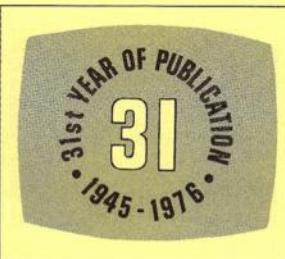


WEEKLY

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DECEMBER 6, 1976

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VOL. 16, NO. 49

Broadcast

WESTERN CABLE—PAY TV, CONGRESS, FIBERS: Convention debates 'churn,' relishes congressional support. Kahn & DeGeorge generate excitement with fiber venture. Wiley anticipates small earth station approval. (P. 1)

NAB's 'CAUSE FOR CONCERN' is House attempt to rewrite Communications Act; Highlights starts counterattack. NATPE expected to reject NAB move to 'consolidate' annual conventions. NAB considering Zapple as 'advisor.' (P. 3)

PBS REBUFFED IN PTV SQUABBLE: In setback for Pres. Grossman, partnership committee backs off from confrontation over CPB role, announces 1973 agreement still in effect. (P. 5)

ONLY 4 CITIES QUALIFY for drop-ins, Bcst. Bureau will conclude. Best bets—Albany, Knoxville, Johnstown, Evansville. (P. 5)

PTA ANTI-VIOLENCE PLAN is hailed by over 50, decried solely by TIO Dir. Danish, in first of series of 8 nationwide hearings. (P. 6)

D. C. BAR ETHICS COMMITTEE narrowly rejects proposal to disqualify law firm when individual member can't participate because of previous govt. involvement in case. (P. 6)

WESTERN CABLE—PAY TV, CONGRESS, FIBERS: Western Cable Convention is almost always upbeat, and this year was no exception. Pay cable again was main driving force, as some 2,200 delegates met in Anaheim, Cal.—attendance up 10% from last year. Also contributing to good spirits was almost unanimous support cablemen got from their congressmen—in several speeches and panel discussions—plus excitement over clear hint from FCC Chmn. Wiley that Commission will approve small satellite earth stations (4.5 meters, maybe even less, see below), and announcement of new fiber optics company by industry pioneers Irving Kahn & Lawrence DeGeorge (Vol. 16:48 p5).

Now that industry has fair amount of experience with pay cable, panelists are beginning to find some patterns, but not many. Worried about "churn" (loss of pay subscribers after start-up honeymoon), operators stressed need for constant promotion on every front. As several panelists pointed out, operators are now in "showbiz"—an unfamiliar role to many operators.

From film producers came following: (1) Peter Kuyper, Paramount—Pay cable can become a mass medium only through lower prices. "You lower your prices and we'll lower ours." But real "quantum leap" will come, he said, when per-program system arrives. "It will solve virtually all problems." Furthermore: "You should pray for the health of theaters. They create the market for pictures."

(2) Jack Gordon, MGM—Producers need more cooperation from cablemen in promotion.

Consumer Electronics

NOV. COLOR SALES to dealers at 8.6-million annual rate, best since 1974. Year's sales may hit 7.7 million. (P. 8)

OCT. COLOR IMPORTS topped half million units with help of 107,000 chassis from Mexico. B&w TV, CB imports also up sharply. (P. 8)

VIDEO CASSETTE 'STANDARD' confusion erupts anew in Japan as Matsushita indicates rejection of JVC format, then recants. U.S. market seen exerting 'standardizing' influence. (P. 9)

ADMIRAL WORKERS lose import adjustment assistance bid as Labor Dept. finds color & b&w output rose at Harvard, Ill. plant. New cases opened for Sylvania, RCA, Fairchild, Piher employees. (P. 10)

NEW CB LINES from E. F. Johnson & Cobra, both promising availability of all models Jan. 1. Cobra's Korn says market will hit 10-12 million units next year. Latest FCC approvals. (P. 11)

EMI PLANS active videogram software program—disc & tape—budgeted in '6 figures sterling.' (P. 11)

BAN ON FLUOROCARBONS would raise cost of TV service by \$1 billion, according to Tech Spray's Pavak. (P. 12)

Operators shouldn't schedule films against network blockbusters. Market isn't large enough yet to justify earlier release of films to pay.

(3) Edward Bleier, Warner—Pay cable doesn't hurt theaters. "Blazing Saddles" produced 1974's 6th highest gross in pay-cable market despite appearance first on pay. "Pay TV is a pump primer for the industry, not a siphon." He also called for movie-only channel. In addition, he said, pay cable already is "determinative" for marginal pictures—justifying some "even if they don't work well in the theater."

(4) Allen Adler, Columbia—Research is the key. Asking viewers what they want "may not be fruitful"—because what they say they want and what they watch are often quite different. Columbia is investing substantial sums in careful experiments. He cautioned: "Pay cable may not be a big boom business."

Optical Systems generated a lot of grumbling by sending hundreds of cable operators a letter & contract saying it wanted "access" on systems for a pay channel. Operators don't expect Optical to be around immediately, but they were bugging their lawyers for answers. Optical said its action would resolve "Escondido" situation. This refers to FCC's action demanding to know why Escondido, Cal. system doesn't allow Pacific Cablevision to lease channel (Vol. 16:44 p3). Optical also announced deal with KAIL (Ch. 53) Fresno whereby Optical will feed films to station via satellite, and station will broadcast scrambled signal to area including some 250,000 homes.

Optical Pres. Alan Greenstadt said he'll install decoders (costing some \$65 each, furnished by Pay-TV Corp., made by Electrohome, Can.), charge \$10-\$15 monthly, running 3 p.m.-1 a.m. daily. He expects station to get FCC approval within 6-9 months, to start operations in fall or winter of 1977, hook up about 10% of homes first year. He said he's exploring similar deals with other stations.

Home Box Office announced plans to produce more original program material next year, reportedly at cost of some \$3 million, including specials with Sammy Davis Jr., Smothers Brothers, flock of comedians, Bette Midler, etc.

Rep. Van Deerlin (D-Cal.), chmn. of House Communications Subcommittee, had welcome words, including: (1) With passage of copyright bill, "maybe you've heard for the last time the word 'parasite' applied to your industry." (2) "Dire predictions" by broadcasters (of cable impact) just haven't come to pass. San Diego stations have shown excellent profit growth, despite presence of almost 140,000 cable subscribers. (3) Though FCC has made 47 changes in cable rules, none is major; more are justified. (4) OTP should be kept. President needs such advisors in White House, not buried in Commerce Dept. or other agencies. (5) If Bowman Cutter, now on Carter's transition team, becomes deputy dir. of OMB, which is a possibility, "it will be a plus." (6) If Sen. Hollings (D-S.C.) becomes chmn. of Senate Communications Subcommittee, it will be great. "He's open-minded... Absolutely superb. Nobody's patsy." If Sen. Inouye (D-Hawaii) gets the job—same. "Comity will prevail." (7) Still smarting from way CATA scuttled pole-&-forfeiture bill, Van Deerlin stated: "I hope we'll find CATV all on one side" next time. (8) NARUC's exec. dir. "goaded" state utility commissions to "do something" about pole attachments—"and I was glad to see that." (9) Decision regarding "separations"—splitting cable ownership from programming—must come now. "We can't wait until it's too late." (10) "Marketplace" is proper arena for resolving competition. "FM was delayed at least a quarter of a century because established AM interests saw it as a threat."

Panel of congressmen also had supportive words. Rep. Waxman (D-Cal.) called for revision of Communications Act, giving cable its proper place among media. Rep. Frey (R-Fla.) said: "You better get your act together regarding the phone bill, or we'll be reticent next time to stick our necks out." Rep. Wirth (D-Colo.): "I'm appalled how you've been bounced around in regulation. I suggest you have a legislative workshop to get your act together."

Asked how long it would take to rewrite Communications Act, panelists generally thought it would take at least 2 years for Congress to act, place it before President. Frey stated, with a laugh, that it's actually easier to get such measures through floor vote "because no one can understand it."

Rep. Moss, chmn. of House Investigations Subcommittee, reiterated his view that regulatory agencies are too cozy with industry; that there should be consumer protection agency; that FCC is protecting broadcasters; that restrictions on cable should be applied only on proof of actual harm. "Cable has had little impact on UHF," he said. "Cable can help by putting UHF on technical parity with VHF."

FCC Chmn. Richard Wiley said he'll recommend to fellow commissioners "in the near future" that FCC sponsor conference to discuss state-local-federal regulatory problems, seek solutions. "Since the chances for total preemption of cable regulation look about as promising as those for the longevity of a Republican chairman of the FCC, I think it is clear that—somehow—we need to find a way to facilitate improved relations between state and local governments and this industry." Among issues conference could deal with, Wiley listed franchise fees, subscriber rates, system renewals, pole attachments & local services.

Problem cuts both ways, Wiley said. While federal stake in some of Commission's current franchise standards "is rather elusive," local govts. also complain to FCC about their local system's service. If FCC rules "are part of the problem rather than part of the solution, they would be fair game also" at proposed conference, Wiley said.

There was standing-room-only at news conference in which DeGeorge & Kahn announced formation of Times Fiber Communications Inc. It's combination of Insilco subsidiary Times Wire and Fiber Communications Inc. According to Kahn, company will have working system by April, will take orders, "at a cost less than conventional gear. Lots of blue sky services will become technically & economically feasible."

Company will have \$22.8 million assets, furnished by Insilco, which will hold 51% of stock. Other 49% will be split among fiber inventors Dr. Franklin Dabby & Dr. Ronald Chesler (ex-Bell Labs), Kahn, and galaxy of venture capital sources—money from investment houses of Rockefeller, Rothschild, Whitney, Warburg.

DeGeorge, who is Insilco vice chmn., will be chmn., pres. & chief exec. officer. Pioneer founder of Times Wire in 1948, DeGeorge worked closely with Jerrold's Milton Shapp in early days of CATV, for years furnishing almost all cable used in industry. William Lynch, Insilco vp, formerly an executive in GE's consumer electronics operation, will be exec. vp and chief operating officer. DeGeorge stressed that fiber can run 6 miles or more between amplifiers, making it extremely valuable for phone company as well as cable industry.

NCTA board also met in Anaheim, offered Pres. Robert Schmidt new contract running 2 years from next Jan. 30, with 10% raise (from \$75,000) each year. Though Schmidt's alma mater ITT has been romancing him to come back, he's expected to accept NCTA contract. Board also voted by-law amendment putting Schmidt on board, with a vote. In addition, it voted to allow chmn. to serve a 2nd one-year term. Both are subject to membership approval at April convention—and this is assured, according to Chmn. Burt Harris. He proposed the chmn.-extension amendment, which wouldn't apply to him.

Stimulated by ATC Pres. Monty Rifkin, board also directed staff to bring more proposals to board for action—"instead of just presenting reports," as he put it. According to Harris, this will generate more substantive discussion at board meetings.

FCC's small-satellite-dish decision, expected this week, has support of all Commission bureau chiefs. It's not expected to specify dish size; rather, it will allow use of dishes that meet interference specifications now in common-carrier rules. Dishes smaller than 9-10 meters haven't been precluded by rules but staff has had rule of thumb excluding them. Dishes smaller than 4.5 meters may be approved, perhaps not immediately, however.

NAB's 'CAUSE FOR CONCERN': Plans of House Communications Subcommittee—led by Chmn. Van Deerlin (D-Cal.)—to bring about total rewrite of Communications Act in next Congress is "cause for concern," according to NAB Exec. Committee. Citing Van Deerlin's "preliminary thoughts as to how the present Act might be modified"—as expressed at Chicago fall conference (Vol. 16:48 p3)—NAB is preparing to protect industry's flanks.

