's current low prime-time ratings were discussed and Affiliates' Chmn. Charles Brakefield said "things aren't as bad as they seem by any means" after several programs under development had been shown. At NBC Affiliates' Board meeting in Barbados, stations adopted resolutions commending network for its "leadership in deciding to drop consideration" of news expansion and for improved pre-screening procedures. NBC showed affiliates 24 shows under development—12 dramatic, 10 comedy, 2 variety.

Only 6 copies—reduced from 12—of rulemaking comments will be required by FCC after Nov. 22. However, if parties want all 7 commissioners to have comments, 12 copies still will be required. Public may participate informally in rulemaking by filing single copy, Commission said.

GOVT. RURAL TV LOANS? Federal role in development of rural TV services got boost last week during congressional Office of Technology Assessment (OTA) conference on "Communications & Rural America." Conference was called to discuss OTA proposal that social services be grouped with entertainment to make broadband systems economically feasible in sparsely-populated areas (Vol. 16:20 p5).

Most participants supported—at least experimentally—concept of federal loans for rural service, and many suggested specific FCC rule changes they thought would speed up rural development—in such areas as satellites, translators, distant signal carriage and non-duplication protection.

Rule banning cable-phone crossownership came in for strongest criticism. Ex-FCC Gen. Counsel Henry Geller called rule "a nuisance," while House Communications Subcommittee economist Andrew Margeson suggested that cable & phone be grouped as "natural monopoly" in rural areas. FCC Chmn. Richard Wiley said he thought FCC might agree to waive rules in such cases.

REA Administrator David Hamil said agency would welcome task of administering loan program for rural cable. Wiley urged "careful study" of whether federal funds should be used for entertainment programming. Senate Commerce Communications Counsel Nicholas Miller cited "Sesame St." as example of difficulty in differentiating between entertainment and social service programming. Margeson urged that such decisions be left to local entities.

Goldmark Communications Pres. Peter Goldmark discounted cable's rural potential. Answer to rural problems "does not lie in merely stringing up rural communities with interactive glass fiber," he said, citing present-day "communications paradox" of densely-populated urban areas fully equipped with communications tools but which "cannot communicate because they are gripped by fear, suspicion and desperation." He called for expansion of rural educational opportunities through network of community colleges. He added that he's working on project to bring to region or group of states "adequate numbers of TV channels beamed toward every home, whether in groups or scattered, at a cost which is a fraction of a satellite or cable system." He said project will use "currently available technology," but refused to elaborate.

"Wearing the TV Code as a shield against criticism or as a trade-off against federal regulation serves no useful purpose," according to Western Bcstg. Pres Dale Moore. Writing to NAB Chmn. Wilson Wearn in praise of court decision declaring FCC & NAB acted unconstitutionally in adoption of family viewing (Vol. 16:45 p3), Moore said court "has actually given broadcasters their greatest victory to date in the continuing fight to gain independence from government interference." Moore pulled TV stations out of NAB 2 years ago—soon after he left TV Board—when Assn. made Code membership mandatory for TV stations. "Our stations will rejoin NAB the moment the mandatory Code is revoked for everyone," Moore told Wearn.

Gay people represent at least 10% of every station's audience and "our interest, convenience & necessity are not being met," National Gay Task Force told FCC at Nov. 15 en banc meeting. "If the criteria for broadcast licenses were actually being enforced, there is certainly no TV station and virtually no radio station in the U.S. which would qualify for license renewal." Several commissioners disputed Task Force's statement that institution of family viewing "has had a particularly chilling influence on gay portrayals because the broadcast industry...felt that our lives were unsuitable for exposure to children." Also testifying at FCC hearing were CTIC (see below) and National Federation of Local Cable Programmers, formed in July to assist in development & coordination of access programs.

House Communications Subcommittee staff will enter 95th Congress intact. Last week, each was assigned areas of responsibility for Communications Act rewrite: Broadcasting, Chief Counsel Harry Shooshan; cable, Karen Possner; FCC reform & reorganization, George Harder; international common carrier, Ronald Coleman; domestic common carrier, Andrew Margeson; safety & special, Brian Moir. Alan Pearce will assist in broadcasting and safety & special areas, while Possner, Margeson & Coleman will work together on "privacy." Spectrum management study will be farmed out to consultant; study was first proposed last Congress, but contract never was awarded in funds crush at end of 2nd session. Staff will meet with Subcommittee members week of Dec. 6.

Cable operators who promise cities they'll provide more than 12 channels, using converters, should not be allowed to back out unless they give FCC good reason—according to CTIC Exec. Dir. Sheila Mahony. Speaking at Commission en banc meeting, she stated: "I don't understand why it is the business of the federal government to bail cable operators out of their bad bargains." As for leasing channels, as in Escondido case (Vol. 16:44 p3), she said: "This is the time for you to insist upon compliance—not to retreat. Of course, the industry won't be happy about complying—no one likes competition, except as a theoretical matter...I urge you to cut off what I suspect is an incipient movement on the part of the cable industry to stifle competition by trying to repeal the lease obligation."

NBC topkicks attended their first management review meeting with RCA Pres. Edgar Griffiths Nov. 19. All day session was attended by all top network officials, including departmental vps. Griffiths has always held monthly review meetings with those RCA groups which were his responsibility, but since his ascension to presidency has extended practice to all RCA operations. "It's a brand new experience for them," said one RCA staffer, referring to NBC brass.

League of Women Voters has raised only \$105,000 of \$270,000 needed for Presidential debates, said it'll have to make up difference. League Pres. Ruth Clusen was critical of election law which bans corp. & foundation contributions.

WHAT'S CABLE SYSTEM? Among new definitions for cable & MATV systems being considered by FCC (p. 3) are following:

(1) Cable TV system—"A set of transmission paths and associated signal generation, reception, and control equipment, under common operation and control, that distributes or is designed to distribute to subscribers the signals of one or more TV broadcast stations."

(2) Off-air signal—"Any TV broadcast signal receivable (1) by a cable TV system at its normal receiving site at existing tower height, (2) through the use of conventionally available headend receiving equipment, and (3) the carriage of which complies with the technical standards of Sec. 76.605 of the Commission's rules."

(3) Master Antenna TV system (MATV)—"A cable TV system that serves or will serve only subscribers in one or more multiple unit dwellings under common ownership, control or management." Examples given: "Multiple unit dwellings, including, but not limited to, high rise or garden apartments, condominium and cooperative apartments, hotels, motels, hospitals, military and other federal or government installations or reservations that consist of multiple unit dwellings, school dormitories, etc."

Though many FCC rules will be applied to systems defined on a "head-end" or "conglomerate" basis, some will still be applied to communities. So Commission staff is suggesting a new "system community unit" defined as:

"That portion of a cable TV system that operates or will operate within a separate and distinct community or municipal entity (including unincorporated communities within unincorporated areas and single, discrete unincorporated areas)." Signal-carriage

"We [blacks] elected him [Jimmy Carter]... Now we must collect from him," according to PUSH Chmn. Jesse Jackson. "I'm with him but I'm not within him." PUSH won't openly embrace Carter Administration to "maintain our organizational integrity," Jackson said. Citing networks as black's biggest problem, he said PUSH is planning "an all-out major move against the networks' [programming & employment practices] as great as we've ever employed... The networks aren't accountable to anybody... Only the government has leverage against the networks and [Judge] Ferguson has stripped that" in family viewing decision (Vol. 16:45 p3). Blacks are considering "massive view-ins"—staying tuned to one network continuously to have impact on ratings, Jackson told us.

CATV earth stations, both 10-11-meter and 4.5-meter, are now offered by ITT Space Communications, Ramsey, N.J. Company says "flexible financing and leasing plans are available." In addition to full systems, ITT offers earth-station receivers for CATV which "meet or exceed Intelsat and TV network performance requirements."

Billboard Publications has agreed to acquire WLAC-AM-FM Nashville from Life & Casualty Insurance Co. of Tenn. for about \$3 million cash.

rules would continue to be applied on community-by-community basis. Franchises would continue to be required for each community; same for applications for certificates.

A facility would be termed a single system if it has multiple headends connected by microwave and "are under common ownership, are technically-integrated, are reasonably contiguous, and are generally managed as a unit."

Among other proposed provisions under consideration: (1) Element of payment is eliminated; for example, facility is a system if fee is included in rent. (2) Exempting systems smaller than 250 subscribers from all FCC rules eliminates 42% of nation's CATVs. Local govts. are free to control or exempt such systems from local control.

(3) "Small" systems (250-1,000) must carry local signals, but if other signals they carry are only "off-air," they're exempt from other signal-carriage rules. Small systems are exempt from sports-carriage restrictions—but not from anti-siphoning rules. They're still subject to technical standards and performance tests.

(4) Hotel & motel MATVs are exempt from anti-siphoning rules, pending rulemaking in Doc. 19671. Also exempt are systems carrying pay-cable only—no station signals.

* * * *

Meanwhile, FCC confirmed decision of its Review Board that Gridley, Kan. system must cease operation because of failure to comply with rules. System was built by CATA Pres. Kyle Moore to test FCC authority. Attorneys said they'll go to court—but if Commission finalizes new definition exempting under-250 systems from rules, case will be moot because system has only 100-plus subscribers.

Sex- & drug-oriented song lyrics & titles are of increasing concern to NAB Radio Code, which last week warned stations to review all records carefully before airing. "Today's state of the art record industry requires more careful judgment... to take into account the over-all nature of the song, its theme, the precise emotion which the writer or performer intended to convey, local community tolerance and the audience sought by the station," NAB said. In other actions, Code Board: (1) Refused to amend time standards to permit more than 18 min. of commercials per hour; (2) directed that comparative ad guidelines be drafted for consideration at spring meeting; (3) reaffirmed ban against commercials for cigaret paper.

Nomination forms for first selections into NAB Radio Hall of Fame have been sent to stations. To be eligible, person must have been in radio at least 10 years and there's no limit on number that can be selected. Nomination deadline is Jan. 1; winners will be announced March 26 during NAB convention in Washington.

Waiver of CATV rules was granted Southwestern Cable, San Diego, allowing it to add KABC-TV & KHJ-TV L.A. to sections of city from which they were excluded by "grandfather" rules.

Personals

House Communications Subcommittee Chmn. **Lionel Van Deerlin** (D-Cal.) and NAB Radio Chmn. **Donald Thurston**, WMNB-AM-FM N. Adams, Mass., speak at Fla. Assn. of Bcstrs. midwinter conference Jan. 22, Grenelefe.

Stephen Sharp, ex-Gen. Counsel's Office, appointed legal asst. to FCC Comr. **Margita White**; **Emmett Kitchen**, engineering asst.; **Delores Noble**, confidential asst. . . **Bonnie Herbert** named confidential asst. to Comr. **Joseph Fogarty**.

Arnold Agree, ABC dir. of taxes, elected a vp; **John Martin** & **Vincent Romano** elected asst. controllers; **Julie Hoover** promoted to dir.-east coast broadcast standards & practices, ABC-TV, succeeding **Richard Gitter**, now vp-broadcast standards & practices (Vol. 16:46 p6); **Jerry Hellard**, ex-WTVN-TV Columbus, O., joins ABC west coast PR as special projects supervisor. . . **John Agoglia** promoted to research & planning dir., CBS-TV business affairs, N. Y.

J. Barnett Woodruff named pres.-treas., WRBL-TV-AM-FM Columbus, Ga.; **George Gingell** appointed vp-gen. mgr., **John Holder** secy., following death of Pres.-Gen. Mgr. **J.W. Woodruff Jr.** (Vol. 16:43 p7).

Theodore Miles, Howard U. prof., becomes of counsel to Washington law firm Peabody, Rivlin, Lambert & Meyers; **Elisabeth Wetzel** named Paris resident partner; **Collister Johnson Jr.**, ex-ICC, and **Nathalie Gilfoyle**, ex-Mass. govt., named associates.

Norman Sinel, **Daniel Wells**, **Frank Little**, **Michael Hobbs** and **Charles Lichenstein** named PBS senior vps; **William Reed**, station relations dir., and **Neil Mahrer**, administration dir., named vps.