Most broadcasters & lawyers we've talked to believe that TV-radio will come out big losers—

cable a big winner—in any rewrite. Preparing for all eventualities, NAB Exec. Committee instructed Govt. Relations Dept. to "undertake" its own revision of Communications Act at Aug. 30-31 meeting. Last week, NAB's Highlights initiated "a series of articles" to examine "pertinent issues & solicit comments" on rewrite. First article predicted rewrite may take several years, said TV-radio can't wait "3 or 4 more years" for legislation on license renewals & all-channel radio.

(Note: NATPE has dropped planned session on expanded network news at Feb. 14-16 convention in Miami Beach, added one on Communications Act featuring: Van Deerlin, FCC Chmn. Wiley, ABC's Fred Pierce, CBS's Robert Wussler, NBC's Robert Howard, Group W's Donald McGannon & Viacom's Ralph Baruch.)

NAB staff told Exec. Committee that it's meeting with NATPE "in an effort to consolidate annual conventions." NATPE has grown by leaps & bounds in recent years, has totally displaced NAB as showplace for program syndicators (Vol. 16:8 p1), is moving convention from mid-Feb. to mid-March in 1978. On possibility of consolidating NAB & NATPE conventions, official of latter said "I would seriously doubt that it will happen."

In addition to actions reported earlier (Vol. 16:48 p2), at Nov. 23 meeting, NAB Exec. Committee:

(1) Discussed informally (it never came up at meeting) possibility of NAB hiring ex-Senate Communications Counsel Nicholas Zapple as "advisor-consultant." We're told Washington network offices are pushing NAB to retain Zapple and that he wouldn't be used as Hill lobbyist.

(2) Heard Research Vp John Dimling report that proposed NAB study on public attitudes toward sex & violence on TV-radio is "feasible" (Vol. 16:40 p2), would cost about \$50,000. Exec. Committee referred project to Research Committee, which is to make recommendations prior to Jan. 25-28 board meetings in Maui, Hawaii. Dimling also was told to get more information on methodology & costs.

(3) Referred to board meeting proposal that NAB sponsor "editorial conference" trip to Russia following March convention in Washington. Trip would cost about \$800 per broadcaster, has been researched with Russian Embassy by staff.

(4) Approved Sept. 8-10 radio programming conference in Las Vegas. (5) Approved First Amendment theme for 1977 radio month. (6) Refused to contribute to fight by N. Y. C. stations against telephone company adding tariffs to callers' bills for busy signals. (7) Rejected \$1,200 contribution to help finance cataloguing system for coding & automated retrieval of 8,000 TV commercials.

(8) Approved 2nd children's TV workshop in spring 1977, cost not to exceed \$5,000. (9) Selected TV Board member James Ebel, Fetzer Bcstg., as U.S. commercial broadcasting's official rep to Jan.-Feb. WARC conference in Geneva, agreed to contribute up to \$5,000 for his expenses.

(10) Heard report from Govt. Relations Senior Vp Donald Zeifang that N.J. broadcasters want NAB help in getting lottery law amended to permit TV-radio advertising of legalized gambling. Exec. Committee suggested that N.J. stations launch "grass roots" effort to get state congressional delegation to introduce legislation to that effect.

(11) Approved following recommendations of convention site committee, for submission to Jan. board meeting: Las Vegas, March 12-15, 1981; Dallas, April 4-7, 1982; Las Vegas, April 10-13, 1983; Atlanta, April (tentative), 1984. Already picked: Washington to host 1977 convention, followed by Las Vegas in 1978, Dallas 1979, New Orleans 1980.

Among participants at NCTA state & regional presidents meeting set for Dec. 13, Statler Hilton Hotel, Washington: Sen. Hollings (D-S.C.), FCC Chmn. Wiley & Cable Bureau Chief James Hobson, House Communications Subcommittee Chief Counsel Harry Shooshan. Assn. plans minority ownership seminar, also at Statler, Dec. 10.

Campbell-Ewald—member of Interpublic Group—is purchasing Chicago ad agency Clinton E. Frank Inc., which has annual billings of about \$50 million.

FCC has ordered hearings for competing MDS applicants in Columbia, S.C., Albuquerque & Harrisburg, Pa.

PBS REBUFFED IN PTV SQUABBLE: In major setback to new PBS Pres. Lawrence Grossman, joint CPB-PBS partnership committee backed off from confrontation over role of CPB in PTV programming decisions, announced that 1973 partnership agreement is still in effect. That agreement gave CPB authority to "decide all CPB funded programs through a CPB program department...in consultation with PBS, other interested parties and the public."

PBS board, with strong support from Grossman, recently adopted resolutions criticizing CPB for duplicative & "wasteful" bureaucracy, monopolizing program decisions, taking too much power from stations, and caving in to govt. pressures (Vol. 16:47 p6).

In day-long meeting in N. Y., CPB and PBS dirs. first kicked out CPB Pres. Henry Loomis & Grossman, as well as all other officers on joint committee. Then, behind closed doors, CPB Chmn. Robert Benjamin accused PBS of raising even minor CPB-PBS differences "to the level of a high confrontation... On such a level, concurrence by PBS governors becomes virtually a question of institutional solidarity rather than a resolution of the merits of the specific issues. Certainly no...issue that has arisen...warrants the jeopardy to the whole system which the present confrontation threatens."

Grossman subsequently toned down speech delivered to NATAS luncheon strongly critical of CPB, and partnership committee issued statement that its members "agreed not to address ourselves [to PBS resolution] but to rededicate ourselves to fulfillment of the spirit of the 1973 partnership agreement." Committee also set date for additional meeting—Jan. 13 in Washington.

Partnership problems won't go away soon, however. They're certain to get renewed attention at PBS annual meeting in Feb. in Atlanta, and House Communications Subcommittee has decided to include Public Bcstg. Act in its review of 1934 Communications Act.

Under leadership of NCCB Chmn. & ex-FCC Comr. Nicholas Johnson, several public interest groups held couple of meetings in Washington to provide input for Carter Administration appointments to FCC, CPB and possibly OTP. Each group will submit own list to Johnson, who will forward them to Carter people. "I don't think it's anyone's business what we're discussing or with whom," Johnson told us. As for consideration of FCC appointments, "nothing's happening within transition team," another participant in meetings said. "If anybody tells you something is happening, they just don't know what they're talking about."

FCC has proposed changes in CATV rules to require cable systems to protect other authorized "over-the-air services" such as emergency services, air & marine navigation and broadcasting. Comments are due Jan. 17, replies Feb. 15.

FCC meets Dec. 8 on TV captioning for deaf, is expected to approve proposal to permit use of line 21 on TV screen; there's dispute on whether to reserve line 21 exclusively for that purpose (Vol. 16:1 p3).

Cable's toughest competitor in years to come might be telephone industry, not broadcasting, according to Robert Ungar, FCC Cable Bureau Research Branch chief. Addressing Publi-Cable telecommunications roundtable in Washington, Ungar said Congress should decide "whether it would be in the public interest to foster a competitor to the telephone industry for non-entertainment home services. If we're talking about cable doing anything in the future, we're not talking about competition with the broadcasting industry. We're talking about competition with Ma Bell." He predicted that because of telephone industry's massive size, those looking for cable's "blue sky" services "should begin looking elsewhere." Citizens Communications Center's Curtis White disagreed, stating that if FCC acts now to permit cable to effectively compete with broadcasting industry, "there is still an opportunity to salvage some of the original concepts which cable was supposed to fulfill."

VOA should have "an independent status within the foreign affairs community" to preserve its journalistic integrity, according to statement being circulated among VOA newscasters and writers for their signature. Under present system, VOA is under USIA and State Dept. reportedly has at times attempted to exert control over VOA broadcasts & reporters. As result, VOA correspondents recently were barred from talking with PLO representatives in reporting on Mideastern situation. Statement, which so far has been signed by almost 400 professionals (of slightly over 600 eligible staff) was prepared to advise Congress, new Administration and VOA itself "what we are and do and how we feel it can be done better." Commented VOA Dir. Kenneth Giddens: "There are too many intrusions as the thing is now set up. These intrusions intimidate our writers and editors, though we do a damned good job in spite of it."

Alternative rating system, able to measure not only viewer's choice of program but intensity of his preference, is goal of 3-yr. NCCB project funded by \$54,000 grant from Markle Foundation. Project will attempt to determine "how we can get around the problem of using ratings as the primary basis for programming decisions," according to NCCB's Ted Carpenter. "We want a measure of what the audience really feels about a program, not just what might be a choice based on the least objectionable alternative." Carpenter said advertisers he's consulted have been supportive, stating they'd be interested in advertising on programs that are not necessarily the most popular, but which are perceived as better meeting audience's desires and needs.

Only 4 cities will qualify for VHF drop-ins, FCC Bcst. Bureau has decided, we're told. Item had been scheduled for Dec. 15, but it'll be moved because Comr. Lee—prime foe of any drop-ins—will be in San Francisco. He leaves for WARC conference in Geneva Dec. 24, so Commission consideration is expected Dec. 21 or 22. Commission official said cities "likely to be mentioned" by Bureau are Knoxville, Tenn., Evansville, Ill., Johnstown, Pa. & Albany, N. Y. FCC still must issue rulemaking and final decisions are at least year away.

PTA ANTI-VIOLENCE PLAN HAILED: National PTA's first of 8 public hearings across nation heard over 50 witnesses applaud proposed plan to pressure TV industry to reduce violence. Only one witness—TIO Dir. Roy Danish—defended broadcasters, while 2 others warned that FCC regulation of violence would violate First Amendment. Meeting took place last week in Pittsburgh; next hearings are in Kansas City, Kan. Jan. 11, Atlanta Jan. 18, Chicago Jan. 25.

Consensus of witnesses—and over 150 members of audience—"was that we are doing the right thing and going about it the right way," according to PTA PR Dir. Sandra Fink of Chicago hq. Witnesses included professionals, parents, educators, religious groups, and one broadcaster—Estelle Gould, community affairs dir. of WTAE-TV Pittsburgh, who also supported PTA project (Vol. 16:34 p5). "A number of witnesses suggested product boycotts of sponsors of violent programming," Fink said, noting that boycotts were being considered by PTA only as last resort.

Danish argued that no studies prove causality between TV and actual violence, noted continuing industry efforts—including FV—to lessen TV violence, said what child watches is parents' responsibility. Allegheny County Juvenile Court Judge Patrick Tamillia countered: "You can't say the youngsters are learning good things from 'Mister Rogers' but aren't learning other things from violence." He said TV taught juvenile offenders to flee police in high-speed auto chases, and "hardness of heart and a lack of remorse" for crimes they've committed. In many homes, Tamillia said, TV—not parent—socializes children.

Keith Reisinger, Children's Hospital of Pittsburgh, and Bernard Yadoff, Pittsburgh ACLU chmn., said in separate statements that they oppose current levels of TV violence and support PTA plan, but added that more FCC regulation would violate First Amendment. However, Yadoff said FCC could hold that prime-time schedule solely of violent programs constituted failure by licensee to provide adequate diversity, argued that this might be grounds for successful license challenge.

John Pittinger, Pa. Dept. of Education secy., offered his personal legal resources to those interested in license challenges or possible problems encountered in product boycotts. Kenneth Madden, Del. State supt. of schools, also supported PTA project, though he said research linking TV & violence was "inadequate."

ABC will make 23-min. slide presentation attacking pay TV available free to all affiliates for presentation to members of Congress, city councils, civic clubs, etc. It was previewed last week at affiliate conferences in San Francisco & Dallas by Senior Vp-Gen. Counsel Everett Erlick. Also at conferences, ABC solicited affiliates opposition to Group W and Justice Dept. petitions for FCC investigation of network-affiliate relationships (Vol. 16:48 p1).

TV households will total 71,556,200 Jan. 1, up 1.39%, according to Arbitron. Total households are projected at 73,590,500, up 1.19%. County-by-county breakdown of figures is included in new booklet available from all Arbitron offices.

FTC "should be way down on your agenda," ex-FTC Comr. Philip Elman said he'd advise Jimmy Carter, if asked. "Relax, you've got other things to worry about." Speaking to American Management Assn. forum on "business, govt. and the public interest" last week in Washington, Elman noted that FTC has had 5 chairmen in last 8 years, advised Carter to wait one year before naming new one. "The FTC in 1967 was regarded as one of the least effective government agencies... Though almost every other agency went downhill in the last 8 years... today nobody seems to be unhappy with the FTC." Elman served on FTC 1961-70 as independent member. Former Chmn. Miles Kirkpatrick (Republican, 1970-73) said staff turnover "is a crippling fact of life at the FTC," cited it as major Commission "failing." Ex-Chmn. Lewis Engman (Republican, 1973-75) said he thought turnover situation was improving, added that there are "offsetting benefits": (1) Filling vacancies with more highly-qualified staffers. (2) "Interplay between the public and private sectors."

Ethics Committee of D.C. Bar Assn. tentatively voted 8-7 (3 abstaining, counted "nos") to kill rule which would have disqualified law firm from participating in govt. case from which individual member of firm was disqualified. For example, if attorney who participated in case while govt. employe subsequently joined Washington law firm, rule would have barred entire firm from same case. As substitute, subcommittee was appointed to draft specific rules defining under what circumstances firm should be disqualified. Meanwhile, staff of President-Elect Jimmy Carter is preparing draft legislation to end so-called "revolving door" between govt. agencies and industries they regulate, as well as stiff guidelines for divestiture and financial disclosure for Carter appointees.

"Selling to children: Is there a need for public intervention?" is topic of 12 Washington seminars March 1977-June 1978 under sponsorship of Georgetown U. Law Center. Project dir. is Gerald Thain, ex-special asst. for children's TV advertising to then-FTC Chmn. Lewis Engman. Participants will include representatives of FCC, FTC, Congress, educators, consumer groups & industry. Seminars will be "solution-oriented and prospective in approach rather than reciting known facts and past problems," according to organizers. Ford Foundation is helping underwrite project.

McCann-Erickson Vp Robert Coen has raised his 1976 ad projections for 3rd time, now predicting \$33.1 billion will be spent in all media, an increase of 17.3%. In June, he predicted 14.6% increase, upped that to 16.7% in Oct. At same N.Y. workshop—sponsored by brokers Paine, Webber, Jackson & Curtis—TvB Vp Harvey Spiegel said there's no great demand for adding another minute of network commercials each prime-time hour. He predicted network rates will increase 10% in 1977, spot about 13%.

Unusual trade of cable systems has been made by United Cable and TCI—United swapping Port Arthur, Tex. for TCI's San Lorenzo, Cal. system. Port Arthur is adjacent to TCI Beaumont system; United owns systems in Hayward & San Leandro, both next to San Lorenzo.

Personals

William Paley, CBS chmn., to be awarded 1976 First Amendment Freedoms Award of B'nai B'rith Anti-Defamation League at Dec. 7 dinner, N. Y. Hilton.

NBC-TV Pres. **Robert Howard** signs new 3-year contract; **Thomas Paro**, WRC-TV Washington vp-gen. mgr., named vp-special projects, NBC station relations, reporting to Affiliate Relations Vp **Donald Mercer**; WRC-TV Station Mgr. **J. Taber Bolden** moved to vp-station affairs, NBC Stations Div... **Earl J. McHugh**, NBC asst. gen. counsel, named vp-law, Insurance Co. of N. America.

John Gilbert, ex-Telcom Assoc. pres. and one-time ABC-TV affiliate relations vp, named pres.-gen. mgr., KOAA-TV Pueblo, Colo., succeeding **Robert McMahan**, resigned... **David McCormick** promoted to news dir., WKYC-TV Cleveland, succeeding **Richard Lobo**, now news dir. of KOA-TV-AM-FM Denver... **Jan Zinman**, ex-WBZ-TV Boston, appointed creative services mgr., WJZ-TV Baltimore... **David Menzel**, ex-Arthur Young & Co., Fla., appointed controller, Cowles Communications, new post.

In reorganization of ABC corp. controller's dept.: **George Kinsely** promoted to accounting projects dir.; **Frank Dipre** to corp. accounting dir.; **William Krapcho** to cost accounting dir.; **Jerry Sullivan** appointed broadcast accounting dir... **David Sherman**, ex-Paramount Pictures, appointed program attorney, ABC-TV contracts.

David Williams, CBS-TV affiliate relations district mgr. and with network since 1954, retires... **John Bailie** promoted to national sales mgr., WCMH-TV Columbus, O.; **Richard Lowe**, ex-WTCN-TV Minneapolis, appointed gen. sales mgr... **L.R. Dongelewicz** promoted to eastern European sales mgr., RCA Bcst. Systems.

Quentin Proctor, FCC Bcst. Bureau License Div. chief, retires Dec. 31 after 31 years at Commission; **Margita White** named FCC defense comr. and agency's rep on NIAC, interagency emergency planning & civil defense.

Robert Behringer, Ameco exec. vp & gen. mgr., resigns for personal reasons, plans unannounced... **Elliott Abrams** advanced to senior vp-motion pictures, Viacom Enterprises.

Milton Johnson promoted to WGN Continental Productions operations mgr... **William Low** promoted to ad & promotion dir., Kodak motion picture & TV markets... **Harvie Schwartz**, ex-Byron Motion Pictures, appointed technical operations dir., Goldmark Communications, new post.

Carl Bradshaw advanced to senior vp, Oak Industries; **Werner Koester** succeeds him as group vp... **Willard Van Enger**, ex-CFI, appointed Vidtronics facilities mgr., in expansion... **Dorothea Starin** promoted to operations mgr., Anixter-Pruzan northeastern district, Pine Brook, N.J.; **Mike Boyer**, ex-Anaconda CATV, named Santa Ana, Cal.

WEEKLY Television Digest

with

Consumer Electronics...

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operations mgr... **David Hanson**, ex-Tele-Vue Systems, named affiliate relations dir. for Showtime, Viacom's pay-cable service... **Curtis Speck**, ex-Tele-Communications, Inc., appointed gen. mgr. of Cox Cable's Santa Barbara system.

License renewal was granted WSyr-TV Syracuse by FCC last week over protest of local coalition on free flow of information. Station is owned by Newhouse, and coalition sought denial because of alleged "high degree of concentration" in dissemination of news. Comrs. Hooks & Fogarty dissented; both favored hearing because Newhouse has acquired cable systems in area since FCC refusal to divorce newspaper-TV ownership in same market (Vol. 15:5 p3).

Boston Globe readers, by 20-1 margin, support "limits on the amount of sex & violence portrayed on TV," according to those responding to Globe inquiry. Globe warned that sample wasn't intended to be scientific. Of 1,736 responding, 1,642 approved limits on violence, 1,558 on sex.

TV stations won 11, lost 16, NLRB-conducted union elections from Jan.-June, according to first quarterly Labor Relations Report issued by NAB. During same period, radio stations broke even in 14 elections.

Obituary

Donald S. Shaw, 78, veteran ad & broadcast exec., died Nov. 27 at Bridgewater, Conn. home after long illness. He was formerly at NBC, McCann-Erickson, other agencies and vp-gen. mgr. of WMCA(AM) N.Y. Since 1950, he operated own TV-radio sales & service business in Conn. Survivors include wife, daughter, 2 sons (Donald, ex-station relations mgr. for ABC-TV, and Reid, currently General Electric Bcstg. pres.)

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 Nov. 19 (46th week of 1976):

	Nov. 13-19	1975 week	% change	Nov. 6-12	1976 to date	1975 to date	% change
Total TV.	359,212	303,397	+18.4	323,905	11,000,948	10,024,387	+9.7
color	204,828	172,120	+19.0	195,283	6,556,540	5,633,794	+16.4
monochrome	154,384	131,277	+17.6	128,622	4,444,408	4,390,593	+1.2
Total radio	796,846	844,138	-5.6	769,791	36,289,521	29,913,997	+21.3
home, portable . .	550,368	589,532	-6.6	500,229	25,164,325	21,843,014	+15.2
AM-only	268,924	161,561	+66.5	254,517	7,817,736	5,989,570	+30.5
FM & FM-AM . .	281,444	427,971	-34.2	245,712	17,346,589	15,853,444	+9.4
auto	246,478	254,606	-3.2	269,562	11,125,196	8,070,983	+37.8
Port.-comp. phono .	67,639	67,763	-0.2	70,389	2,695,347	3,003,623	-10.3

Color TV 5-week moving average: 1976—207,419; 1975—160,000 (up 29.6%).

NOV. COLOR SALES BEST OF YEAR: Color sales to dealers in Nov. ran at highest rate of any month this year—highest since mid-1974, in fact. Total of about 827,550 units represented increase of 32.8% over Nov. 1975—best increase over last year shown by any month in 1976. On basis of trends of last 5 years, Nov. sales were at annualized rate of 8.6 million, highest monthly rate since July 1974, when industry-wide slump began.

In year's first 11 months, color sales totaled about 6,791,000, up 17% from 1975, EIA data are expected to show this week. This represents annualized rate of more than 7.6 million sets—and if Nov.'s rate of increase continues through Dec., year's sales will total 7.7 million sets. Even if Dec. sales show no increase over last year's month, sales will be very close to 7.5 million.

Final Nov. week saw color TV sales of some 234,600, up 32.8% from same 1975 week. B&w sales for same week were about 167,900, big 66.2% increase from 1975, bringing month's monochrome sales to 580,700, gain of 28.7% being best monthly increase this year.

COLOR IMPORTS AT HALF-MILLION IN OCT.: All monthly color TV import records were shattered in Oct., when more than half-million sets entered U.S., Commerce Dept. figures show. Not only was it first time monthly total topped 500,000, it exceeded 400,000 for first time. Oct. total is inflated by inclusion of color chassis from Mexico, which were being incorrectly classified by Customs until last Sept., but even excluding 106,900 Mexican chassis, imports of 395,200 would still have set all-time high.

Total Oct. TV imports (color plus b&w) set new record of 978,400, up 103% from same month last year, with color up 173.9% to 502,100, b&w up 59.5% to 476,300. Ten-month results: Total TV 6.13 million (up 79.2%), color 2.53 million (up 166.8%), b&w 3.6 million (up 45.5%). Cumulative total includes 288,000 color chassis (154,200 Mexico, 129,100 Japan) and 80,900 b&w chassis (virtually all from Taiwan).

Japan supplied 496,800 TVs in Oct., up 78.4%, including 361,600 color (up 115%) & 123,200 b&w (up 22.5%). Taiwan TV total of 318,000 was up 70.9%, as color jumped 103.9% to 24,500, b&w rose 68.6% to 293,500. Korea's 524,400 TV total was up 215.2%, with color up 84% to 5,500, b&w up 244.1% to 46,900. Ten-month results: Japan total 2.36 million (up 145.3%), color 2.15 million (up 165.9%), b&w 1.11 million (up 113.3%); Taiwan total 2.32 million (up 24.1%), color 183,600 (up 52.7%), b&w 2.14 million (up 22.1%); Korea total 382,500 (up 91.9%),

color 39,900 (up 146.1%), b&w 342,600 (up 87.1%).