In PGW N. Y. realignment: Vp **John Lehman** becomes sales mgr., east-southeast team; **Edward Loud** promoted to west team sales mgr.; **Bob Galle** named mid-America team sales mgr.; **Jeff Pienack** assigned to east-southeast team. In midwest offices: Vp **Raymond Hunter**, Detroit, moves to St. Louis as sales mgr.; **Richard Kelly**, Chicago, shifts to Detroit as mgr., succeeding **Hunter**; **John Dowd** assigned to Chicago west team sales staff.

William Bannister promoted to mgr. of new Storer TV Sales St. Louis office, 10 S. Broadway, 314-241-7547. . . **Joan Carson** promoted to retail sales mgr., new post, KGTV San Diego. . . **Michael Murphy** advanced to retail sales mgr., WBBM-TV Chicago. . . **Tim Parkinson** joins WKBS-TV Philadelphia as retail sales development coordinator.

Although "established procedure" wasn't followed, FCC has affirmed partial initial decision by Chief FCC Judge **Naumowicz** because of "special circumstance." Judge had dismissed application of **Multi-State Communications** for Ch. 9 N. Y. —because it wasn't financially qualified—without taking evidence on other comparative issues in hearing with **WOR-TV** N. Y. renewal. **WOR-TV** still is in hearing and Commission told **Multi-State** it "may retain its party status."

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CPB-PBS disagreement again flared last week, as PBS board, meeting in Kansas City, approved resolution strongly critical of recent CPB actions. Resolution attacks CPB's 1977 budget and statement of goals (Vol. 16:46 p3), accuses CPB of monopolizing program decisions, allocating too much money to "wasteful bureaucracy," taking too much power from stations, caving in to govt. pressure instead of insulating stations from govt. interference. CPB-PBS partnership review committee meets Dec. 2. Spokesman said CPB disagrees with resolution's intent but "welcomes it and looks forward to a discussion of it at the partnership meeting."

FCC has refused request by EMCO CATV (supported by NCTA) that Commission mail all rule-making proposals concerning cable directly to CATV systems. Agency said such action would be "financially prohibitive" and that cable operator has "several avenues open" to receive such information in timely fashion.

FCC has issued 15th order on re-regulation of broadcasting, latest covering 11 points, including transmitter & antenna installation, maintenance logs for FM, EBS, etc.

Obituary

Louis Cowan, 66, CBS-TV pres. 1958-59, and wife **Pauline**, died Nov. 18 in fire at their apartment in Westbury Hotel, N. Y. Native of Chicago, Cowan operated PR and TV-radio productions firm 1931-55, before joining CBS. He developed high-rated "\$64,000 Question" later taken off air because of rigging; Cowan denied any knowledge of the rigging. Since 1965, he was dir., special programs, Columbia U. Graduate School of Journalism. He was a founder of International Broadcast Institute. Survivors include 2 sons, 2 daughters.

Consumer Electronics®

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

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 5 (44th week of 1976):

	Oct. 30- Nov. 5	1975 week	% change	Oct. 23-29	1976 to date	1975 to date	% change
Total TV.	322,654	246,264	+31.0	424,151	10,317,831	9,466,469	+9.0
color	192,839	140,263	+37.5	250,637	6,156,429	5,320,124	+15.7
monochrome . . .	129,815	106,001	+22.5	173,514	4,161,402	4,146,345	+0.4
Total radio	642,363	738,438	-13.0	2,558,907	34,722,884	28,433,792	+22.1
home, portable .	363,702	498,596	-27.1	2,279,034	24,113,728	20,852,737	+15.6
AM-only	206,746	122,274	+69.1	797,739	7,294,295	5,712,169	+27.7
FM & FM-AM .	156,956	376,322	-58.3	1,481,295	16,819,433	15,140,568	+11.1
auto	278,661	239,842	+16.2	279,873	10,609,156	7,581,055	+39.9
Port.-comp. phono.	68,968	93,873	-26.5	134,070	2,557,319	2,837,804	-9.9

Color TV 5-week moving average: 1976—200,419; 1975—157,449 (up 27.3%).

VTR STANDARD WAR—JVC VS. SONY: Under pressure from Japan's Ministry of International Trade & Industry (MITI), which has asked EIA-J to standardize home videocassette recorders, Japanese manufacturers are rapidly choosing sides. Although 4 non-compatible systems are on market in Japan—and all scheduled to appear here—battle seems to have simmered down to JVC's VHS and Sony's Betamax.

In terms of sheer numbers of units, Betamax so far is de-facto standard—perhaps 100,000 produced to date in Japan and only system on market in U.S. But VHS could be creeping up, at least in terms of number of companies opting to adopt it. Betamax currently will record or play for one hour per cassette, although 2-hour machine has been developed. VHS is 2-hour machine using principles very similar to Betamax.

Of Japan's top 3 TV manufacturers, 2 now appear to have some commitment to VHS. Matsushita, currently selling its own VX-2000, has indicated "strong interest" in VHS. No. 3 manufacturer Hitachi has decided to market VHS in Japan under own name at about \$890, initially buying about 500 monthly from JVC. Toshiba, Japan's No. 2, now marketing V-Cord II (along with Sanyo), is understood to be deliberating whether to switch to Betamax or VHS—and which way Toshiba goes could be very important. Sharp last week cast its lot with VHS, putting first batch of decks on market. Mitsubishi is believed to be ready to go along with VHS.

In U.S., Sanyo is beginning to launch V-Cord II and Quasar indicates it hasn't changed its commitment to VX-2000, despite doubts in some quarters. Panasonic has made no move, but there's serious speculation that it will go along with VHS eventually.

How important is EIA-J standard? It's not mandatory, has no power of law. But industry recalls that Sony was first in marketplace with 1/2" b&w VTR, was forced to switch to EIA-J standard when it found itself alone with incompatible unit. Fact remains that what finally happens in Japan will determine which way U.S. goes in home VTR. And inspired by success of Betamax here (see p. 11), U.S. subsidiaries of Japanese manufacturers are anxious to get into act. U.S. set makers have professed little open interest, but they're tracking Betamax's progress very closely. At least one domestic manufacturer is tentatively planning to produce OEM videocassette decks under license when standards battle settles down.

Officials of 2 U.S. subsidiaries of Japanese manufacturers said that progress of Universal Pictures-Walt Disney suit against Sony (Vol. 16:46 p7) might affect timing of their plans to im-

port VTRs. Reacting to suit, Sony America Pres. Harvey Schein takes position that Betamax merely enlarges audience "for which TV programs are intended" and doesn't hurt program producers. "We do not believe that the copyright law was intended to prevent members of the public from deciding how & when they see the TV programs which are beamed into their homes." No one has right, he said, "to come into my living room and tell me what I can do with programs coming over the public airwaves."

Suit names as defendants Sony America & parent Sony, 4 Sony dealers in L.A. area, Sony's ad agency Doyle Dane Bernbach and one Betamax-owning consumer, William Griffiths, charging that all of them are depreciating value of producers' products by infringing copyrights. Complaint cites specific programs used by dealers for demonstration, and even programs taped by Griffiths in his home. It asks confiscation of tapes, damages (except from Griffiths), injunction against "manufacturing, distributing, selling or offering for sale Betamax or Betamax tapes for use by purchasers thereof to copy or otherwise infringe copyrighted motion pictures," against using machine to copy such pictures, against advertising or representing that Betamax may be used for such copying and against exhibiting such tape copies.

New model of Betamax deck, which will be sold in U.S. at same price as current unit, has been approved by FCC. Only major change is addition of camera input jack. Also approved were Betamax non-tuner recorder & play-only machine for commercial institutional use. We've learned that Sony plans to introduce new combination videocassette changer & timer accessory, to accommodate up to 7 cassettes, in mid-Jan.—price not set, but it could be under the \$300 previously estimated.

FCC PLANS TV SET RULES ON INTERFERENCE: As part of its war against mounting problem of interference, FCC plans to propose rules specifying susceptibility standards for TV receivers. Commission staffers say they have no doubt that FCC has authority without any additional legislation.

Interference rulemaking should come in "next year or so," Chief Engineer Raymond Spence told us. "We will proceed with development and the Commission will almost have to go along," he said. He stated that rules are necessary because competitive, low-margin nature of TV business makes producers unlikely to improve interference-rejection characteristics on voluntary basis, risking loss in market share by raising costs & prices. While some TV manufacturers doubt FCC's legal authority to regulate such aspects of receiver design, Planning & Coordination Staff Chief Edwin Schafer replies "there's no question about jurisdiction in this area. We have it, and we've established that time after time."

TV set makers are cautiously adding voices to escalating controversy prompted by growing CB interference, heralding protracted govt.-industry battle. Most concede that susceptibility problems in TV sets play part in problem, but insist that recent FCC statements placing heavy portion of blame on them (Vol. 16:43 p9, 16:44 p9) are premature, probably unjustified. They insist FCC doesn't have enough hard test data to back up claims and is clearly favoring other segments of communications business over set makers.

Receiver producers were both angry & nervous over politically charged interference question and, with few exceptions, insisted remarks be off record. "This is a tricky, sensitive area and I don't want the FCC mad at me," was typical. Generally, TV industry feels it's responding to problem as quickly as possible and should be allowed to resolve it voluntarily—"you can't legislate technology" is familiar cry.

Biggest complaint of TV producers is absence of sufficient test data on nature & causes of interference, and meaningful test methods. FCC should wait until tests by Field Operations Bureau (Vol. 16:44 p9) and EIA Consumer Electronics Group task force are complete before issuing statements or considering legislation, most said. "We need more information on this before anything can be done, but a lot of pressure is being applied to the FCC because the CB business has gone into a tailspin," one chief engineer said.

Roughly 20% of interference is fault of TV set, remaining 80% caused by CB receiver & transmitter radiation and by illegal high-powered CB equipment, he said. Interference complaints involving illegal equipment "are the most violent because they really wipe out recep-

tion," he added, but argued that harmonic radiation from CB transmitters is major problem area, despite FCC claim to contrary (Vol. 16:43 p9). Like most TV companies, his firm sends free antenna filters to users complaining of interference—"and we don't give very many away, because it doesn't solve the problem. Most of it is caused by harmonics, and they've got to go to a minimum spurious standard of 112 db on CB transmitters to resolve that." Another top engineer said FCC was admitting problem of harmonic radiation by proposing to raise limit to 100-db level. "They're also enforcing stricter chassis radiation specs and blaming the TV manufacturers strikes us principally as rhetoric."

EIA study—which includes development of standard measuring method—is 'long way from finished," spokesman said, but some producers already are using TEM (transverse electro-magnetic transmission) cell system developed in course of current National Bureau of Standards interference measuring project. TEM cell generates strong, uniform magnetic field to which product can be subjected for evaluation of interference susceptibility. Task force spokesman told us Magnavox, Zenith, RCA & Panasonic now use TEMs—which cost \$15,000-\$25,000—and that others are being urged to adopt system as one way of avoiding more regulation.

"The industry would like to do it voluntarily, but we can't do it without a standard test method. The FCC often legislates something without having a standard method," he said. Spence said FCC won't move on legislation until tests it's conducting are completed, and Schafer said rulemaking probably won't come until it sees prototype high-performance TV receiver being developed under contract with Texas Instruments (Vol. 16:36 p9).

Even without hard test data, industry is improving rejection characteristics, TV engineer said—particularly in high-end models which now have shielded inputs, trap filters. Specs on trap filters are gradually being improved by his firm, "and we'll soon be including CB rejection specs in tuners. We think interference rejection is something you should pay for, and consequently it's going into the high end."

But Spence indicates it will have to be incorporated into all TV sets. "Now we're putting all the burden on the CB sets, but technically that only solves half the problem. It's a very complex situation, but half the problem rests with the TV manufacturers."

TED'S U.S. DEBUT: Boycotted by MCA, Philips & RCA, "First International Videodisc Programming Conference" in N. Y. last week saw only one videodisc demonstration—premiere U.S. showing of NTSC version of TED system, featuring production-type player and prototype changer.

Picture quality of TED disc as shown on 3 Zenith 25" sets was highly acceptable—better than we recall having seen at 1973 showings in Europe (using PAL system). Telefunken Audiovision Dir. Rolf Schiering, who conducted demonstration, told us that in large-scale production player might be built to retail at \$200-\$300. At present, in Germany, player sells for 1/2 to 2/3 price of 25" color set, he said, and changer would probably sell for just under price of high-end remote color set. Changer accommodates 12 flexible 8-3/4" discs, each playing up to 10 min., but Schiering indicated no decision has been made to produce it. He said more than year's experience marketing system in Germany indicated that long programs weren't required for videodiscs. He declined to state how many players had been sold, but said: "We're not overwhelmed by the success of the system in the home market. The number & quality of programs are not what they should have been, but after one year the results are such that we've decided to continue."