As part of investigation into industry-labor request for color TV import quotas, International Trade Commission has mailed lengthy questionnaires to all manufacturers & importers, less detailed queries to major retailers. Latter are being asked about their private & national-brand TV buying patterns, information ITC hopes will pinpoint reasons for growing import penetration of TV market. While queries to suppliers demand extensive operational details, U.S. manufacturers should have little trouble providing answers as, for most part, questions are virtually same as those in questionnaire ITC sent out several months ago in probing Sylvania's unfair import competition complaint. Duplication is necessary because ITC legally can't transfer information from one case to another. ITC estimates that 20 TV producers being surveyed will spend 60 man-hours each answering questionnaire, some 75 importers will spend 24 man-hours each, while 25 dealers will devote 16 man-hours. In addition, manufacturers are being surveyed on employment impact of TV imports by Labor Dept., which estimates its questions will take 10 hours to answer. In all, industry will spend some 3,600 man-hours on questionnaires, or 450 working days.

Supporters of stop-Japan-color movement, meanwhile, have PR firms working overtime. Recent successes include Zenith Chmn. John Nevin's interview in Wall St. Journal, N. Y. Times story last week on how displaced Emerson-Dumont TV workers have fared since 1970 closing of Jersey City plant, Mutual Radio's syndication of anti-import interview with Corning Exec. Vp Allen Dawson & AFL-CIO leader Jacob Clayman, who spoke in roles as co-chmn. of Committee to Preserve American Color TV (COMPACT), petitioners in TV quota case. Upcoming are features on import-impacted state of U.S. TV industry in Fortune, Forbes & Wall St. Journal.

* * * *

CB importers apparently continued to build unwanted inventories in Oct., as total of 2.4 million transceivers entered U.S., up 131.1% from same month last year, and down only 40,000 from Sept. CB automotive imports rose 225% to 1.02 million, other automotive transceivers were up 81.3% to 100,600, hand-held climbed 147.2% to 988,300; other models, including base stations, edged up 3.2% to 286,300. In first 10 months, total of 18.1 million transceivers was imported, up 173.2%, paced by 522.3% gain for CB automotive to 9.7 million. Non-CB automotive was up 248.7% to 1.37 million, hand-held rose 44.4% to 4.73 million, others climbed 63.7% to 2.28 million.

CONFUSION OVER VIDEOCASSETTE 'STANDARD': Japanese TV manufacturers seemed to be running off in all different directions last week—in manner which at first glance appeared to make standardization of home VTR virtually impossible. But closer look indicates it wasn't really that bad.

Wild confusion was touched off by Japanese newspaper reports that Matsushita officials had ruled out production of JVC's VHS system and would stick to current VX-2000. Reports caused plunge in stock of Matsushita-controlled JVC on Tokyo Stock Exchange. Matsushita officials did indeed give that impression at press conference in Japan, but we were told later that company's position hasn't changed since last Aug., when Pres. M. Matsushita said it may offer VHS as step-up model from VX-2000 (Vol. 16:34 p8).

Other Japanese manufacturers are proceeding to step up production of their own systems, regardless of outcome of EIA-J's standardization work. Sony said it will invest additional \$3.4 million to expand Betamax production to 20,000 monthly by March from current 15,000. Sanyo will increase V-Cord II output to 3,500 by June from 1,400. Toshiba will step up V-Cord II production to 3,000 from 2,000. Production of VX-2000 is being increased to 15,000 a month by Matsushita, and JVC says VHS output will hit 10,000 monthly some time next year.

Thus, Japanese annual capacity for 4 different home video systems should reach annual rate of 600,000 some time next year, on basis of manufacturer statements. But will there really be 4 systems—or one? What's really being built is production capacity—which could be used for any system. Entire situation should be clarified in months following EIA-J's announcement of standard, now anticipated early next year.

U.S. industry is deeply involved in Japanese standards battle. If VTR does become successful home product, Japan will lead the way. On basis of Betamax's early success, some U.S. companies are beginning to look seriously at VTR, and there may even be some informal cajoling of Japanese industry to agree on single standard—with big U.S. OEM contracts as reward.

Meanwhile, Quasar will introduce its version of Matsushita's VX-2000 to distributors in Las Vegas this week. In U.S., model will be identified as VR-1000, and Quasar has already said list price would be "under \$1,000." VR-1000 and 3 Sanyo V-Cord II models have been approved by FCC; Sanyo is scheduled to start selling home & industrial VTRs this month.

Betamax U.S. sales continue to pick up momentum, will be on allocation basis to dealers for rest of year. Some 100,000 blank cassettes were sold last month, and they're virtually unavailable in many markets. Because sales are limited by ability to deliver, Sony has canceled planned Jan. ad campaign. "There was a real pickup in sales after Universal filed its [copyright] suit," we were told by Sony America official. Widely-publicized action (Vol. 16:46 p7) "gave credence to our advertising—people realized you really could use this machine to record off the air." Sony has received time extension on suit, is expected to file answer in 3-4 weeks.

Sony will introduce commercial Betamax models (Vol. 16:47 p8) this week at its Video Products Div. national marketing meeting in Palm Springs. Chicago's Video Center, meanwhile, is advertising Panasonic cartridge color recorders & players at half price—\$675 & \$525 respectively. Panasonic said it was special deal on discontinued model, but there are indications that this is beginning of end for cartridge recorders—of which Panasonic has been the major proponent.

IMPORT IMPACT AID: Labor Dept. rejected import adjustment assistance bid by group of Admiral TV engineers, opened new cases for workers formerly producing color TV & various components.

Turndown for displaced employees in Admiral engineering dept. was based on LD's finding that TV production at Harvard, Ill. plant—Admiral's only U.S. TV manufacturing facility—is up, not down, as required if aid is to be granted. Noting that as of Nov. 12, Admiral had not completed transfer of larger share of TV production from U.S. to Taiwan, LD said color production at Harvard was up 6.7% in first 9 months of this year, following 27.9% increase in 1975. In b&w, LD found production up 38.8% & 31.2% for same respective periods. LD also reported that Admiral imports from Taiwan were down 96.6% for color, 18.6% for b&w, in first half 1976.

LD opened eligibility probe for workers formerly producing color TV at Sylvania's Batavia, N. Y. plant. While case was filed in Oct., any federal aid granted also will be available for those who'll lose jobs when Sylvania completes recently announced transfer of all color production to Smithfield, N. C. (Vol. 16:35 p7). Other new probes cover former workers at RCA, Edison, N. J. (receiving tubes); Fairchild Camera, S. Portland, Me. (components); Piher, Woburn, Mass. (carbon resistors).

"Save Our Jobs" rallies are being sponsored by IUE in Batavia, N. Y. Dec. 5 & 13 to urge Sylvania to reverse decision to end color production there (Vol. 16:45 p7). State & union officials are tentatively slated to meet with Sylvania management Dec. 14 to see what, if anything, can be done to keep plant going. Sylvania, meanwhile, is looking both inside & outside company for production operation to move into facilities.

All-channel ruling by FCC on tuning accuracy for 70-channel UHF detent tuners provides that peak deviation on any channel may be ± 2 MHz, but with new requirement that average of all deviations must not be more than ± 0.75 MHz. Commission originally had decreed that tuning accuracy must be ± 1 MHz or less on all channels for sets made on or after July 1, 1976, then postponed date for one year, then proposed that standard remain at ± 2 MHz for Ch. 70-83. New ruling applies to all UHF channels and is for "indefinite" period, FCC noting that most tuner manufacturers can't meet ± 1 MHz standard and UHF broadcasters didn't make case that it was necessary. New ruling was incorrectly interpreted here last week (Vol. 16:48 p12). FCC also said it plans to start proceeding on whether to require single-knob VHF-UHF tuning and on standards for legibility of UHF channel-number readout.

Pathcom threatens legal action against anyone disseminating rumor it has filed Chapter XI bankruptcy proceedings. Origins of rumor—which has been circulating in industry for several weeks—are hard to pin down, but Pathcom spokesman said it came from leading CB competitor and was picked up by ham radio magazine. Rumor "is not only malicious, but ill-founded, considering the financially strong position of the company," Pres. William Thomas said. He added that firm is considering litigation against anyone who "publishes or otherwise disseminates" the rumor. Another symptom of troubled CB market: Masco sold 51% interest in Royce to current management, explaining that CB business "hasn't developed in the manner" it anticipated.

U.K.'s Plessey & Thomson-CSF of France have agreed to explore association in IC field—no details available.

NEW CB LINES: E. F. Johnson & Cobra unveiled new 40-channel CB lines last week, both promising availability of all models by Jan. 1—pending FCC approval. Johnson 7-model line ranges \$130-\$360 ("similar to 23-channel line"), includes 6 mobiles (1 SSB) and one base station, all with phase-locked loop (PLL) circuitry. Key features include Tapered Automatic Noise Limiter (TANL), which automatically adjusts to amount of noise, and new single-chip PLL circuitry. Most models feature LED readout; SSB has color-coded mode lights.

Cobra 10-model line ranges \$150-\$520, includes 4 AM & 2 SSB mobiles, 2 AM & 2 SSB base stations. All models have built-in PA capability, detachable microphones. High-end AM mobile (\$280) has scan-alert feature which automatically tunes in emergency Ch. 9 when signal is received and built-in SWR meter. Both SSB mobiles have LED readout, RF gain control. Firm also showed 2 in-dash FM-AM-CB units which will be added later.

CB market will hit 10-12 million units in 1977, including 2-3 million 23-channel models, Cobra Pres. Carl Korn predicted, totaling \$2 billion at retail. Of total, 1 million will be in-dash combination units. Unit sales in 1976 will finish at 11-12 million level. Cobra now has 600-700 warranty stations, plans sales incentive trip to London for 2,500 dealers in summer.

Latest 40-channel approvals: Dynascan (21XLR, 89XLR, 138XLR & 139XLR), GM (GMCBD-10A), Hy-Gain (6B2A, 2702 & 2705), Ray Jefferson (CB740), Kraco (KCB 4005), Kris (XL45), Mars (Con 400 & 450, M 36B, 374, 375 & 379), Meishoh (ME 400), Pathcom (1000B, 2300CA & CB-166), Pierce-Simpson (Super Cat 40 & Tiger 40), Penney (6237), President (Dwight D), Radio Shack (21-1521 & 21-1524), Royce (1-648), SBE (Brute 40), Sears (CM6200S), Sony (ICB 2500), Standard (Horizon 2900), Superscope (CB-340), Toyota (00860-00020).

Game plans: Magnavox got FCC approval for Odyssey 500 (Vol. 16:48 p11), will ship half of unfilled orders by Dec. 17, remainder after Christmas... Strike by 400 workers at GI's Hicksville, N.Y. plant was settled (Vol. 16:48 p11), with production of game chips and other components back on schedule. GI shipped 5-millionth game chip last week—"well ahead of the original target date"—from Chandler, Ariz. plant, one of four chip-production facilities worldwide... Fairchild VES programmable game is being test-marketed by Penney (Chicago, West Coast) & Wards ("selective markets"). VES will hit 40 major markets by Christmas, show up at Macy's, Bambergers, A&S & Bloomingdales in N.Y., Broadway & May dept. stores in L.A. Three of 4 new VES cartridges will be shown at CES... **Other FCC approvals:** Accurate Electronics (Hong Kong), TVG 101-4 & 101-2.

FCC has proposed revision of rules for security & remote-control devices and garage-door openers. Planned are authorized frequency changes, including move to 900-Mhz band, tighter operating & emission specifications, certification of receiver portions of devices. Comments are due Dec. 27, replies Jan. 6.

Mergers & acquisitions: Sprague management recommends holders accept \$19.50 per share acquisition offer being made by General Cable. In addition to being one of industry's leading capacitor suppliers, Sprague owns 40% of semiconductor producer Mostek. This is 2nd recent merger attempt by both firms. Earlier this year, agreement between Sprague & Cabot Corp. fell through, while General Cable was outmaneuvered in attempt to acquire Microdot... **Commodore** has completed acquisition of MOS Technology in exchange for some \$458,000 in stock, notes & cash... **Holders approved** merger of Intersil into Advanced Memory Systems. AMS will issue shares worth about \$17.6 million at current prices in exchange for outstanding Intersil stock... **Raytheon** has agreed to acquire Switchcraft, terms undisclosed. Switchcraft is expected to continue under present management after deal is concluded early next year... **RCA** won't sell U.K. food companies after all, will treat \$20-million pre-disposal writeoff as drop in value of investment (Vol. 16:35 p12). RCA says subsidiaries are currently profitable.

Active videogram (disc & tape) software program, budgeted in "6 figures sterling," is underway at EMI, London-based electronics-entertainment combine, which produces "one in every 5 phonograph records sold around the world" (Capitol Records in U.S.). So said EMI Audio-Visual Services Managing Dir. Donald MacLean at recent Videodisc Programming Conference in N.Y. EMITEL Div., headed by Garry Pownall, is responsible for developing software, now has 5 camera crews shooting sequences for 30-min. sample. MacLean forecast 1/2" VTRs will "build up a significant level of activity in Japan, Europe & U.S. by the end of 1978." He added: "We are absolutely certain that, 10 years into the videogram business, there will not be one feature film among the top 20 sellers." MacLean's videodisc assumptions: (1) "RCA and/or Philips/MCA will have launched players in the U.S. by the end of 1978." (2) "Discs may be viable in runs of 20,000 or less." (3) "Software production might begin to break even with a player population, in a single [country], of one million. This will take 4-5 years to achieve in U.S."

RCA hopes to adapt technology developed for defunct Holotape SelectaVision home videoplayer system to military-commercial use. It received \$100,000 Navy contract to build prototype of moving map display for cockpits. System uses cartridge of plastic tape embossed with image holograms which can be reconstructed by incandescent, rather than laser, light and provide multicolored display. Cartridge holds 500 maps. Method of producing & replicating tapes is same as that planned for videoplayer RCA unveiled in 1969 (Vol. 9:40 pp 7 & 10).

RCA's 3-year national labor contract ratified by unions last week (Vol. 16:47 p12) provides immediate 60¢ per-hour boost, 4% hikes in each of next 2 years, plus cost-of-living increases each June. Adjustments would be based on Consumer Price Index, could run up to 12¢ next year, 23¢ in each of following years.

Trade Personals

Moses Shapiro retires as General Instrument vice chmn., retains exec. committee chmn. post... **Daniel Stolz**, ex-Macy's & Gimbels, appointed Panasonic radio national sales mgr... **Kenneth Boyd**, ex-Magnavox, joins Advent in advanced video applications engineering post.

Mark Tuck, ex-U.S. Industries vp, formerly responsible for Far East operations of USI's defunct Webcor Div., named vp of Leisurecraft, marketer of Mercury electronic watches & Webcor consumer electronics; he's responsible for off-shore purchasing, product development & quality control... **Chuck McShane**, ex-Acoustic Research & CTS, joins speaker-producer Janus Industries as engineering dir.; **Andy Anderson**, ex-Winona Industries, appointed mfg. dir.; **Robert Gaines** advanced from asst. to pres. to mktg. mgr... **Mack Haning**, RCA corp. news & information administrator, shifts to subsidiary Hertz Europe (London) as PR dir.

Arthur (Bud) Liebler, one-time Philco-Ford PR dir., leaves PR post with Ford Credit to join Detroit agency Ross Roy Inc. as senior vp & mktg. services dir.

Frank Buccino advanced at Arrow-M from sales admin. mgr. to gen. mgr., assuming duties of Exec. Vp **Norio Miyamoto**, who returns to parent Matsushita in Japan... **Stanley Gulf** promoted by Oak Industries development labs from electrical engineering mgr. to technical dir., succeeding **Richard Gall**, who moves to corp. staff engineering post... **Paul Miller** upped at Belden from electronic product development engineer at technical research center to Electronic Div. sales application specialist, new post... **Jack Pender**, ex-Capital Magnetics, appointed Maxell midwest mgr.

Watch watch: **Armin** is latest casualty in digital watch war. Company is closing LED plant of subsidiary Computed Time in Dallas, laying off 300, taking pre-tax writeoffs of \$1 million on plant, \$1.8 million on watch inventory. Company blamed action on severe price competition, softening sales for LED watches... **Motorola** is re-entering watch business after winding down time products operation in 1974. Company's Communications Div. will make LCD watch modules for others. Motorola says it may become fully-integrated producer through manufacture of batteries, and that watches for as little as \$20 could be on market early next year... **Leisurecraft's** Mercury Time Div. plans introduction of LCD 6-model men's line at \$50-\$150 at Winter CES, will expand to ladies' LCD models soon after.

Motorola stock sale is planned by Chmn. Robert Galvin, who says he'll use proceeds—estimated at \$13.3 million—to pay taxes on stock gifts to trust funds set up for grandchildren. After sale of 250,000 shares, Galvin still will be biggest holder of Motorola shares.

Owens-Illinois has followed Corning (Vol. 16:45 p7) in raising color tube bulb prices by 6% across board. Tube manufacturers haven't yet indicated how—or whether—they'll raise prices to cover this and other cost increases.

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
Bowmar Instrument			
1976-year to Sept. 30 ^b	12,801,000	(173,000) ^a	--
1975-year to Sept. 30 ^b	15,109,000	(25,492,000)	--
1976-qtr. to Sept. 30 ^b	2,766,000	(2,752,000) ^a	--
1975-qtr. to Sept. 30 ^b	4,251,000	(1,478,000)	--
Comcast			
1976-9 mo. to Sept. 30	7,989,966	606,322	.36
1975-9 mo. to Sept. 30	6,326,124	362,630	.21
1976-qtr. to Sept. 30	2,834,900	303,304	.18
1975-qtr. to Sept. 30	2,216,703	180,884	.11
Tenna			
1976-9 mo. to Oct. 31 ^b	42,637,202	1,621,696	.53
1975-9 mo. to Oct. 31 ^b	32,503,909	338,085 ^c	.12
1976-qtr. to Oct. 31 ^b	15,560,441	586,937	.19
1975-qtr. to Oct. 31 ^b	13,153,634	61,560	.02

Notes: ^aAfter special credit. ^bRestated. ^cAfter special items.

Ban on fluorocarbons in aerosols could raise cost of TV service by \$1 billion a year, according to Dick Pavek of Tech Spray, manufacturer of electronic service sprays. Aerosol sprays for cleaning tuner contacts don't employ fluorocarbons as propellant, but as cleaning agent, and there is no satisfactory substitute, says Pavek—nor is there substitute for aerosol spray to clean tuner without disassembly. There's also no known substitute for fluorocarbon aerosol "chillers" used to spot intermittent troubles.

Ad notes: Industry spent \$66.2 million promoting TV, radios, discs & recorded tape in TV spots in first 9 months this year, up 10% from 1975, TvB reports. Among companies on list of top 100 spot advertisers in period: RCA (41st), \$2.4 million; GE (78th), \$1.3 million; North American Philips (80th), \$1.2 million... **B&B Import** appoints Gray & Kongore, Detroit... **NEDA** names George Drake & Assoc., Northfield, Ill., for ads & PR.

Third brand, for use on low-fi audio, is being considered by Superscope, which currently markets Marantz hi-fi & Superscope mid-fi products, says Chmn. Joseph Tushinsky in Journal of Commerce interview. He said he expects sales this year to be record \$190 million, 30-35% from non-U.S. markets, including \$22 million in Japan, \$17 million in Canada.

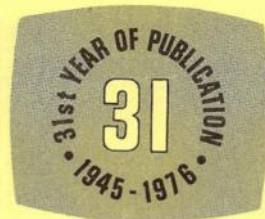
Bowmar holders approved plan to remove firm from bankruptcy by increasing authorized stock from 3.75 million to 12 million, issuing 5 million new shares to creditors in settlement of debt. As result, Bowmar says, 3 largest creditors could control company.

Zenith has received patent on EFL (extended-field lens) tri-potential gun used in its "Able" tube. In-line gun, designed to improve sharpness in slot-mask tubes, uses 4 electron lens elements compared with only 2 in most electron guns.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

WILEY'S CHRISTMAS LIST will keep his colleagues busy until Dec. 24. Agenda includes small earth stations, VHF drop-ins, cable definition, automatic transmitters. Review Board cut; Bellotti loses campaign against TV drug ads. (P. 1)

SMALL DISHES to be okayed by FCC for satellites in 4 & 6 GHz bands. ABC request for over-all study is termed 'myopic' by FCC staff. (P. 2)

MDS STATUS REPORT: Microband's Foster summarizes pay-TV penetration, satellite interconnection, future services. (P. 3)

NAB BOARD ELECTIONS: 12 candidates, including 5 incumbents, seek 6 seats on TV board; radio board attracts 29, including 7 incumbents, for 13 seats. (P. 4)

ACTIVIST APPOINTMENTS now seen as less likely in Carter Administration. Eizenstat says appointees will be 'sensible...with good judgment and good balance...down the middle.' (P. 5)

FTC FOOD AD RULE gets mixed reviews. Broadcasters & advertisers claim disclosure would cause 'information overload.' (P. 5)

WILEY'S CHRISTMAS LIST: FCC commissioners & top staffers may be late in completing their Christmas shopping as Chmn. Wiley has scheduled heavy slate of meetings beginning Dec. 13, running until Christmas Eve. Announcing this week's schedule, Wiley warned colleagues: 'I also take this opportunity to tell you that we will have important meetings on the 20th-23rd of December.'

Among more important matters to be considered are small earth-station policy (see p. 2), CB program review (see p. 10) and VHF drop-ins (Vol. 16:49 p5). Scheduled for Dec. 21 special meeting, drop-ins were put off from Dec. 15 to accommodate Comr. Lee, who'll be attending electronic funds transfer seminar in San Francisco this week. Lee leaves for WARC conference Dec. 23, won't return until mid-Feb., and is expected to try to stall any decision on VHF drop-in rulemaking until after WARC conference. However, it's known majority of commissioners will favor staff proposal to issue rulemaking.

(Note: FCC launched investigation last week into letter written to several UHF stations by J. Paul Audet Assoc., Bethesda, Md. Audet is reported to be consulting engineer, wrote stations that their cities "would have a better than even chance of obtaining FCC approval" for VHF drop-in. He asked that they retain his firm at "regular rates...minimum \$1,200 a month" and "immediately" pay Audet \$100,000—minus monthly payments—if UHF receives VHF grant. FCC officials confirmed that investigation is underway because Audet's son James is engineer in Bcst. Facilities Div. of Bcst. Bureau. James Audet has been suspended from his regular FCC duties.)