TED is entering institutional-commercial-professional market with postgraduate physician-infor-

mation program and discs for travel agency demonstrations. Schiering said about 300 disc titles were available on consumer market. TED has 4 licensees in Japan—Sanyo & General for manufacturing, Japan Video Systems for replication and King Records for software—and system is tentatively scheduled for marketing there next April. There are no U.S. licensees, but Schiering is visiting some prospective manufacturers here.

If sparsely attended Videodisc Programming Conference was scheduled to launch age of videodisc, it was one of least enthusiastic launchings on record. Some speakers felt it would be many years before development of viable market, while others indicated it may never come. Sony America Pres. Harvey Schein took no position on disc vs. tape, but called attention to fact that "Betamax is here" and urged that programmers get into tape market now instead of waiting for disc.

Another U.S. videodisc premiere is tentatively scheduled for Jan. France's Thomson-CSF plans to demonstrate its transmissive optical system here for prospective licensees & press. It will be aimed at industrial-institutional market, designed to sell at about same price as industrial videocassette recorder (\$2,000-\$2,500), use flexible transparent disc. Thomson is building 20-50 prototypes for demonstration.

PROJECTION AWAITS BREAKTHROUGH: Projection TV seems to be glamorous, attractive idea whose time hasn't yet quite come. Despite hoopla & promotion, best guess is that about 12,000 under-\$5,000 units will have been sold in 1976—50% of them by Advent. In units, this represents equivalent of 3 hours' production of direct-view color sets. If 60,000 are sold in 1977, as expected, it will be something under half week's conventional-set output.

Entire projection TV "industry" seems to be waiting for 2 breakthroughs: (1) Commercial—whole-hearted endorsement of concept by major TV maker. (2) Technological—"light-valve" approach, eliminating cathode-ray tube as light source and providing quantum leap in brightness.

As to commercial breakthrough, most likely to enter home projection TV soon among American set makers are Magnavox & Admiral, both of which have projects in works. Magnavox Consumer Electronics Pres. Alfred Di Scipio last week responded to inquiry about progress with "no comment." Admiral Mktg. Vp George Simkowski told us: "It's still an active project but I have yet to see the first prototype." Sony is only TV maker offering home projection system, but its output is small and marketing has been de-emphasized, although it's believed to be preparing new model.

Technological breakthroughs to free projection from CRT may be on horizon. Hughes Aircraft will soon have breadboard model of color TV projector using liquid-crystal light valve ready for lab testing in project directed by Alex Jacobson, who recently was transferred from research labs to mgr. of liquid crystal programs at Industrial Products Div. GE talks of eventually developing its high-priced light-valve projector into rear-screen home unit, but this is long-term project. Inventor William Glenn is developing projection system charged-coupled device (CCD) for N.Y. Institute of Technology (Vol. 16:4 p8), but even working prototype seems to be more than year away.

Among biggest companies in home projection TV is Gulf & Western, through its Sega Enterprises, now building distributor network for Segavision line (Vol. 16:42 p10). Sega Pres. David Rosen told us last week that marketing is beginning in L.A., where nearly 250 dealers attended open house. By year's end, Sega plans to have 6-7 areas covered, 10 more by spring, going national next fall. Sega is major coin-op game producer, plans to market microprocessor game some time next year as adjunct to its projection TV, Rosen said.

Meanwhile, Worldwide Entertainment Systems, which claims to sell largest number of projection systems, says it's negotiating with Zygm Electronics of London to market that company's 3-tube projection system in U.S. Zygm system is said to compare closely with Advent's, but will be more expensive. Zygm is headed by William & David Stirling, who were indicted in N.Y. last July on federal criminal charges of security fraud involving shares of Stirling Homex prefabricated housing company.

Advent reported revenues from projection TV in quarter ended Sept. 25 increased to \$3,933,000 this

year from \$1,948,000 in 1975 period, as result of increased deliveries of high-end 1000A VideoBeam system. Lower-priced Model 750 has now been introduced in about 10 markets, but production is still limited.

Westinghouse picture tube business's loss from operations will total \$5 million after taxes this year, slightly greater deficit than in 1975, financial analysts were told. Estimated cost of discontinuing tube operations by Dec. 1, Westinghouse Industry Products Co. Pres. Douglas Danforth said, was included in 3rd-quarter financial results, indicating decision wasn't sudden. Meanwhile, both Sony & Westinghouse said they were "negotiating" for Sony takeover of plant (Vol. 16:45 p7). Westinghouse said it was also talking with several other firms. After Sony, most likely candidates for purchase of picture tube plant—North American Philips and Matsushita—both flatly denied they were interested. Sources in Elmira, N.Y., near site of plant, expressed belief that other prospective buyers were interested in plant, but not as picture tube producer.

Sampling of EIA Consumer Electronics Group board, Consumer Electronics Show Advisory Committee and key show exhibitors is being conducted by small group of EIA/CEG officers to determine whether anyone was unduly pressured to approve decision to cancel shift of 1978 Summer CES from Chicago to Las Vegas (Vol. 16:46 p12). Informal poll is response to wire to CEG board members by Harman International Vp Irving Stern—asking that decision be rescinded as "unauthorized" and that investigation be conducted into EIA/CEG Staff Vp Jack Wayman's activities in connection with move. Results of survey and any recommendations for further action will be discussed at EIA/CEG's board meeting Jan. 13-16 in Chicago.

Game Plans: Home video game market will grow at 85% compound annual rate through 1980, hitting 17 million units at \$454 million, Creative Strategies survey says. By 1980, foreign markets will account for 40% of home game sales, with major markets being Western Europe, Japan & Canada... **Comtrade** (Hong Kong) is producing about 60,000 color games monthly for sale in U.S. & Canada through distributor-agent Caltronics. European version is under development... **European** color set with built-in game is on West German market. Nordmende 25" Spectra-Color-Teleplay uses GI chip, is \$80 more than set without game... FCC has approved Tele-Match 6600 game.

Most innovative company in U.S. electronics last year was North American Philips, which introduced 41 new products, according to Frost & Sullivan survey. Report says 2,375 significant new electronic products were introduced in year through Jan. 1976, down from 2,500 in preceding year.

Sylvania has purchased 356,000-sq.-ft. former Drexel furniture plant from Champagne International for undisclosed amount, will operate it as subsidiary Southern Cabinet Co. for manufacture of TV & audio cabinets, production to start next summer.

BETAMAX SHORTAGE? That \$2.3-million ad campaign for Sony Betamax is working, dealers agree. After slow start, home videocassette recorder sales have taken off, and Sony American Pres. Harvey Schein told us Oct. sales in U.S. hit record (believed to be about 5,000, which would bring sales to date to more than 25,000 and indicate calendar 1976 sales of some 30,000). "We're going to have a problem meeting our commitments," company said.

Some shortages already are beginning to show up. Spot check of dealers indicated some were out of decks and many ran into frequent shortages of blank cassettes. (With consumers buying an estimated 6-12 cassettes with initial deck purchase, plus repeat cassette buys, blank tape sales could be running at close to 60-70,000 monthly rate.) Sony is back-ordered on Betamax decks in N.Y.C. area. "Can't get enough decks or cassettes," said big Baltimore-Washington chain. Dealers expressed surprise at number of cassettes purchased, and problem should be relieved when 3M & Ampex start making cassettes in U.S. It's believed Maxell will start soon in Japan, and Sony's \$20-million tape plant in Dothan, Ala. should start coming on stream next spring.

Most dealers were delighted with results of ad campaign, which Sony expects to continue to fuel by funneling 25% of 1977 ad budget into Betamax. Dealers agreed service problems had been minimal. But there were some gripes. Most common was that Sony is spreading Betamax too thin, with too many dealers handling product—and with substantial price-cutting. In N.Y., Crazy Eddie chain quotes price of \$1,075 with timer (vs. \$1,300 list price) and there have been occasional reports of under-\$1,000 sales. Another complaint was Sony's alleged unwillingness to join in special local promotions. Some dealers cited drawback of one-hour playing time.

Trickle of recorded Betamax programming is becoming available. Eight program firms are listed in Oct. 4 issue of Videoplay Report newsletter. Same issue contains interview with Betamax Product Mgr. Fumio Ishida, commenting on Sony joint venture in Japan to transfer consumers' Super-8 home movies to cassettes (Vol. 16:34 p8) and suggests that Kodak's Film Videoplayer (\$2,295 list) is ideal inexpensive way for U.S. retailers to get into film-to-tape transfer market.

CB WAIVER—'OOPS, SORRY': "They giveth and they taketh away," was observer's reaction to FCC's latest interpretation of CB receiver radiation waiver (Vol. 16:46 p11) which says 23-to-40 conversions must meet testing tolerance of 25 microvolts (uv), not 50 uv as originally indicated. Fifty-uv limit applies only to production models, "errata" issued last week pointed out; those coming into labs for receiver certification must have radiation limit of 25 uv or below.

"It's not what they said the first time, and I'm not happy with it," EIA Communications Div. Staff Vp John Sodolski told us. "This whole thing is like dealing with mirrors." Firms which submitted CBs slated for conversion should get in touch with FCC, since labs have no way of telling conversions from

new 40-channel models, spokesman said. "If he failed the tests because he couldn't meet the 5-uv standard for new models, but comes in between 5 and 25, he's okay if it's a conversion. If he's above 25, he'll have to submit again."

FCC also issued rulemaking notice on proposed 100-db harmonic-suppression limit for CB transmitters, comments due March 2, replies April 1. Sodolski said EIA Citizens Radio Section would "oppose that with everything we've got."

Of 486 CBs submitted to FCC for 40-channel type-acceptance & certification, 300-350 have completed tests, with rejection rate running at about 50%, staffer said. Initial tests on CBs submitted just before Nov. 1 deadline indicate higher performance characteristics than those submitted in Sept., he noted.

Note: E. F. Johnson negotiated \$20-million credit line with Northwestern National Bank of Minneapolis & Morgan Guaranty Trust of N.Y. to cover high 23-channel inventories and expenses of introducing 40-channel units Jan. 1.

GE CB PLANS: "Substantial quantities" of 4 FCC-approved models in 7-model GE 40-channel line shown to press last week will be shipped to retailers on first business day of 1977. Four models will be kept under bond at central locations around country until Jan. 1 shipping date okayed by FCC (Vol. 16:43 p9), Personal Communications Product Mgr. John Dullmeyer said.

New line ranges from \$135 leader—up \$10 from 23-channel starting price—to 80-channel SSB unit at \$330, includes \$250 base station. Where comparisons are possible, Dullmeyer said, prices on line are 7-8% above 23-channel models. GE will back line with "multi-million-dollar" TV & print ad campaign starting in Feb., may add 4 new CBs in June. Wholesale CB sales in 1977 will hit \$1.1 billion, up 10% from 1976, he said, and made following unit & saturation estimates:

GE CB ESTIMATES (add 000)

	1976	1977	1978
Mobile 23	11,100	1,800*	-
Mobile 40	-	8,100	8,750
SSB 23/40	600	450	700
Base station	1,200	1,350	1,400
In-dash & combos . . .	150	500	750
Total	13,050	12,200	11,600
Household saturation .	14.7%	19.6%	23.2%

*Carryover inventory from 1976.

Color TV sales to dealers for 2nd week of Nov. continued at pace set in preceding 2 weeks—195,300, up about 40% from same 1975 week, on top of 35.8% & 37.5% gains. Monochrome sales were about 128,600, up 13.8%.

Aeronutronic Ford, nee Philco-Ford, changes name to Ford Aerospace & Communications Corp.

Trade Personals

Robert Bowen, Zenith mktg. vp, shifts to new post of vp-mktg. & international in consolidation of worldwide sales & mktg. operations; **Charles Sindelar** named international sales & mktg. dir. and Zenith International Sales Corp. senior vp; **Michael Pannett** advanced at Zenith Time from asst. gen. mgr. to pres. & gen. mgr., succeeding Sindelar; **William Frick**, former international sales vp, named dir. of service, parts & accessories, succeeding **Alfred Medica**, now pres. of R&A Distributing (RCA), Chicago.