Consumer Electronics

STRONG FINAL WEEK capped healthy Nov. TV sales, reduced color inventories modestly from end of Oct. level. Dec. off to good start. (P. 7)

SANYO GETS 70% of Sears' TV requirements if purchase of Warwick's TV business goes through. Sanyo would be among 4 vying for 3rd place color suppliers. (P. 7)

CB SALES PICK UP as dealers offer Christmas shoppers bargain prices on low-end 23s, package deals. Sales aren't back to pre-expansion level. (P. 8)

QUASAR HOME VTR to compete here with Sony's Betamax in selected markets at \$995 in Jan. Sony expanding Ala. tape plant. (P. 10)

CB 'DE-LICENSING' is one of 9 options proposed to FCC by internal CB review committee. (P. 10)

JAPAN CB COUNCIL to monitor export quality control to erase 'cheap imports' image. FCC says 40-channel-models testing to be finished by Jan. 1. New approvals listed. (P. 11)

TV GAME PATENT infringement suit filed by Magnavox against Allied Leisure, Radio Shack. (P. 11)

In major actions last week, FCC: (1) Unanimously adopted compromise proposal by Comr. Quello and reduced Review Board from 4 to 3 members, effective about Feb. 1. Also, total staff will be cut from 22 to 9—3 lawyers, 3 secys., plus members. FCC bureau chiefs meet with Wiley this week to decide where to reassign extra personnel.

(2) Mass. Atty. Gen. Francis Bellotti lost on 7-0 vote in plea that FCC ban over-the-counter drug commercials on TV until after 9 p.m. Commission said it doubted it had such authority and that absent "empirical evidence to support the claim of a causal connection [between drug abuse & TV commercials] it would be unreasonable & arbitrary for the Commission to accept the idea that otherwise lawful advertising should be prohibited."

In joint statement, Comrs. Hooks & Washburn said that while their "personal inclinations" agreed with request, "our official view" is that a ban of TV drug commercials would be illegal. However, they warned licensees to guard against airing of spots "which falsely glamorize drugs and their effects" and called for reduction of commercial time in children's programs to reduce dangers involved in exposing children to such advertising.

Bellotti said that "I don't intend to let the matter drop." He called FCC action "cavalier," said agency is "totally insensitive to the problem. It is nothing more than an arrogant display of federal indifference." (For current FTC drug activity, see p. 3.)

Commission has canceled en banc public meeting Dec. 20 for "lack of interest"—no person or group asked to appear—and substituted 2 oral arguments, one of which will be on FCC attempt to censure attorney Benedict Cottone (Vol. 15:38 p3). FCC also has oral arguments Dec. 13; small earth station consideration Dec. 14; what was described as "huge" regular agenda Dec. 15, followed by unattended operation of FM translators and CB review. Commission will hold its last "petition to deny day" Dec. 16; about 20 such petitions are up for consideration. Nothing is scheduled Dec. 17.

Christmas week opens with oral arguments, followed by VHF drop-ins Dec. 21 and redefinition of cable system Dec. 23 (Vol. 16:47 p5). Staff wants FCC to include MATVs as cable system (Vol. 16:47 p5); Comr. Quello is strongly opposed, and guessing at Commission is that there's "50-50 chance" to get MATVs included at least to "modest degree." Several other matters—most important being automatic transmitters—will be taken up Christmas week, although they haven't been scheduled definitely.

Wiley will let his troops take off between Christmas & New Years, hasn't scheduled single meeting entire week.

SMALL-DISH DECISION IMMINENT: FCC is expected to approve, unanimously, use of small dish antennas in 4 & 6 GHz bands for domestic satellites—sought by CATV—and reject ABC petition to deny small dishes until FCC has established more comprehensive design for domestic satellite development. Formal consideration is set for Dec. 14.

FCC staff labeled "myopic" the approach advocated by ABC, said it would deny access to non-broadcast industry users of 4 & 6 GHz at time when satellite systems operating in other frequency bands aren't available. Underlying ABC petition, staff stated, is concern that, by time broadcasters are prepared to use satellites, no space will be left in prime bands. In fact, staff concluded, though FCC can't guarantee space to any particular user, Commission's framework for satellite development is designed to maximize capacity, should leave broadcasters adequate supply.

Dishes smaller than 9 meters would be permitted by FCC as long as they meet applicant's needs and minimal FCC standards: (1) Carrier-to-thermal noise ratio of 14 dB at 4 GHz, which provides nominal 52 dB video signal-to-noise ratio with 3 dB margin above FM threshold. (2) Carrier-to-interference ratio of 18 dB from all interference sources, which results in just-perceptible interference to viewer.

Though some combinations of dishes, low-noise amplifiers and receivers may create problems barring FCC authorization, staff statement says, standards should be attainable in most sites with well-engineered dishes as small as 4.5 meters. Order applies only to 48 contiguous states, and to 4 & 6 GHz bands. Use of even-smaller dishes already is common with high-pow-

ered experimental satellites in higher frequency bands—such as 11-14 GHz.

CPB Office of Engineering Research recently released technical report concluding that even 3-meter dishes are capable of meeting FCC's standards. However, public broadcasting's proposed satellite system will use 10 meters. PBS engineers earlier had considered using 8 meters but concluded that each would require expensive amplifier for high-quality picture. With 10 meters, system will use transistorized amps costing only \$3,000—which also are easier to maintain, less likely to break down, according to PBS engineer William Spencer.

MDS STATUS REPORT: Roundup on Multipoint Distribution Service was presented at recent Western Cable Convention by Mark Foster, pres. of Microband, largest MDS operator. Among his points:

(1) By end of Dec., 28 stations will be operating, capable of reaching 6 million of the 29 million TV homes in their areas—through CATV & MATV systems. (2) Contracts for distribution of pay TV have been signed for 37 markets. (3) 32% of MDS stations originate pay TV at station itself, 44% at other locations in city, 24% by satellite. (4) 82.2% of pay-TV subscribers served by MDS are cable subscribers.

(5) MDS-served pay-TV subscribers total 160,000. (6) "Downtime is almost non-existent... In N. Y. C. ... not one single apartment house sought to be served has been unable to receive a signal." (7) "MDS receivers currently pass over 900,000 homes," of which 81% are on cable.

(8) "We expect that... delivery of information, news, education and training... will become the single most important revenue source in the years to come for the MDS operator, far surpassing that which the pay-TV industry represents." (9) "We expect that the number of [satellite] interconnections will increase during 1977 and ultimately most, if not all, MDS stations will be interconnected via satellite."

Spot TV advertising in 3rd quarter was \$505.3 million, up 38% over 1975, according to TvB-BAR. Network TV advertiser investments in Sept. rose 23.3% to \$243.9 million from \$197.8 million year earlier. For 9 months, figures were up 21.9% to \$2 billion from \$1.7 billion. In both periods, biggest growth was registered by weekend daytime, followed by nighttime. Billings by network for Sept.: ABC, \$77.1 million; CBS, \$85.4 million; NBC, \$81.3 million. For 9 months: ABC, \$655.1 million; CBS, \$710.1 million; NBC, \$674.9 million.

National Black Media Coalition is unhappy over comments NAB filed with General Accounting Office opposing FCC's equal employment rules for licensees. NBMC Chmn. Pluria Marshall said NAB efforts "properly belong on the action agenda for the Ku Klux Klan" and constitute "clear evidence of a lack of commitment" by NAB toward equal employment.

Metropolitan Opera will present complete regular performance on TV for first time March 15, following grant of \$200,000 from Texaco. Renata Scotto will appear in "La Boheme." Opera will be simulcast on PTV stations and local stereo FMs—to get best audio possible. Texaco has sponsored Metropolitan on radio for 36 years.

Over 1,000 parties filed comments with FCC opposing rulemaking that would require licensees to retain, disclose, and make available for copying program tapes, transcripts, logs, and letters from public. Typical comment, from WTVY-TV-FM Dothan, Ala.: "The proposed rules anticipate problems that do not exist and propose new requirements that are expensive, burdensome, and counter-productive." Many licensees cited "already-burdensome" record-keeping requirements, stated that public rarely inspects these records. NAB said cost of implementing proposal would be "staggering," calculated cost to one station for 3 years as \$37,960. On other hand, United Church of Christ, for example, said records are needed "to protect the public's interest."

"CBS Professorship in International Journalism" has been established at Columbia U. Graduate School of Journalism through \$1-million grant by CBS Chmn. William Paley. In announcing grant, Paley expressed "alarm & concern [with] an erosion of freedom of the press all over the world." Earlier last week, accepting Anti-Defamation League's "First Amendment Freedoms Award," Paley said: "The battle for a truly free press has never been conclusively won [even] in the U.S." He said "such crippling restrictions" on broadcasting as fairness doctrine & Sec. 315 "may sound reasonable on the surface but they constitute unwarranted obstructions that work to the detriment of the public."

Optical fiber industry will grow to annual sales of \$175 million in 1981 from present \$5 million, according to researcher Philip Leigh, First Boston Corp. Total includes \$100 million in sales to communications industry, \$30 million to computer manufacturers, represents 5-10% of market for copper wire and coaxial cable in 1981. Estimate is based on fiber's expected cost of 20¢ per ft., ability to replace 100 copper wires, present annual demand of 200 million ft. of coaxial cable & 400 billion ft. of other wire, expected annual demand of 270 million ft. of coaxial and 500 billion ft. of other wire in 1981.

FTC continues to consider policing OTC drug ads via its proposed rule to preclude claims in ads barred by FDA on product labels. Proposal is opposed by broadcasters, advertisers, and OTC drug industry. At request of drug industry, FTC last week broadened issues to be considered, also delayed for 45 days hearing originally set for Jan. 10. Rule is being handled by Comr. Clanton.

Add participants at NCTA state & regional presidents meeting, Dec. 13, Statler Hilton Hotel, Washington (Vol. 16:49 p4): FCC Comr. Margita White, Rep. Brown (R-O.).

NAB TV BOARD RACE CROWDED: Five incumbents are among 12 candidates seeking 6 seats in mail balloting for NAB TV board. Only dir. not eligible for re-election (having served 4 years) is TV Chmn. Robert Gordon, WCPO-TV Cincinnati. Ballots are due back at NAB Jan. 31.

Incumbents seeking re-election: William Bengston, KOAM-TV Pittsburg, Kan.; Thomas Bolger, WMTV Madison, Wis.; Eugene Dodson, WTVT Tampa; Robert McConnell, WISH-TV Indianapolis; Mike Shapiro, WFAA-TV Dallas. Other candidates: Leslie G. Arries (former dir.), WBEN-TV Buffalo; Clayton Brace, KGTV San Diego; Donald Curran, Kaiser Bcstg.; David Henderson, Outlet Bcstg.; Wayne Kearn (immediate past TV Code board chmn.), KENS-TV San Antonio; Mark Smith, KLAS-TV Las Vegas; Walter Windsor, WFTV Orlando.

There are 29 candidates, including 7 incumbents, for 13 seats on radio board: Dist. 1—David Brown, WTVL-AM-FM Waterville, Me.; Arnold Lerner, WLLH Lowell, Mass. Dist. 3—Victor Diehm Jr., WAZL Hazelton, Pa.; Jerry Lee, WDVR(FM) Philadelphia. Dist. 5—John Alexander, WFLA-AM-FM Tampa; Paul Reid, WBHB Fitzgerald, Ga. Dist. 7—Walter May, WPKE Pikeville, Ky.; Charles Murdock, WLW Cincinnati. Dist. 9—Donald Jones, KFIZ Fond du Lac, Wis.; Charles Wright, WBYS-AM-FM Canton, Ill. Dist. 11—Paul Lange, KDLR-AM-FM Devils Lake, N.D.; John Lemme, KLFT Little Falls, Minn. Dist. 13—Stan McKenzie, KWED-AM-FM Seguin, Tex.; Dudley Waller, KEBE Jacksonville, Tex.