Irv Fulton, ex-direct market national sales mgr. for Sylvania Philco Consumer Electronics Div., joins Luskin's retail chain as exec. vp-gen. mgr. . . **William Panny**, Rockwell Automotive Operations pres., adds post as corporate exec. vp responsible for Consumer (Admiral, Power Tool Div.), Automotive and Utility & Industrial Operations. . . **Henry Dembosz** promoted at Zenith Distributing of Ill. from exec. vp-gen. mgr. to pres., post vacant since death of **Robert Wallace** last Jan.

Bryan Martin, former Sony Canada radio & recorder sales & mktg. vp, now responsible for sales & distribution of all products; **Arthur Demasson**, ex-TV & audio sales & mktg. vp, now video, educational & business products sales & mdsg. vp; **Nobu Watanabe**, former video & business products sales & mktg. vp, named mdsg. vp for all consumer products with added responsibility for service & technical operations for all products. . . **James Conway**, ex-WEMA & EIA, named pres. of new Electronics Assn. of Cal.; **Edden Tisdale**, ex-WEMA, appointed legislative programs dir.

Morton Jaffe advanced at MOS Technology from vp-treas. to pres., succeeding **John Paivinen**, who resigns as chmn.-pres. following acquisition by Commodore; **Irving Gould**, Commodore chmn., takes same post at MOS; **Chris Fish**, Commodore International vp-secy., adds duties as MOS vp & secy.-treas.; **Robert Waller**, ex-Texas Instruments, joins as gen. sales mgr. . . **Dean Coleman** appointed mktg. dir., National Semiconductor International/Japan; **Brent Welling** advanced to NS hybrid module & data conversion products mktg. mgr., succeeding Coleman.

Glenn Culbertson advanced at Sylvania Parts Div. from Connector Operations product line mgr. to business development mgr. . . **Robert Schilling** named product mgr. for new Components Div. of General Resistance, assuming some duties of Vp **Jay Nadel**, who retains responsibility for Instrument Div. . . **Daniel Presser**, Unitrex Australia managing dir., & **Leslie Wagenheim**, Unitrex Canada pres., named to board of parent Unitrex America. . . **Eric Staniek**, exec. vp of Telcor subsidiary Electro Rent, named acting pres., succeeding **William Rollnick**, resigned. . . **Irwin Held** joins Tamura Electric as western sales vp for Lumitime radio & clock lines.

Quasar reorganization will place international & service operations (Ittoku Fujii, vp) and PR functions (Ralph Jones, dir.) under marketing operation headed by Vp Alex Stone. In addition, 2 unidentified vps will be put on "special assignment."

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
Amplex			
1976-6 mo. to Oct. 30	139,285,000	4,645,000 ^a	.43
1975-6 mo. to Nov. 1	129,690,000	5,159,000 ^a	.47
1976-qtr. to Oct. 30	73,836,000	2,833,000 ^a	.26
1975-qtr. to Nov. 1	66,035,000	3,600,000 ^a	.33
Capehart			
1976-6 mo. to Sept. 30	21,113,000	(1,125,000) ^a	--
1975-6 mo. to Sept. 30	19,972,000	(855,000) ^a	--
1976-qtr. to Sept. 30	11,394,000	(180,000)	--
1975-qtr. to Sept. 30	11,264,000	1,312,000 ^a	.58
Lee Enterprises			
1976-year to Sept. 30	69,770,000	9,424,000	1.88 ^b
1975-year to Sept. 30	58,074,000	7,241,000	1.44 ^b
1976-qtr. to Sept. 30	18,304,000	2,874,000	.57 ^b
1975-qtr. to Sept. 30	15,008,000	2,040,000	.40 ^b
Morse Electro Products			
1976-6 mo. to Sept. 30 ^c	48,409,000	(4,652,000)	--
1976-qtr. to Sept. 30 ^c	26,779,000	(1,936,000)	--
Philips NV^d			
1976-9 mo. to Sept. 30	8,459,100,000	141,100,000	--
1975-9 mo. to Sept. 30	7,321,500,000	37,900,000	--
1976-qtr. to Sept. 30	2,892,500,000	49,400,000	--
1975-qtr. to Sept. 30	2,560,600,000	4,000,000	--
Teletronics			
1976-qtr. to Sept. 30	2,632,000	125,000	.14
1975-qtr. to Sept. 30 ^e	1,988,000	106,000	.13
Tocom			
1976-qtr. to Sept. 30	898,158	67,647	.11
1975-qtr. to Sept. 30	620,000	65,790	.11
Trans-Lux			
1976-9 mo. to Sept. 30	8,329,550	269,867 ^a	.14
1975-9 mo. to Sept. 30	7,093,767	(308,500)	--
1976-qtr. to Sept. 30	2,719,128	76,915 ^a	.04
1975-qtr. to Sept. 30	2,369,918	(121,379)	--

Notes: ^aIncludes special credit. ^bAdjusted. ^cNo comparable figures available. ^dAt guildler's current rate. ^eRestated.

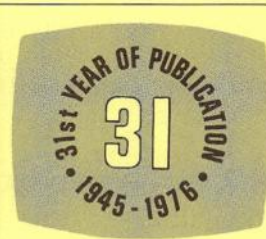
Morse reported losses for fiscal half & 2nd quarter to Sept. 30 (see financial table), didn't provide figures for same 1975 period. Accounting changes instituted since Morse was forced to revalue operation take \$36 million loss for fiscal 1976 (Vol. 16:29 p9), make current & year-earlier totals not directly comparable. However, figures indicate Morse's sales were off about 9% in quarter, 10% in half. . . **Capehart** showed operating losses of \$180,000 in fiscal 2nd quarter, \$1.13 million in half, compared with losses of \$1.99 million & \$4.16 million year earlier. Sales were up modestly in both periods this year. . . **Oak** indicated drop in value by U.K. pound & Mexican peso cut 3rd-quarter net by some \$311,400, while strike in Mexico City trimmed off additional \$131,100.

Sylvania extended labor-exclusive warranty on Color Bright 85 (regunned) replacement color tubes to 5 years from one. Warranty on new & completely rebuilt replacement tubes remains at 2 years. Other major marketers, including Channel Master, GE, RCA & Zenith, indicated no present plans to follow suit. New warranty is longest of type. Admiral has 5-year coverage on tubes in new sets (including 2 years labor), but customer must pay pro-rated price for exchange tube after 2nd year.

WEEKLY

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NOVEMBER 29, 1976

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

JD ON GROUP W SIDE in seeking network investigation, also asks FCC to cutback on network-owned stations. Fogarty says affiliates owe 'kudos to Don McGannon'; most commissioners favor network inquiry. (P. 1)

MANDATORY TV CODE OUT as family viewing appeal will be joined by NAB. Wearn hits excessive sex & violence, says Code is best way to deal with problem. Wiley sees no 'radical' FCC changes under Carter Administration. (P. 2)

ACT'S 'CHILD AS CONSUMER' conference attracts record attendance—including advertisers, broadcasters, academicians. Activists cause tensions; advertisers charge 'stacked' panels. (P. 4)

FCC REVISITED: FCBA seminar features Hyde, Cox & Robinson on family viewing, local-live, cable, satellites, renewals, de-regulation, fairness doctrine, etc. (P. 5)

AMA FOCUSES ON TV VIOLENCE: Awards \$25,000 grant to NCCB for violence monitoring, plans pamphlet for parents, half-day seminar for doctors Dec. 6 in Philadelphia. (P. 5)

WDEF-TV-FM Chattanooga, Tenn. is given short-term renewal by FCC because of minority employment practices. (P. 6)

JD ON GROUP W SIDE; NETWORKS FIGHT BACK: Justice Dept. (JD) threw new wrinkle into Group W's request that FCC investigate TV networks by suggesting that networks "should be required to divest some or all" of their owned TV stations. Such network ownership of stations, JD said, "may well contribute importantly to the networks' ability to preempt program acquisition and, consequently, to distribute a disproportionate share of programming and to obtain a disproportionate share of broadcast revenues."

JD also favored most of other points made by Group W in Sept. 3 filing (Vol. 16:36 p1), said that "great economic power" of networks may have "substantially eroded" ability of affiliates to "exercise genuine independence" in program decisions. If Group W allegations are proven, JD said, "they would raise serious issues both as a matter of communications policy and of antitrust policy." Dept., however, told FCC it probably didn't have authority to freeze network programming at current levels or to sanction collective bargaining by affiliates with networks—as sought by Group W.

As expected, TV networks last week attacked all portions of Group W filing and immediately responded to JD position. CBS: "Just as we have maintained that the Westinghouse petition is based on allegations that are totally without merit, we regard the position of the Justice Dept. as equally without merit." ABC: JD "sets forth no new facts and [position] is based upon these

Consumer Electronics

NEW CB SERVICE proposal coming in spring, FCC says, probably in 900-MHz range. (P. 7)

TV CRISIS—RCA, Sylvania, Wells-Gardner extend holiday shutdowns for 'inventory reduction.' Zenith's Nevin warns of excessive inventories. (P. 7)

JAPAN COLOR EXPORTS to U.S. continued strong in Oct.; CB shipments softening. (P. 8)

COLOR PORTABLE production by U.S. manufacturers slumped 37% in 3rd quarter, console output rose 17%, industry data indicate. (P. 8)

RCA WITHDRAWS AM stereo system from consideration as economy move. Four systems ready for field testing; 2 more may be added. (P. 9)

FCC RE-TESTING CBs which failed receiver tests if they meet special requirements. FTC warns consumers on 40-channel conversion deals. (P. 10)

JAPAN'S EXPORTS of audio equipment to U.S. up sharply for most products. Home radios rise 51%, auto radios 577%, radio-phonos 81%. (P. 10)

RCA MICROPROCESSOR game approved by FCC, joining Fairchild VES as 2nd programmable unit offered for sale. GI strike continues. Channel Master bows out. (P. 11)

same unwarranted inferences" as used by Group W. NBC: "The Dept.'s concern for the Westinghouse petition is misdirected. It ignores the needs of many affiliated stations in small markets."

Group W Pres. Donald McGannon said JD filing "came as a complete surprise to us." He stressed that original request for investigation of networks hadn't attacked network ownership of stations. "That's not our bag," McGannon told us.

Several TV affiliates and public interest groups had supported Group W prior to extension of comments deadline (Vol. 16:44 p4), and program producers & syndicators joined in last week. Worldvision Productions urged FCC to expand inquiry to include "additional proposals aimed at strengthening competition" in syndication. Specifically, Worldvision said, any licensee should be prohibited from syndicating programs.

All 3 networks disputed Group W's contentions that there's been large increase in network programming (only ABC, they said) to detriment of affiliates, that network profits are excessive or that affiliates are under-compensated, that pre-screening procedures are inadequate and that affiliates aren't free to preempt network programming. Networks referred to extensive comments and oral arguments that led to prime-time access rules. NBC added latest PTAR inquiry was just completed in 1975 and "with the ink barely dry... Westinghouse now seeks to prompt a new wide-ranging inquiry into networking... The petition asks the Commission to involve itself in problems already being appropriately dealt with, calls for Commission action in areas that are and always have been inappropriate for Commission regulation and proposes remedies that are illegal & unworkable."

CBS said Group W "ignores some critical facts, distorts others and makes assumptions that have no basis in fact... It provides charts and other data which are inaccurate & misleading." ABC said any suggestion that it enjoys "excessive profits is wholly specious." From 1963-71, network said it lost over \$100 million and has become profitable only in recent years.

* * * *

TV affiliates owe "kudos to Don McGannon" for raising very important issues with Commission, Comr. Joseph Fogarty told NAB fall conference in Washington last week (see p. 3). He said Group W petition is "a step in the right direction," that he's had his "eyes opened" by affiliates willing to talk privately about their relations with networks.

Chmn. Wiley said biggest problem for FCC is whether it's "appropriate" for govt. to have any rules in areas sought by Group W. Although he & Fogarty stressed they hadn't pre-judged petition, at least 4 commissioners are known to favor rulemaking and/or inquiry on most of points raised by Group W.

MANDATORY TV CODE OUT; NAB APPEALS FV: Although L. A. Dist. Court decision on family viewing (FV) "correctly reaffirms the First Amendment prohibition against government interference with broadcast programming" (Vol. 16:45 p3), portions of ruling "have the potential for effectively destroying the viability of the NAB TV & Radio Codes." This was view of NAB Exec. Committee last week in deciding to join FCC, CBS & ABC in appealing Judge Warren Ferguson's decision that FV came about because of unconstitutional FCC & NAB pressures (Vol. 16:46 p2).

At same time, Exec. Committee decided to recommend that NAB TV Board do away with requirement that all NAB TV members must subscribe to Code. (Also subject to Board approval at Jan. meeting is decision to appeal FV.) Feeling is that Ferguson's decision has made mandatory Code membership unenforceable—and probably unconstitutional. Controversial requirement was added to NAB rules nearly 2 years ago (Vol. 14:3 p3), caused immediate defection from NAB of Group W and Western Bcstg.—both of which have said they'll rejoin NAB when requirement is deleted—among others.

NAB Chmn. Wilson Wearn told us "we're certainly not going to appeal [Ferguson's] very fine statements about the protections of the First Amendment... However, we feel we must fight for the right of self-regulation." Therefore, NAB said, it'll appeal portions of decision

which question self-regulation and "establish a precedent" for imposition of damages on NAB for alleged violations of First Amendment.

Wearn said he shares "the considerable body of opinion...that there is too much sex & violence on TV. I feel the best way to deal with the problem is through a more effective Code... Furthermore, I believe this position is the consensus of the...TV Board as well as...the TV constituency of the NAB."

Speaking at NAB fall conference in Chicago Nov. 19, House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) said FV decision suggests "that other actions of a legislative nature might quickly follow...If the decision holds, it might be time to challenge the fairness doctrine... However, the decision should be hailed rather than appealed. It struck a blow for freedom... Judge Ferguson did not say that the FCC cannot move against sex & violence, and children's programming, but only that it must do it in the open and not in private."

* * * *

At NAB fall conference in Washington last week, Chmn. Wiley predicted there won't be "radical changes" at FCC under Carter Administration because agency has "a very capable and bipartisan staff," most of whom will continue. He said a major accomplishment of his chairmanship has been "breaking down the wall of fear" between FCC & broadcasters. "There are normal people at the Commission," he said. "You don't get on any black list" by raising questions.

Wiley detailed continuing negotiations with Canadians on cable commercial deletion (Vol. 16:47 p3), leading Comr. Fogarty to say it's "untenable & unethical" for Canada to delete spots from U.S. stations. However, there's better solution than signal jamming, he said.

Ex-NCTA Chmn. Rex Bradley said TV has "nothing to fear" from cable. "Not by any stretch of the imagination" will CATV hurt TV, that stations which go dark would've failed even without cable. Broadcasters are "being a little ridiculous" when they worry about cable impact. He asked for NAB help on pole attachments, said fact broadcasters haven't opposed AT&T bill "astounds me."

"Competition [from CATV] is what we have to fear," according to Gateway Bcstg. Pres. George Koehler. "As you [TV stations] improve your own store, you also are improving the store of your competition." He said 3 operating UHF's won't survive in Philadelphia if wraps are taken off cable "no matter how much they improve."

Ex-FCC Comr. Lee Loevinger said it's "utter nonsense" to require cable originations, called Commission CATV regulations "paper barrier." He said agency is "hot-breathed & heavy-eyed" to control TV programming, predicted attitude will change against program control with Sens. Pastore (D-R.I.) & Hartke (D-Ind.) leaving Senate. He said if govt. would get out of programming, "90% of your renewal problems would disappear and 50% of your other problems." Of cable & TV, he said: "Twenty-five years from now you'll both be in business and you'll both be making money."

Attorney Michael Horne said it would be easier for broadcasters to cooperate with CATV if cable would demonstrate it's not out to replace TV. He said TV-radio will face "new challenges" in Carter Administration because govt. will be pushing change and broadcasters will be defending status quo.

Expressing doubt Senate will join House in rewriting Communications Act (Vol. 16:37 p3), Sen. Pearson (R-Kan.)—ranking Senate Commerce Committee minority member—said Senate would continue to consider changes on case-by-case basis. He predicted Senate will pass 5-year renewals, said he will favor Sens. Griffin (R-Mich.) or Stevens (R-Alaska) as ranking minority member of Communications Subcommittee if Sen. Baker (R-Tenn.) leaves Commerce for Foreign Relations.

For 7 conferences this fall, NAB attracted 2,145 broadcasters, compared with 2,208 for 6 in 1975. Of this year's total, Chicago drew most (396), N.Y. least (236). NAB Exec. Committee will recommend that board approve 4 permanent sites—Atlanta, Denver, San Francisco, Chicago—for fall conferences, with remaining 2 alternating among cities in northeast & southwest.

ACT COMING OF AGE: ACT's 6th national symposium on "Products & Programs: Child as Consumer" reflected ACT's rapid growth in size & acceptability, and also group's mixed success in bringing about changes in children's TV. With record 400 participants—most of whom paid to attend—conference attracted impressive array of govt. officials, broadcasters, advertisers, program producers & academicians. Stridency of some activists' created tensions between factions. "You are defeating your purpose" in exaggerating ad industry excesses, King Features' Lee Polk told ACT Pres. Peggy Charren. "This is a witch-hunt," Robert Drinkwater, Ideal Toy, told us. "We would have loved to participate more fully, but we weren't invited." Common criticism from most in ad & TV industries was that panels were stacked.

Meeting wasn't all conflicts, however. Squire Rushnell, ABC Entertainment vp-children's programs, presented 2 spots based on ACT motto, "Treat kids' TV with T.L.C.," urging viewers to write ACT for more information. Much discussed was Charren's appearance on CBS-TV "Bicentennial Minute" immediately preceding 3rd presidential debate; Charren said she agreed to appear only if her connection with ACT was displayed—and it was.

FCC Chmn. Richard Wiley also relied on ACT's "TLC" theme in brief address. FTC Chmn. Calvin Collier underlined importance of special consideration for children in TV ads, went on to differ with ACT approach on how to police them. He hinted FTC role was to examine ads case-by-case rather than seek "a comprehensive set of guidelines responsive to children's vulnerabilities" (FTC decision rejecting generalized guides, opting for case-by-case approach [Vol. 16:33 p2], still hasn't been publicly announced.) ACT would prefer general rules or guides.

Common plea from activists was for ban on ads for highly-sugared foods directed toward children. However, NAD Children's Advertising Review Unit Dir. Emilie Griffin objected that those wanting ban were confusing dislike for products with dislike for ads which tout them. In judging ads, "I know I have to stand aside and separate how I feel about the product from how the product is presented."

Melvin Helitzer, Helitzer Advertising pres., made series of suggestions on how to avoid increased govt. regulation of ads: (1) Make each advertiser's chief exec. "personally responsible" for firm's ads. (2) Set single price for all children's TV ad time, rotate ads on all 3 networks' programs. (3) "Shut the set off. In 90 days, youth advertising would disappear." (4) "Say 'no' to any purchase you don't want your child to have. It's difficult, but if parents had done this all along, we wouldn't be here at this conference today."

Bernard Friedlander, U. of Hartford, criticized programmers & producers for claiming that "children's TV" was solely "narrow band" on weekend mornings and weekday early evenings. "It's damn near the whole thing... TV has come between children and their parents... TV advertising is not solely responsible for society's woes, but is the single vortex—the vital center—where the American economic building blocks of easy credit, marketing and con-

sumerism come together... TV teaches us the instant possessibility of everything at a time when our natural resources are becoming more and more limited." Added Democratic politico Frank Mankiewicz: "There is no good children's TV. TV teaches everything that's destructive in our society."

House Communications Subcommittee economist Alan Pearce said his finding that network children's TV revenues rose in 1975 despite NAB TV Code reductions in commercial time (Vol. 16:47 p2) wasn't intended to prove that further ad time reductions are needed. "The message is that the networks have done something in the public interest, and it hasn't harmed them." He went on to predict that 1976 "is probably going to be the best year ever in terms of profit." John Payson, Milton Bradley (toy mfrg.), agreed, telling us "list price" for network children's ad time was up 60-70% for Jan. 1977 over year earlier, vs. 55% increase for prime time.

Frank Mauro, dir. of N.Y. State Assembly Office of Research & Analysis, suggested that children's TV activists target state legislatures for TV reform in addition to federal agencies. "It's a lot easier to bring things to the state legislatures than to have to go through the very formal requirements of federal rulemakings."

In panel on whether industry self-regulation of children's TV ads is effective, Consumers' Union Assoc. Dir. Warren Braren—one-time NAB N.Y. Code Office mgr.—said Code is effective in regulating "hard-core" deception, but that there's need for new look at variety of other practices directed toward children: Excessive repetition, ads aimed at pre-schoolers, premium offers, over-glamorization, durability of toys. When NAB Asst. Gen. Counsel Brenda Fox read to Braren statements he made while employed by Code praising it, Braren replied that then-NAB Pres. Leroy Collins "had a devotion to principles lacking in the present [NAB] administration."

Meanwhile, NSF-sponsored project on impact of TV advertising on children (Vol. 16:40 p1) is "an attempt to increase the impact that research will have on policymaking in the future," not a comment on current federal regulatory policies, according to principal investigator Richard Adler. "We don't believe that present policy or policymaking efforts should be suspended due to lack of definitive research," Adler told us. "There are other bases on which to judge federal policy, including expert opinion, the value judgments of regulators, and political and economic factors." He said that investigators' final version of report is expected to be completed in about a month.

Station acquisitions in 1977 are likely by Cox Bcstg., according to Pres. Clifford Kirtland. Speaking to San Francisco security analysts, he said Cox is looking for 2 AMs, 2 FM's (bringing it to maximum of 7 each) and "we also have room for 2 more UHF TV stations" (Cox owns maximum 5 VHF's). He said revenue on Cox stations is up 19% for 1976, expects 1977 to be "more of a normal, good year" following 1976 boom. Lin Bcstg. Pres. Donald Pels predicted company's 1976 earnings will rise to \$6 million from \$4.2 million in 1975.

FCC REVISITED: FCBA seminar in San Juan last week featured 3 former FCC members—Hyde, Cox & Robinson—commenting on old & new issues, and all were faithful to their well-known philosophies. Among comments:

Hyde—(1) "The idea that the chairman intimidated CBS [in family viewing] is ridiculous." (2) He was proud of FCC's TV allocation decision of 1952—as shown by TV's economic development and success of technical standards. As for original color-standards decision: "It demonstrated the independence of an independent agency. I don't believe anyone except CBS wanted it." (3) He was proud, also, of "Hunger in America" decision in which FCC said it wouldn't attempt to "validate the news." (4) Stations shouldn't have to tell FCC they're changing formats. (5) "De-regulation today means that you eliminate minutiae and put in a blockbuster."

Cox—(1) It would have been better if FCC had imposed family viewing by "acting directly, after hearings." (2) TV debates should have been authorized by Congress, not FCC. (3) Incumbents benefit from TV press conferences. (4) He's also glad FCC doesn't "validate the news." (5) Concept of deferring fairness doctrine questions until renewal time is "incomprehensible." (6) Local-live TV is what justifies licenses. There should be "at least a minimum effort by stations." There should be standards for renewal, including local-live. "That's the best defense against cable and satellites." (7) Cable people talk about futuristic services but concentrate on broadcast signals. "The copyright bill doesn't solve problems." (8) Broadcasting needs to inform public on complex issues. It had an impact on desegregation and Vietnam war. If public isn't informed, "we're going to drown in pollution."

Robinson—(1) If he'd been chairman when Commission was being pressured on violence, his first thought would have been to "tell them where to go." Later, he said, he thought it OK if chairman were to "mediate." "Perhaps there's mild coercion in it—not serious. I'm at a loss to understand" Judge Ferguson's ruling regarding industry self-regulation. (2) FCC's ascertainment proceeding was "Mickey Mouse. It would have been different if it did something." (3) "Local entertainment is almost universally dismal. I wouldn't encourage too much of it." (4) "There will be an oligopoly of networks as long as there are 3 or 4 outlets per city." (5) "Why shouldn't cable be the dominant service—because of its channel capacity—and let stations fill in?"

Moderator Joseph DeFranco, CBS, was commended by attorneys for his one-liner on family-viewing decision: "The judge said you can violate the First Amendment through the Administrative Procedures Act."

"The jury is still out" on whether 3 Washington groups will oppose sale of WMAL-AM-FM to ABC for \$16 million (Vol. 16:40 p5). Spokesman said that groups are upset because stations didn't go to minority buyer, that diversity isn't improved and are concerned that WMAL-TV will be sold to "an ABC-type company." Protests must be filed by 2nd week of Dec.