Dist. 15—Frank McLaurin, KSRO Santa Rosa, Cal.; Lorraine Walker, KCBN Reno. Dist. 17—Robert Ball, KPDQ-AM-FM Portland, Ore.; Rodney Loudon, KALE Richland, Wash.; Ted Smith, KUMA Pendleton, Ore. Class A—Michael Lareau, WOOD-AM-FM Grand Rapids; Virginia Wetter, WASA Havre de Grace, Md. Class B—Daniel Kops, WAVZ New Haven; Ben Laird, WDUZ Green Bay; Ted Snider, KARN Little Rock. Class C—Frank Balch, WJOY Burlington, Vt.; Bill Sims, KOJO Laramie, Wyo.; Ken Soderberg, KAUS-AM-FM Austin, Minn. Class D—Edward Fritts, WNLA-AM-FM Indianola, Miss.; J.R. Livesay, WHOW Clinton, Ill.

Reid, May, Jones, McLaurin, Wetter, Laird & Sims are incumbents; Lee, Lemme, Kops, Balch & Livesay are former board members.

Legal seminars on broadcasting (Feb. 6-8) and **CATV-MDS-satellites** (Feb. 9-11) will be sponsored by Institute for Performance Improvement, Boulder, Colo. Among faculty: NCTA Pres. Robert Schmidt, FCBA Pres. John Bankson, Aspen Institute's Henry Geller, Pike & Fischer Editor Henry Fischer, Cox Cable Pres. Henry Harris & Washington attorney Seymour Chase.

Warner Cable pre-tax income was \$1,852,000, vs. \$697,000 year earlier. For 9 months, figure was \$4,395,000 vs. \$1,063,000 year ago. Revenues were \$13,102,000 in 3rd quarter (vs. \$9,670,000), \$38,090,000 for 9 months (vs. \$23,044,000).

FCC-court activity: (1) D.C. Appeals Court affirmed June 1 FCC refusal to disqualify Washington law firm Pierson, Ball & Dowd from representing RKO General's WNAC-TV Boston in comparative renewal hearing. Disqualification was sought because ex-FCC Chmn. Dean Burch is member of firm. (2) Rochester Black Media Coalition asked same court to reverse Commission short-term renewal of WAXC(AM) Rochester without hearing. (3) WHBI (FM) Newark and 3 local groups appealed Commission's denial of station's renewal for failure to maintain control over foreign-language programming. (4) KMPH Tulare, Cal. appealed FCC's refusal to provide UHF station with protection against distant signal imports. (5) WAPI-TV Birmingham renewal was appealed by Magic City Communications Coalition, which had asked FCC to deny application because of concentration of control of mass media (Newhouse is licensee) and alleged deficiencies in ascertainment, programming & minority employment.

NBC will host March 4-5 forum in Washington on "the American election process," tape 2-hour TV special on discussions. "We hope to gather together people who know the most about American politics and to create an opportunity for them to explore the many issues involved," according to NBC Pres. Herbert Schlosser. He said if forum—first announced at affiliates' convention last spring (Vol. 16:26 p1)—is successful, others will be held on major American issues. NBC News Documentaries Vp Alvin Perl-mutter heads forum.

"Closed-captioning" for deaf, using line 21 of TV signal, was given go-ahead by FCC as it approved PBS petition. ("Closed-captioning" means words aren't visible on ordinary receivers; decoder is needed.) FCC leaves decision to use captioning up to licensee. Proposal had support of President Ford, OTP Dir. Houser, deaf groups, was opposed by broadcasters. PBS Pres. Lawrence Grossman said he was "elated." PBS is working with Texas Instruments to develop improved decoder.

House Communications Subcommittee has begun choosing advisory groups and consultants, to help staff draft Communications Act rewrite. Among members of broadcast advisory group are NAB's Erwin Krasnow, CBS's Bill Leonard, RTNDA's Laurent Scharff, Group W's Don McGannon, Citizens Communications' Frank Lloyd, UCLA's Tracy Westen. Cable section may be written with aid of as many as 5 consultants, as well as advisory group, membership of which wasn't determined at weekend.

Arbitron started meter service in N.Y. Dec. 1, has 3 initial subscribers—WABC-TV, WCBS-TV, WNBC-TV. System comprises 2 units in each home—meter & collector—which are queried daily by computer. Households total 360, will increase to 450. Similar system has been operating in L.A. since Aug., has 6 subscribers—3 networks, 3 independents.

Satellite licenses: Newton, Kan., Newton Cable; Knoxville, Western Tele-Communications. CP: Tyler, Tex., Tyler Cable. Applications: W. Monroe, La., ATC; Spartanburg, TeleCable. (For details, see CATV Addenda.)

CARTER & ACTIVISTS: Carter's talent hunters appear to be backing off from promises to appoint only consumer advocates to regulatory agencies (Vol. 16: 33 p1).

Intent of new Administration isn't to seek agency appointees who would "express the interests of one group or another," Stuart Eizenstat, Carter transition team policy planning & agency liaison dir., told us. Rather, they'll seek people who are "sensible, with good judgment, and good balance...down the middle." Eizenstat said public interest would be ill-served by "balanced" appointments—some from public interest groups, some from business, etc.—approach he termed "artificial."

In remarks to Nader-sponsored conference on public interest movement, Eizenstat predicted that Carter Administration would differ from Ford's because many public interest representatives now "outside" would be "inside." However, he warned activists not to assume that all their goals would be achieved. "All of the things on your agenda are not going to be on ours, though they will be closer than previous Administrations." At another point, he said: "We want you to know, as well as the business community, who is being considered for regulatory appointments." Latter statement contrasts with earlier predictions that business community would have little input in appointment process.

Eizenstat's remarks, as well as rumors of several conservative candidates being considered for high govt. posts, caused Nader to later tell reporters that Carter was caving in to "corporate interests." Nader also complained that Carter hadn't sought his advice on cabinet appointments, causing Carter to respond that he doesn't "feel constrained to consult Nader" on all appointments. Carter aides speculated that Nader's public complaints may have assured his demise as Administration "insider."

Though Carter's appointments may be more conservative than industry anticipated, his commitment to stop "revolving door" between govt. and regulated industries appears firm. "We intend to follow through on this promise," Eizenstat said. Other innovations he said Carter team is studying: (1) Paying attorney's fees to public interest participants in agency matters. (2) Easing requirements for class-action suits. (3) Easing citizen group participation in rulemaking.

"Pattern of indifference" by KOAD(AM) Lee-more, Cal. owner Clark Parker caused FCC Judge John Conlin to recommend that Commission not renew station's license. Judge ruled Parker was "incorrigibly casual & irresponsible" in his dealings with Commission and that KOAD's programming hadn't fulfilled promises of 1971 renewal application. In March 1975, Conlin recommended year renewal but FCC remanded case on misrepresentation and lack of candor issues.

Scripps-Howard Bestg. enters UHF through purchase of independent KBMA-TV Kansas City for \$7.5 million. Broker was Howard Stark... Combined Communications buys WWWE-AM-FM Cleveland, also for \$7.5 million, from sports entrepreneur Nick Mileti.

MIXED REVIEWS ON FTC FOOD AD RULE: Advertisers, academics & broadcasters expressed sharply contrasting views on FTC's proposed food advertising rule, in comments presented during Washington hearing.

"Information overload and resultant confusion are inevitable" if rule is approved for broadcast ads, according to AAF Pres. Howard Bell. "The disclosure requirements are unworkable for TV & radio and will sharply reduce the amount of useful nutrition information now being broadcast." CBS says internal study of one week's food ads on network and WCBS-TV N.Y. led network to "seriously question" whether consumers "would gain—or retain—useful information" from requiring nutritional disclosure. CBS also claimed FTC would overstep its statutory authority in attempting to regulate ads that are neither unfair nor deceptive.

Harvard U. Prof. Scott Ward suggested "well-designed general education programs" on nutrition instead of restrictions on ads. Thomas Donohue, U. of Hartford, said he and 2 other researchers found in 1976 study that inner-city blacks 5-12 years old were half as aware as white upper-middle class children "of the intent and purpose of TV commercials," were "more likely" to believe that TV ads "always tell the truth."

Robert Choate, chmn. of Council on Children, Media & Merchandising, asked that FTC amend rule to provide special consideration for children under 12; proposed rule currently would apply same standards to all time periods and during all program types. Commented ACT Chmn. Peggy Charren: "It is doubtful that any single rule can alter the years of TV food habits that a child acquires. But disclosure of nutrition information on TV can alert parents & children to the importance of considering more than the advertisers' promise of sweetness, fun & friendship."

Joann Galst, Fairleigh Dickinson U., reported that in 1974-75 study, she found that extensive child TV viewers averaged attempt every 2 min. to influence parent's grocery choices while in supermarket, with 45% success rate in convincing parent to buy what child asked for.

Radio-TV stations wishing to cover Carter inaugural at Capitol must apply for credentials by Jan. 7 to: Paul Duke, Chmn., Radio-TV Inaugural Committee, Rm. S-312, U.S. Capitol, Washington 20510. Request for credentials to other inaugural activities should be sent (deadline Jan. 5) to Inaugural Committee Hq, 2nd & T Sts. SW, Temporary B, Washington 20599. Application must be on station stationery, include name, date, place of birth, race, sex & social security number of correspondents for whom credentials are requested.

"Hallmark of quality in broadcast journalism" will be recognized in new TV-radio editorial awards established by National Bcst. Editorial Assn. Entries will be judged by Nieman Fellows at Harvard and professional journalism programs at Stanford & Mich. U. For information, contact Philip Balboni, coordinator of program and editorial dir. of WCVB-TV Boston.

Personals

Richard Stakes, pres.-chief exec. officer of Washington Star and former pres. of Star Station Group, resigned Dec. 9 as pres.-chief exec. officer of Washington Star, citing "differences in management philosophy" with Publisher **Joseph Allbritton**.

Julius Barnathan promoted to pres., ABC Best. Operations & Engineering Div.; **Douglas Land & Griffith Foxley** advanced to ABC general attorneys, **Donald Martin** to asst. general attorney; **Neil MacLeod** promoted to dir., TV financial controls, West Coast, ABC-TV & ABC Entertainment, new post; **Werner Michel** promoted to ABC Entertainment current dramatic programs dir.; **Gordon Link** advanced to ABC-TV eastern sales mgr.

Robert Evans, CBS vp-gen. counsel, announces early retirement at age 57 "early next year"... **Robert Walsh**, WMAQ-TV Chicago station mgr., named WRC-TV Washington gen. mgr. and NBC-TV vp, succeeding **Thomas Paro**, now NBC station relations vp-special projects... **Paul Duke**, PBS, elected chmn., Radio-TV Correspondents Assn., succeeding **Robert Foster**, WGN; **Hal Walker**, CBS, is vice-chmn. ... **J. T. Anderton**, news bureau chief for city of St. Petersburg, Fla., appointed New England regional mgr. for NAB.