AMA FOCUSES ON TV VIOLENCE: AMA is slowly implementing plan to educate parents following approval by AMA House of Delegates last July of resolution labeling televised violence "a risk factor threatening the health & welfare of young Americans" (Vol. 16:27 p5). AMA: (1) Awarded \$25,000 grant to NCCB to support that group's TV violence monitoring activities. (2) Will hold half-day session on TV Dec. 6 during annual Clinical Convention in Philadelphia. (3) Plans 12-16 page booklet for parents for Jan. publication.

NCCB grant "represents a strong commitment by AMA to endorse and finance activities that will encourage the industry to reduce the amount of violence in TV programming," according to Dr. James Sammons, AMA exec. vp. Dec. 4-8 convention is expected to draw 8,000-9,000 physicians and other health professionals.

At same meeting, AMA board is expected to consider staff proposals on other aspects of anti-TV violence campaign. However, Assn. spokesman declined to outline proposals, stating that they weren't in final form. It's known that one alternative is to merge AMA campaign with National PTA's year-long program (Vol. 16:34 p5)—scheduled to begin Nov. 30 with first of 8 nationwide public hearings set for Pittsburgh. Other proposals outline various alternative actions to be undertaken solely by AMA, and suggest options on how to fund them.

AMA hopes for "rather wide distribution" of booklet for parents, may even distribute it free initially, though it will be sold eventually. "We are confident that people will be interested in this, and we will be able to recoup our expenses through sales in doctors' offices," spokesman said. Booklet still is in draft form, but will attempt to tell parents what to look for in judging programs' suitability for children, how to discuss programs' impact with children. "We understand that parents can't sit down with their children 24 hours a day, but we think it's important to point out that the parents should watch TV with the child, and discuss the programs with them."

Optical fibers and other high-technology components for CATV, military & other applications are to be produced by major new company being formed. It's joint venture of 2 existing companies—one large, one small—and former Teleprompter chief Irving Kahn is understood to be a principal. Another prominent cable veteran is expected to have major role. Announcement could come this week during Western Cable Convention in Anaheim, Cal.

Interim operation for KOIL(AM)-KEFM(FM) Omaha has been granted to Beneficial Bcstg. to train students from Creighton U. Profits will go to Creighton and "other recognized charities." Stations formerly were owned by Donald Burden (FCC revoked licenses) and there are 10 applicants competing for permanent operation.

Following through on pledge at recent TV affiliates' board meeting (Vol. 16:47 p3), NBC said it'll increase pre-screening of programs to 20 hours weekly. They'll be sent 2-5 a.m. for taping and later viewing.

Personals

FCC Chmn. **Richard Wiley** added as Dec. 3 luncheon speaker at Western Cable Show, Anaheim, Cal.; among other Commission participants: Comr. **Benjamin Hooks** speaks Dec. 2; Cable Bureau Chief **James Hobson**; **William Johnson**, chief of Policy Review & Development Div.; **John Whetzell**, Research Div.; **Margaret Wood**, certificate of compliance processing chief... Comr. **James Quello** addresses Ariz. Bcstrs. Assn. Dec. 3, Scottsdale.

Sen. **John Pastore** (D-R.I.) receives IEEE Public Service Award Nov. 30 in Dallas "for many contributions to the best use of communications media for the public good"... **Robert Brown**, member of Carter-Mondale campaign policy planning group and one-time House Investigations Subcommittee staffer for FCC oversight, named to Carter transition staff Talent Inventory Program.

David Frost addresses Hollywood RTS "news-maker luncheon" Dec. 7... **Jeffrey Ruthizer** promoted to vp-labor relations, RKO General TV-Radio Div... **Wallace Westfeldt** promoted to news & public affairs dir., WETA-TV Washington.

James McTernan resigns as Comsat vp-finance, will continue to perform special assignments for Comsat Pres. **Joseph Charyk**; **Carl Reber**, asst. vp-financial administration, succeeds McTernan on acting basis... **Peter Alden** promoted to exec. vp-operations, Warner Cable.

Donald Stone advanced to vp-affiliate development, Ch. 100, Optical Systems pay-TV subsidiary... **David Hanson**, ex-Tele-Vue Systems, named Showtime affiliate relations dir.; both firms are Viacom subsidiaries... **Henry del Castillo**, ex-Data Transmission Co., joins CTIC as economic analyst.

William Kingery, ex-Scientific-Atlanta, appointed vp-finance, United Cable; **Mike McKeown** advanced to chief engineer, United's Hayward & San Leandro, Cal. systems... **Allen Lipp**, ex-Coral and one-time Vikoa, joins Magnavox CATV Div. as sales administration operations dir... **Richard Barron**, ex-Pasadena Cablevision, Pasadena, Tex., named Telemation Program Service southwest rep.

Lloyd Wetenkamp, Metro Cable, elected pres., Minn. Cable Communications Assn.; **Jeffrey Marcus**, Communications Equity Assoc., named exec. dir. succeeding Acting Exec. Dir. **J. Patrick Michaels**... **Paul Chase** advanced to operations mgr., Anixter-Pruzan northwest district office, Seattle.

Society of Best. Engineers has certified 383 "senior broadcast engineers" since program started in June. SBE continues certification without testing until Dec. 31, after which consulting engineers not "grandfathered" will be required to take test to be certified to practice. First tests will be given in April.

FCC meets Nov. 30 on definition of cable system (Vol. 16:47 p5) and reconsideration of cable access rules. Consideration of proposed rulemaking to restrict advertising of over-the-counter drugs on TV has been postponed indefinitely.

Over 100 comments filed last week on FCC proposal to break down—or give higher power to—remaining Class A clear channels were predictable, depending on whether you were a daytimer wanting fulltime and more power or a clear-channel station wanting to keep it and add more power. Public interest groups wanted clears broken down "to the full extent possible" to boost minority ownership. "The splintering of the 24 existing clear channels—12 of them with entire frequencies to themselves at night while half the nation's stations go dark—will have significant effects on black entry into radio," according to National Black Media Coalition. Super power should be reserved for 2-3 non-commercial stations and commercial clears "drastically broken down into regional & local classes," Coalition said.

FCC's EBS rules were amended, effective Feb. 1, to: (1) Give local programming priority over state-level programming because it's of greater relevance to listening audiences. (2) Delete concept of alternate stations and alternate relay stations to allow as many stations as possible to remain on air. (3) Permit monitoring equipment either at transmitter control point or at studio. (4) Allow EBS tests to be logged either in operating log or programming log; weekly tests still required. (5) Allow station with defective EBS equipment to operate up to 60 days pending repair or replacement.

CAB judge has ordered TWA to stop making claims about airline's on-time performance record, but TWA intends to appeal decision to full CAB. Judge **Ronnie Yoder** also ordered TWA to spend \$1.6 million (6% of firm's 1975 ad budget) for corrective ads to counter impression he claims TWA created in calling itself "the on-time airline." Yoder ruled that TWA on-time record wasn't superior to other airlines in certain markets, that ads failed to state what percentage of time airline was on time and which routes it was talking about.

WDEF-TV-FM Chattanooga, Tenn. has been granted only year renewal by FCC because of minority employment practices. Commission noted that on July 15, AM-FM stations had 24 fulltime employees—none black, 6 women. On same date, WDEF-TV had 51 employees—2 blacks, 19 women. During previous year, FCC said, AM-FM stations hired 23, none of whom were black; TV hired 36, only 2 blacks.

Ex-CBS Pres. Arthur Taylor and industrialist **Sam Lefrak** last week held "very preliminary discussions... covering entire gamut of communications"—including 4th network. It's understood nothing was decided and 2nd meeting is indefinite.

Obituary

Lloyd Griffin, 67, Peters Griffin Woodward exec. committee chmn. & chief exec. officer, died Nov. 25 in N. Y. after short illness. He worked for midwestern radio stations 1932-36, then served as radio dir. on General Mills account at ad agency and worked for Office of War Information. He joined Free & Peters as salesman in 1945, became TV sales vp in 1951, pres. of PGW TV Div. in 1961, PGW pres. in 1966. Surviving are wife, daughter, son.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 12 (45th week of 1976):

	Nov. 6-12	1975 week	% change	Oct. 30- Nov. 5	1976 to date	1975 to date	% change
Total TV.....	323,905	254,521	+27.3	322,654	10,641,736	9,720,990	+9.5
color.....	195,283	141,550	+38.0	192,839	6,351,712	5,461,674	+16.3
monochrome....	128,622	112,971	+13.9	129,815	4,290,024	4,259,316	+0.7
Total radio.....	769,791	636,067	+21.0	642,363	35,492,675	29,069,859	+22.1
home, portable..	500,229	400,745	+24.8	363,702	24,613,957	21,253,482	+15.8
AM-only.....	254,517	115,840	+119.7	206,746	7,548,812	5,828,009	+29.5
FM & FM-AM..	245,712	284,905	-13.8	156,956	17,065,145	15,425,473	+10.6
auto.....	269,562	235,322	+14.6	278,661	10,878,718	7,816,377	+39.2
Port.-comp. phono.	70,389	98,056	-28.2	68,968	2,627,708	2,935,860	-10.5

Color TV 5-week moving average: 1976-201,007; 1975-155,639 (up 29.1%).

FCC MOVING ON NEW CB SERVICE: FCC will propose new CB service early next year, probably in 900-MHz range, we've learned. Earlier docket (19759) proposing Class E CB service in 220-225-MHz spectrum probably will be closed out, spokesman for Chief Engineer's Office said, with new docket "hitting the street some time in March."

FCC has been under pressure from CB industry for several years to create new service, but any action taken that soon after 40-channel CBs hit market could trigger new wave of market confusion & instability. Though 220-225-MHz (now shared by govt. & amateur services) proposal is still formally under study, spokesman said "it looks like a dead issue. The focus within the FCC is on 900 MHz." Govt's Interdepartment Radio Advisory Committee last month urged FCC to immediately reserve space near 900 MHz for eventual use by personal radio services (Vol. 16:43 p10). Meanwhile, FCC is giving 2nd chance to some producers who failed 40-channel type-approval (see p. 10).

At NAB conference in Washington last week, (see p. 3) FCC Chmn. Wiley said agency is "extremely concerned" about CB interference to TV reception and "we are trying to do something about it." Comr. Fogarty was critical of "last-minute lobbying"—10 min. before FCC met—on proposal to expand CB from 23 to 40 channels (Vol. 16:42 p7).

TV CRISIS—SHUTDOWNS, ZENITH'S WARNING: Despite late sales pickup, color TV inventories are clearly too high and 2 domestic TV makers have scheduled longer-than-usual year-end plant shutdowns, while Zenith Pres. John Nevin warned of tough, competitive year ahead in which Zenith plans to fight against further Japanese inroads "even if we have to further reduce our profit margins and cut prices."

Extra holiday-season "inventory-adjustment" shutdowns are scheduled by RCA, Sylvania & Wells-Gardner. Sylvania will close Smithfield plant Dec. 17, reopening Jan. 17; color assembly operations at Batavia will end permanently Dec. 17 (Vol. 16:45 p7). RCA will add extra week to its usual 2-week shutdown, closing Dec. 10, reopening Jan. 3. Wells-Gardner will stop chassis assembly 3 weeks (Dec. 11-Jan. 2), final assembly 2 weeks (Dec. 17-Jan. 3).

Shutdown practices in industry vary, some plants traditionally closing for week or 2 to fulfill vacation contracts, take inventory. These producers are generally following traditional closing schedules, some adding extra day or 2 to shutdown: Admiral & GE, closed one week

(Dec. 24-Jan. 2); Magnavox, 3 days for holidays; Curtis Mathes, 3 days; Quasar, 2 weeks (Dec. 21-Jan. 5), but some lines may continue operating during period; Sony, 4 days; Warwick, 3 days; Zenith, 10 days (Dec. 22-Jan. 2). Meanwhile, major potentiometer supplier CTS (whose principal customer is Zenith) laid off about 200 workers at Elkhart Div., blaming rising Japanese color TV imports, and indicated it may shut down in 2nd half of Dec. Its CTS Knights subsidiary furloughed 100, blaming oversupply of crystals for CBs & digital watches.

Warning that color TV inventories are excessive at about 2.4 million sets, Zenith's Nevin virtually ruled out "significant price increases" next year in Wall St. Journal interview, indicating he planned last-ditch fight against Japanese competition on price basis as well as in court. He said he expected higher Zenith earnings this year, but Journal interpreted his remarks as indicating drop in 4th-quarter profits from last year's figure. He gave Zenith's color TV inventories as just under 300,000 units, about 20% less than year ago, forecast total 1978 color sales at 8.2 million. (For progress report on new Able picture tube, see p. 10.)

Rockwell Pres. Robert Anderson, meanwhile, told N.Y. security analysts that Admiral faced "tough struggle" to gain market share, but has no intention of disposing of TV-making subsidiary. He gave Admiral's market share at 6-7%, about half of this in private-label business, insisting that was "viable" enough to continue in business. He indicated all Admiral TV production except consoles was now offshore. Admiral team, we've learned, recently visited Japan to confer with Toshiba, possibly others, on proposed "joint ventures."

JAPAN COLOR EXPORTS STRONG IN OCT.: Japan's color TV exporters maintained shipment surge to U.S. in Oct., topping 300,000 for 3rd time this year and setting 17th consecutive monthly record, but CB shippers at last began showing signs of U.S. market's sales slump & inventory glut, Finance Ministry figures indicate.

Japan's Oct. total TV exports to U.S. of 444,100 were up 114.9% from same month last year, with color at new Oct. high of 302,600, up 112%, b&w at 141,500, up 121.5%. In 1976's first 10 months, Japanese have exported 3.53 million TVs to U.S., exceeding all past full-year shipments except for 3.85 million of 1971, and up 138.1% from same period last year. Color exports of 2.38 million were up 144.1%, while b&w was up 126.6% to 1.15 million.

Oct. CB exports were just 887,800, marking first time since last Feb. shipments failed to top million. Increase over same month last year was relatively modest 92.3%, and figure was down 35.4% from Sept., and off nearly half from record 1.66 million of last July. Ten-month total of 11.52 million was up 355.3%.

* * * *

Japanese business leaders are becoming increasingly alarmed by their govt.'s apparent willingness to accept European demands for voluntary export quotas. They feel action could lead to similar demands by U.S. industries which fear that limits on Japanese shipments to Europe will mean more goods coming here. Meanwhile, diplomatic problems continue to hamper efforts of International Trade Commission staffers in Japan to collect documents & depositions in probe of Sylvania charges of unfair color TV import competition (Vol. 16:46 p8). While U.S. & Japanese officials work on compromise balancing ITC's "right to know" against Japan's sovereignty, manufacturers there are making files available for inspection on unofficial basis, but aren't allowing ITC to question executives.

COLOR TV MIX STABLE IN 3RD QUARTER: Rise in domestic output of color consoles, drop in portable-table production and increased imports combined to produce little change in product mix in 3rd quarter, compared with year earlier, our analysis of EIA & Commerce Dept. figures shows.

Consoles accounted for 31.7% of 2.1 million color sets added to new supply in 3rd quarter, off just 1% from 1975. In first 9 months, consoles took 30% of 5.9-million total-set market, down from 39.6% last year but up a point from first half. Figures indicate domestic console production rose 16.7% in quarter to 675,000, 20.8% for full 9 months to 1.78 million, while portable-table output fell 36.6% in quarter to 518,000, was off just 2% for full period to 2.2 million. As result, while rising imports took respectable 32.8% & 43.9% shares of 9-month & quarter markets, foreign share of portable-table supply was 46.8% for 9 months, 64.3% for

quarter. Import shares for same 1975 periods were 25.4% & 30.8%.

Number of remote models in 9 months doubled to 590,000, with feature included in 10% of new sets, up from 6.5% last year, but down from 10.8% in first half 1976. Of current 9-month total, 9.6% of portable-table models & 10.9% of consoles contained remote control.

Screen-size breakout for 9 months shows 18"-19" slipped modestly in popularity, accounting for 59.2% of portable-table sets, down from 60% last year. Also on decline were 16"-17", to 8.3% from 12%, and over-19" sizes, to 5.1% from 5.5%. Biggest share gainer was 12"-&-under, rising to 11.4% from 8.6%, followed by 13" increase to 8.8% from 7% and 14"-15" to 7.1% from 6.9%. In consoles & combinations, 25" increased hold to 78.7% from 76.3%. Combination models, incidentally, showed comeback, as output jumped 43% to 21,448, though they still only took 1.2% share of furniture color TV market, up from 1%.

In b&w, larger sizes showed improved market position. Penetration of 18'-&-over in portable-table category was 23.1%, up from 21.3%, while 16"-17" rose to 5.7% from 4.5%. Share held by most popular size, 11"-12", dropped to 51.1% from 52.3%; smaller sizes slipped to 16.4% from 18%, while 13"-15" dropped to 3.7% from 3.9%. Also down were b&w consoles—though units rose 13.1% to 56,900; their share of total b&w market slipped to 1.3% from 1.6%. Figures also show that 469,300 10'-&-under b&w, or 66.5% of total, were battery portables. Battery feature was included in 259,000 (11.7%) of 11"-12" b&w.

RCA DROPS AM STEREO: One of prime & early proponents of AM stereo, RCA has withdrawn its transmission system from consideration by National AM Stereo Radio System Committee (NASRC), but still endorses AM stereo concept and will assist committee's engineering studies. Committee hopes to wind up activities, report to FCC by May 1, sees chance that AM stereo service could start as soon as year from now.

As NASRC moves into field-testing stage, RCA Bcst. Systems notified it that company wouldn't be providing hardware for test. RCA said decision "was based on studies indicating that RCA's potential return from sale of AM signal generators would not justify the research & development required for hardware design." RCA said it believes all systems proposed to committee would be "compatible with present RCA transmitters." Not mentioned in statement, but presumably affecting decision, is fact that RCA no longer is in radio receiver business.

Systems still under NASRC consideration are 2 by Sansui, one each by Motorola & Comm. Assoc. Two unidentified companies are said to be considering submission of own systems. Kahn Communications still has petition before FCC for authorization of own sideband AM stereo system, which hasn't been submitted to NASRC for testing. Field tests are scheduled to start about Feb. 1, probably on Washington station and one other, for completion in about 4 weeks. Motorola system has been tested by KIQI San Francisco.

Demand is strong for AM stereo by broadcasters and receiving equipment manufacturers, and, except for some grumbling by FM-only stations, is considered non-controversial. Approval should come from FCC so long as field tests show AM stereo isn't potential cause of interference.

Sprague is spending \$10 million to expand tantalum & aluminum electrolytic capacitor production facilities in Sanford, ME., Clinton, Tenn. & Canada.

Color tubes imported from underdeveloped countries would lose duty-free treatment under IBEW petition being considered by Office of Special Representative for Trade Negotiations. While no color tubes have been imported this year, developing industry in Taiwan makes them likely to be in future. Earlier this year, union succeeded in having under-17" b&w tubes dropped from preference list. Monsanto is seeking creation of special import classification for discrete LEDs so imports from Malaysia can be made duty free. Company also is seeking preferences for CR tubes (except TV), tube parts (including TV), other electron tubes & linear ICs. Also seeking extension of preferences is Virshay Intertechnology, which wants all types of fixed & variable resistors, but at least film resistors, added to list. Hearings on petitions start Dec. 14.

Mitsubishi has decided to adopt JVC's VHS home videocassette format, as we forecast (Vol. 16:46 p7). Melco, which imports Mitsubishi consumer electronic products here (MGA), hopes to offer system in U.S. next year as part of its expansion program. Boxscore on Japanese home videocassette systems: Betamax—Sony. VHS—JVC, Hitachi, Sharp, Mitsubishi, probably Matsushita. V-Cord II—Sanyo, Toshiba. BX-2000—Matsushita. Toshiba is understood to be shopping around for alternative to V-Cord II—either Betamax or VHS—although it recently announced increase in V-Cord production from 2,000 to 3,000 monthly and said it was preparing to ship first 100 V-Cord units to Canada.

International conference on U.S. Consumer Product Safety Act has been set for March 28-29 in Tokyo. Sponsored by Washington newsletter Product Safety Letter, it will feature CPSC Chmn. S. John Byington, other CPSC officials, and representatives of Japanese and U.S. industries, including consumer electronics. For registration information: Product Safety Letter, 1080 National Press Bldg., Washington 20045. In Japan: de Grassi & Assoc., Tameike Tokyu Bldg., 1-1-14 Akasaka, Minato-Ku, Tokyo 107.

FCC RE-TESTING CBs: FCC will re-test any 40-channel CB rejected for failing to meet controversial 5-microvolt(uv)-per-meter receiver radiation standard if it: (1) Measured between 8 & 25 uv on original test; (2) Is delivered to Laurel, Md. labs with letter asking for new test. Labs will do re-testing on Sat. only, free of charge.

Action was taken after manufacturer complaints that some FCC-flunked units met 5-uv standard during rigorous tests conducted by independent labs before submission to FCC. Staffer said 25-30% of all 40-channel CBs so far tested may qualify for re-testing. He added that FCC will complete testing on all CBs submitted by Nov. 1 in time to okay them for Jan. 1 sale or will notify producers of failure.

Federal Trade Commission got into CB act last week, urging consumers to shop carefully as industry begins conversion to 40-channel and warning that not all 23s can be converted. FTC said consumers should make sure manufacturer will "promise in writing" to change 23s to 40 if conversion deal is offered, also suggested shopper determine following: (1) Can CB be returned to store for conversion, or must it be mailed to producer? (2) Will same CB, or new one, be returned? (3) How much will conversion cost? (4) Does he need extra 17 channels? FTC also said it would monitor promotions & ads of CB marketers to make sure consumer is getting essential information on conversions.

Latest 40-channel approvals: Benjamin Electric (200), Colt Communications (Colt 290), Commando Communications (CC4086), Fanon/Courier (Rebel 40), GE (3-8512A & 3-5825A), Hy-Gain (2703), Kraco (KCB-4020, KCB-4040, KCB-4088), Maxon Electronics (Maxon 40), Meishoh (ME-402), Meriton (RS-5111), Midland (63-240 & 77-853), Penney (6203), President (Zachary T), Sears (2862676, CM 6000LA & CM 6100S), Shakespeare (GBS-240), Tran Sonic (MCH-41), Well Inc. (W-605 & W-705).

FCC took first steps toward control of interference susceptibility of TV receivers (Vol. 16:47 p8), amateur radios and other services below 1 GHz by announcing intention to issue series of notices in near future. Issue was mentioned now "in order to allow the participants in the affected services ample time to develop their ideas," FCC said.

Zenith is overcoming difficulties in producing new "Able" color tube (Vol. 16:39 p13), Pres. John Nevin indicated in Wall St. Journal interview. He said 60% of current 19" set production now uses new tube and it should represent 40% of 19" output for 2nd half, about 75% in first-half 1977, and that no new sizes are planned before midyear. He added that Zenith still expects to realize 8-10% savings through use of new tube and that company has decided to license others to produce gun alone without insisting on total package.

Consumer spending for TVs, radios & records rose at rate of 13% annually from 1960 to 1974, a period when personal consumption spending for all products increased only 4% a year, according to Conference Board's newly published 1976/1977 Guide to Consumer Markets.

JAPAN'S 9 MONTHS: Though sharp increases in Japan's U.S. -bound exports in TV & CB captured most attention in first 9 months of year (Vol. 16:44 p8), significant gains also were made in shipments of audio equipment, Finance Ministry totals show.

For full period, Japan's exports of radios leaped 231.2% to 8.3 million, mainly on strength of 577.4% jump for auto radios. Total home radio shipments of 2.48 million were up 50.5%, paced by 138.2% gain for AM-only models, while clock radios rose 83.1% and FM units edged up 32.7% to 1.6 million. In tape, total exports rose just 9.8% to 9.3 million, with automotive units up 18.9% to 1.7 million and home models up 7.9% to 7.6 million. Radio-phonos climbed 81.2% to 311,600, while phono-only units had 43-fold increase from negligible levels of 1975. Here are details:

JAPANESE EXPORTS TO U.S.

	Jan.-Sept. 1976		Jan.-Sept. 1975	
	Units	Value(\$)	Units	Value(\$)
Total TV	3,141,765	450,852,384	1,275,060	173,961,596
color	2,078,717	385,308,361	832,661	147,396,912
b&w	1,005,759	61,049,975	442,399	26,564,684
chassis & kits*	57,289	4,494,048	—	—
Radio-phono, stereo	28,102	2,476,253	95,492	8,677,157
Radio-phono, mono.	283,487	20,244,000	76,482	1,544,342
Radio-recrdrs. & other comb.	2,310,935	99,288,288	3,327,763	138,530,120
Auto radios.	5,830,522	230,168,510	860,704	21,061,500
Clock radios.	572,984	11,377,881	312,813	6,734,634
Radios, AM	304,959	4,067,472	128,004	1,058,922
Radios, FM	628,193	21,438,000	1,207,393	83,841,916
FM hi-fi rcvrs. & tuners*	974,042	123,655,440	—	—
CB trcvrs., under 100mw	644,551	4,342,368	1,141,279	3,844,701
CB trcvrs., other	10,642,037	588,483,295	2,073,794	110,420,654
Phonos.	559,322	32,786,579	12,928	68,889
Tape players, auto cart.	1,120,028	19,083,524	1,443,035	24,949,711
Tape players, auto other*	595,706	13,217,291	—	—
Tape rcdrds., reel	61,270	3,333,090	27,815	2,571,939
Tape rcdrds., cass.	3,078,106	84,808,930	2,275,460	58,310,008
Tape rcdrds., cart.	893,364	17,654,375	—	—
Tape decks, audio	1,256,494	90,370,055	802,346	50,536,479
Tape rcdrds. & players, other.	—	—	608,095	12,298,389
VTR*	65,339	46,964,618	—	—

*Not reported separately in 1975.

MCA Disco-Vision is manufacturing first video-disc players for non-consumer applications under govt. contract which also covers mastering & replication equipment & services. Information on name of govt. agency, quantities, amount of investment, etc., aren't available, but players are expected to be used for high-density information storage, instruction & computer interface. Meanwhile, Thomson-CSF, which plans to demonstrate own transmissive optical industrial-educational videodisc system in U.S. in Jan., says player should sell here for \$1,000-\$1,500, depending on features, not \$2,000-\$2,500 mentioned last week (Vol. 16:47 p9), which is price in France.

Zenith introduces its lowest-priced 25" color console—open-list leg model at around \$680, down about \$20 from previous leader which remains in line... **Magnavox** adds 9" & 12" monochrome AC-DC models at \$120 & \$130.

RCA GAME APPROVED: RCA last week became 2nd firm (after Fairchild) to win FCC approval for cartridge-programed video game. Firm's Home TV Programmer (HTP) was approved with 3 cartridges, including 10-frame, 2-player bowling tournament and "Schoolhouse" math quiz. RCA must file application for each additional cartridge introduced, but FCC said final decision on whether labs actually will test cartridges hasn't been reached. HTP also features range of built-in games, including hockey, bowling & math test.

Game probably won't show up on Christmas market. Due to holiday work schedule, RCA couldn't be reached for comment on game & cartridge prices & deliveries following FCC approval. However, firm said earlier that limited production would begin in Dec., with regional introduction in Jan., national distribution later in 1977.

Meanwhile, strike by 400 workers at GI Hicksville, N.Y. plant is causing worry that already tight game supply situation will worsen. GI says Hicksville is not primary facility for game chip production, that much of slack is being taken up by increased chip output at Chandler, Ariz. facility. Major GI chip customer, however, told us strike—which began Nov. 12—already has cut into size of deliveries, and another game maker said he's getting only 70-75% of chip volume GI promised several months ago. GI spokesman said strike so far has "had no significant effect on production" and bulk of chips for games for Christmas season already have been shipped. Negotiations between GI & union were scheduled to resume this week.

Problems created by financial troubles of leading OEM supplier Systek could be eased somewhat in coming month. Lloyd's spokesman said Systek is scheduled to begin delivering limited quantities in first week of Dec., produced under Systek reorganization plan backed by Japanese banks. Even if games are delivered, Lloyd's expects its total game sales in 1976 to be less than 50,000 units, 70-80% off original projection. Unisonic, other major Systek customer, couldn't be reached for comment, but retailer told us deliveries are drying up. "I haven't got any from Unisonic in the past 4 or 5 weeks," mass merchant in South said. "I got a letter saying I'd get some, but from all indications, it doesn't look like I'll get any more this year."

Combination of chip shortage, Systek's problems and failure of many would-be suppliers to get FCC approval is causing producers to scale down 1976 projections, some forecasting unit total below 3-million mark. "They should be revised," Magnavox Video Games National Sales Mgr. Thomas Garvin said. "It's getting tighter & tighter, and the GI strike doesn't help any. I think 3 million is more accurate now." Garvin said firm still hopes to get FCC approval in time to ship some Odyssey 500s by Christmas, "but if we don't get it soon, we just can't make it." Deliveries of other Odyssey games are on schedule, Garvin added.

Frantic games race continues to take toll, latest being Channel Master, which killed plan to enter market (Vol. 16:19 p11) after it became apparent game wouldn't be ready in time for Christmas.

Executive Games has been quoted as saying it would halt production of ball-&-paddle games in first quarter, field cartridge version in 1977. Though Japanese have shown little interest in games field, there are indications some leaders are studying microprocessor end of business. Mitsubishi's semiconductor div. showed 15-game MELPS-8 microprocessor unit at recent Japan Electronics Show. Firm says it's not consumer product, and no marketing plans have been made.

Nationwide franchised retail video operation is planned by Amvid Network Div. of Amvid Communication Services, Manhattan Beach, Cal. Recently named pres. of new Div., Samuel Gale (ex-Video-record Corp.), told us network concept involves establishment of stores offering products covering "whole home TV environment"—TV sets, projection TV, home VTRs, videodiscs & players, plus other accessory & complementary products. Dealerships will include storefront operations and "video boutiques" in existing outlets. Dealers will handle specific brands & products, purchased either through network or individually—"whichever is most beneficial to the dealer." First test market will be in L.A. first-quarter 1977, Gale said, with national selected markets by 1978-79. Parent Amvid, headed by James Spencer, currently produces audio-visual training material, could eventually produce or co-produce consumer videodiscs & tapes.

Joint venture of 6 capacitor producers to develop substitute for polychlorinated biphenyl (PCB), has gotten clearance from Justice Dept. In letter saying it won't challenge venture on antitrust grounds, agency told Aerovox, Universal Mfg., Mallory, Jard, Electrical Utilities & Cornell Dubilier to go ahead but with understanding non-venture companies would have royalty-free access to any patentable development by paying equal share of research cost. GE, which produces some 40% of PCB-filled capacitors, isn't venture member. Environmental Protection Agency has labeled PCB as health hazard. Monsanto, sole current PCB manufacturer, says it will halt production by end of 1977.

Negotiations to acquire U.S. marketing rights to Zygma projection TV system were discontinued last week by Worldwide Entertainment System, Exec. Vp Lee Girson said, after he learned that Zygma Electronics of London was headed by William & David Stirling, who were indicted in N.Y. last July on security-fraud charges (Vol. 16:47 p10). "We were very impressed with the product when we saw it [at Vidcom] in Cannes, and we started preliminary talks," Girson told us. "We never talked with the principals or even knew who they were. Now we have no intention of getting involved." He said Worldwide is continuing its own development of 3-tube Schmidt system projector.

Suit against Sony by Universal & Disney, seeking to block Betamax sales on copyright violation grounds (Vol. 16:46 p7), may be followed by petition to FCC. It would ask Commission for rulemaking to put jamming signal into TV transmission, then seek injunction to stop Sony from putting anti-jamming circuits into Betamax machines.

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Trade Personals

Don Schneider promoted at Lloyd's from special projects vp to sales & mktg. exec. vp, continuing as pres. of Monteverde operation... **Herman Schmidt** advanced at Resdel Industries (Fanon/Courier parent) from exec. vp to pres. & treas., succeeding **Henry Abadian**, who continues as chmn. & chief exec... **William Watson**, ex-chief of GI Taiwan operation, advanced to pres. of GI International (Japan)... **Gene Phelps**, ex-Hunt Wesson Foods, joins Ampex as national mktg. mgr. for consumer blank tape products... **David Mutchler**, ex-Litton, joins Acoustic Research as acting pres., assuming duties of **Martin Borish**, resigned for personal reasons.

Mitsuru Ohki, ex-asst. PR mgr. for Sony Japan, joins Sony America as PR mgr., succeeding **Kozo Hiramatsu**, who takes Ohki's former post with parent... **William Connelly** appointed Acoustic Research national service mgr... **John Laschinger** advanced at RCA Service Co. from Cleveland district consumer services mgr. to western consumer services mgr., succeeding **Edward Wozniak**, now on special assignment... **James Mullaney**, GTE Service compensation dir., named asst. vp... **William Mader** named Sylvania Connector Products distributor sales coordinator.

Color TV sales by West German producers in first 9 months totaled 1.97 million, up 29.7% from same year-earlier period, while b&w dropped 25.7% to 884,000, Federation of Radio & TV Trade reports. Portable radios were down 7.9% to 2.4 million, car radios off 20% to 2.2 million, while home radios (including hi-fi equipment) edged up 1% to 1.38 million. Tape decks (including auto units) were off 5% to 1.63 million, turntables 6.5% to 1.45 million. Totals include exports and domestic-brand imports.

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
Canadian Cablesystems			
1976-year to Aug. 31	--	9,415,000 ^a	2.36
1975-year to Aug. 31	--	5,436,000 ^a	1.37
Downe Communications			
1976-9 mo. to Sept. 30	89,161,000	8,733,000 ^b	1.63
1975-9 mo. to Sept. 30 ^c	77,685,000	(15,000)	--
1976-qtr. to Sept. 30	25,983,000	(658,000)	--
1975-qtr. to Sept. 30 ^c	25,604,000	(1,407,000)	--
Electrohome			
1976-9 mo. to Sept. 24	68,575,000	(3,355,000)	--
1975-9 mo. to Sept. 30	61,992,000	(3,937,000)	--
Gray Communications Systems			
1976-qtr. to Sept. 30	3,365,601	270,062	.57
1975-qtr. to Sept. 30	2,444,343	93,565	.20
Technical Operations			
1976-year to Sept. 30	88,599,000	(1,949,000)	--
1975-year to Sept. 30	101,285,000	(318,000)	--
Tele-Communications			
1976-9 mo. to Sept. 30	33,802,000	701,000 ^b	.08
1975-9 mo. to Sept. 30	30,024,000	(325,000)	--
1976-qtr. to Sept. 30	11,490,000	315,000 ^b	.04
1975-qtr. to Sept. 30	10,469,000	174,000	.01
UA-Columbia Cablevision			
1976-year to Sept. 30	20,190,578	2,125,524	1.25
1975-year to Sept. 30	16,223,150	1,452,691	.85

Notes: ^aAfter special charge. ^bIncludes special credit.
^cRestated.

Ad notes: **Cobra Communications** appoints Grant-Jacoby, Chicago, as national sales promotion agency... **Texas Instruments** to launch TV network campaign for new calculator & calculator game line Nov. 27... **National Ad Div.** of BBB said it found Windsor House ads for Little Wonder plug-in TV antenna unacceptable, notes only active part of antenna is wire running from wall plug to TV. Windsor said ads have been discontinued... **BASF Systems** appoints Humphrey Browning MacDougall, Boston, for audio tape line, replacing Young & Rubicam, which held account for less than year... **Akal** names Cochran Chase, Newport Beach, Cal., for \$1.5-million account, replacing Cunningham & Walsh... **TDK** appoints Philip Stogel Co., N.Y. for ads & PR... **Kraco** starts \$2 million TV & radio campaign for 40-channel CB line in Jan... **Hy-Gain** appoints Benton & Bowles for \$4-million CB & scanner account, retains Ayres & Assoc. on \$2-million account covering marine & amateur radios, antennas... **Motorola** Communications Div. names Creamer/FSR, Chicago, for Component Products Group.

All-channel rule amendment by FCC extends indefinitely tuning accuracy on 70-channel tuners at + 2 MHz for Ch. 70-83 (Vol. 16:9 p11). For other channels, rules provide that accuracy must be + 1 MHz on sets manufactured starting Jan. 1, 1977.

RCA reached agreement with **IBEW & IUE** negotiators on contracts covering workers at all manufacturing facilities in U.S. Terms weren't disclosed. Present national contract expires Dec. 1.