In ABC labor relations dept. organizational changes: **Michael Lang & Richard Hockman**, ex-Air-line Pilots Assn., named asst. general attorneys, N.Y.; **Robert Key** advanced to labor relations dir., **John Mendonsa** to asst. general attorney, L.A.... **Robert Cagliero** promoted to network sales proposals national dir., ABC-TV, new post; **Jon Reed** advanced to ABC-TV Network Sales account exec.... Rep. **Louis Frey** (R-Fla.), House Communications Subcommittee ranking minority member, defeated by Rep. **Del Clawson** (R-Cal.) for post of GOP Policy Committee chmn.

David Beddow, ex-KDKA-TV Pittsburgh news dir., promoted at parent Group W to vp-gen. exec.... **C. Dan McKinnon**, owner of KSON-AM-FM San Diego and about 25% of KIII Corpus Christi, becomes first broadcaster to be named pres. of 5,000-member Country Music Assn.

Promoted to newly-created posts at ABC News: **Bernard Osborne**, budget & financial controls mgr.; **Terrence Carnes**, administrative & financial services mgr.; **Nat McBean**, Washington administration mgr.; **Frank Cannizzaro**, planning & special projects mgr.

FCC Comr. **Margita White** addresses Jan. 15 luncheon of Va. Assn. of Bcstrs. meeting, Blacksburg... **Angela Shaw**, from FCC Common Carrier Bureau, appointed legal asst. to Comr. **Joseph Fogarty**... **Lewis Engman**, ex-FTC chmn., named Washington resident partner of Warner, Norcross & Judd, Grand Rapids law firm, 1150 Conn. Ave., Washington 20036, 202-785-1950.

Barbara McBain promoted to NBC resources planning dir.... **George Claffey**, ex-WROC-TV Rochester, N.Y., appointed business mgr., WSPA-TV-AM-FM Spartanburg, S.C.... **Jim Whittaker**,

ex-Lowe Runkle advertising, appointed promotion mgr., KTVY Oklahoma City... **Richard Schumeyer**, WKBW(AM) Buffalo, and **William Dougherty**, ex-RCA, named asst. engineering dirs., Capital Cities.

Edward Dauber, attorney in Justice Dept. Office of Policy & Planning, appointed acting consumer affairs advisor... **Frederick Ramback**, ex-General Radio Time Data Div. mktg. dir., named dir., western hemisphere mktg. operations, International Video Corp... **Norfleet Turner** elected chmn., Data Communications Corp.; he's succeeded as pres. by **James Thornton**, ex-First National Bank of Memphis... **Richard Wright**, WHNT-TV Huntsville, Ala., elected a BPA dir.

Ken Joseph, ex-Metromedia Producers, named vp-domestic sales mgr., Warner Bros. TV... **Joseph Killoran**, ex-Service Bureau Co., named plans & controls dir., Arbitron.

Jeff Hufford, ex-Leo Burnett, joins Blair TV Chicago CBS sales team; **James O'Neill**, ex-ABC-TV, named to NBC unit; **James Harmeyer**, ex-WDTN Dayton, appointed to ABC unit, succeeding **Murray Ison**, transferred to Blair's ABC unit in N. Y.

Robert Lefko, ex-MMT Sales, appointed exec. vp-sales, TvB... **Joe Young**, ex-Petry TV, named TeleRep St. Louis sales mgr... **Richard Maloney** appointed vp, Metro TV Sales; **Dan Greenblatt** advanced to eastern sales mgr.; **Barbara Carlson** promoted to Chicago office sales staff; **L. Alan DeVaney** moves to WTCN-TV Minneapolis (subsidiary of Metro parent Metromedia Inc.) as national sales mgr.

Grady Ireland, Ga. Cablevision, Atlanta, elected Southern Cable TV Assn. pres... **Lawrence Ehnstrom** named Telemation midwestern sales mgr., succeeding **Marshall Ruehrdanz**; **Richard Walters**, of Telemation's Atlanta office, heads new southeastern sales.

Deadline for replies in Group W network practices proceeding was extended by FCC to Dec. 23 at request of Group W. Meanwhile, ABC issued statement saying that it has reviewed Judge Ferguson's family-viewing decision, and its July 1975 FV policy remains unchanged.

Among participants in Federal Bar Assn. workshop on communications issues, Jan. 31-Feb. 1, Mayflower Hotel, Washington: FCC Chmn. **Richard Wiley**, AT&T Chmn. **John deButts**, Harry Shooshan & Andrew Margeson of House Communications Subcommittee.

"The State Slate" is publication listing all state legislators, committees and bill-handling procedures, available for \$50 in early Jan. from Federal-State Reports, 2201 Wilson Blvd., Arlington, Va. 22201.

Communications Task Force, of National Conference of Black Lawyers, has OTP Dir. **Thomas Houser** as luncheon speaker Dec. 16, Empress Restaurant, Washington.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 26 (47th week of 1976):

	Nov. 20-26	1975 week	% change	Nov. 13-19	11 mo. 1976	11 mo. 1975	% change
Total TV.	402,478	270,348	+48.9	359,212	11,403,426	10,294,735	+10.8
color	234,596	169,319	+38.6	204,828	6,791,136	5,803,113	+17.0
monochrome . . .	167,882	101,029	+66.2	154,384	4,612,290	4,491,622	+2.7
Total radio	1,407,502	1,160,448	+21.3	796,846	37,697,023	31,074,445	+21.3
home, portable .	1,160,183	961,994	+20.6	550,368	26,324,508	22,805,008	+15.4
AM-only	406,098	279,185	+45.5	268,924	8,223,834	6,268,755	+31.2
FM & FM-AM .	754,085	682,809	+10.4	281,444	18,100,674	16,536,253	+9.5
auto	247,319	198,454	+24.6	246,478	11,372,515	8,269,437	+37.5
Port.-comp. phono	104,004	71,012	+46.5	67,639	2,799,351	3,074,635	-8.9

Color TV 5-week moving average: 1976--215,637; 1975--161,564 (up 33.5%).

INDUSTRY POISED FOR COLOR FULL CHRISTMAS: Sensational closing Nov. week for both color & b&w TV sales to dealers (see State of Industry box above) left industry with sugar plum visions—an image that wasn't damaged by nearly equally strong gains in first Dec. week that EIA is expected to announce next week.

Solid sales throughout month helped drop pipeline inventories slightly from end of Oct., but 39% increase in new supply (production plus imports) in month to 756,000 kept factory inventories well above comparable 1975 level. Total inventories of 2.27 million at end of Nov. were up about 19%, with factory supplies at 1.29 million, up 42%, distributors carrying about 980,000, down 2.5%.

Particularly welcome is renewed strength in b&w, where inventories are at worrisome levels, as they've been for most of year. Total industry stock is up some 40% to just under 1.9 million, as factories hold 1.1 million (up 52%), distributors additional 720,000 (up 25%). There's healthy sales pick-up at retail too, though apparently not as substantial as gains being shown for distributor sales, according to Television Digest's Early Warning Report being mailed to subscribers later this week. Here's Nov. distributor sales picture as developed by EIA:

	Nov. 1976	Nov. 1975	% change	Nov. 1974
Total TV	1,408,249	1,074,530	+31.1	1,131,382
color	827,546	623,252	+32.8	628,382
monochrome	580,703	451,278	+28.7	503,000
Total radio	3,616,502	3,379,091	+7.0	3,747,888
home, portable	2,574,482	2,450,867	+5.0	2,806,011
AM-only	1,136,285	678,860	+67.4	1,098,521
FM & FM-AM	1,438,197	1,772,007	-18.8	1,707,490
auto	1,042,020	928,224	+12.3	941,877
Port.-comp. phono	311,000	330,704	-5.9	506,702

SANYO GETTING 70% OF SEARS COLOR: Question of what Sanyo gets to make its \$13.8 million purchase of Warwick's TV business worthwhile (Vol. 16:18 p8) is answered in proxy sent to Warwick holders who must approve deal. Prize in Warwick package is Sears' agreement to buy at least 70% of its color TV requirements (console & portable combined) from Sanyo under 3-

year contract. Contract starts when Sanyo completes take-over and includes provision for one-year renewals.

Assuming Sears retains current color market share, contract could mean as many as 600,000 color sets to Sanyo next year. That total, added to Sanyo's own-brand sales here, would raise Sanyo into 4-way tie for position as 3rd largest TV supplier in U.S. color market. Others in 3rd place are Magnavox, Sony & Matsushita—last selling here under Panasonic, Quasar & private labels. It's reflection of depressed state of domestic TV industry that all 4 of 3rd place contenders are foreign owned—3 Japanese, Magnavox by Dutch Philips.

As part of over-all purchase commitment, Sears must buy 70% of its console color from Sanyo Mfg. Co. (SMC), subsidiary Sanyo is setting up to operate Warwick's Forrest City, Ark. plant. Sears can deduct from total purchase requirement number of SMC sets it buys, or, if it turns out SMC can't deliver, total number of consoles it was supposed to buy. So in addition to bulk (probably all) of Sears console business, Sanyo is also getting larger share of Sears portables. Loser appears to be Toshiba, whose position as biggest portable supplier to Sears is undercut; it's likely to seek new private brand customers here. Incidentally, nothing in agreement appears to prevent SMC selling to others than Sears.

Sears, as holder of 25% interest in SMC, gets 3 seats on company's 8-man board: Vp-Comptroller W. Clayton Hicks; Factory Relations Vp Sidney Boyar; Melville Hill, asst. to Boyar. Among officers planned for SMC are Ronald Knakmuhs, controller; Allison Hails, vp; DuMonte Voigt, vp. All other SMC officers & directors will be from Sanyo.

SMC will establish headquarters in Forrest City—though it's understood office will be maintained in Chicago area—continue purchasing color subassemblies from Warwick's Reynosa, Mex. plant until April 30, 1977, when present Sears supply contract runs out, then start importing majority of components from Japan. SMC expects to retain present 800 Forrest City work force, plans to spend \$900,000 on product engineering in first year, though all R&D will be handled by Sanyo in Japan. Surviving Warwick will change name to Thomas International (remaining business will be Thomas Organ), sell Niles, Ill. hq, dispose of Reynosa after contract to supply parts to SMC runs out. Warwick won't drop out of TV right away, will retain, pending delivery, inventory of about \$2.1 million in parts for Sears TV and \$1.5 million in TV & parts for other private label customers.

In Warwick TV business breakout, proxy shows sales in 9 months to Sept. 30 of \$59.3 million, up 17.4%, with sales to Sears up 17.4% to \$55.8 million, to other customers up 17.3% to \$3.6 million. Console sales in period jumped 77.8% to \$42.7 million; portable-table models (being discontinued) dropped 37.4% to \$16.6 million. Warwick said it showed gross profit of 12.2% on consoles, 3.2% on portables, up from 11% & 0.8% respectively last year. After deduction for selling, engineering & other expenses, Warwick showed \$1.9 million loss from TV, compared with \$8.8 million loss year earlier.

For all of 1975 Warwick showed 10.9% gross profit on console sales of \$34.5 million, a 2% loss on \$36.8 million sales of portables, an operating TV business loss of \$13 million. Warwick reported consolidated 9-month net losses of \$5.1 million & \$7.7 million for 1976 & 1975, \$9 million deficit for all of 1975. Losses attributable to business being sold were \$6.4 million, \$8 million & \$10.9 million for same respective periods.

Warwick holders will vote on plan Dec. 16—a formality as Sears & Whirlpool have agreed to deal and own combined 82% of stock. Closing hinges on approval of Japan's Finance Ministry and less certain clearance by U.S. Justice Dept. It's understood JD has about completed investigation into acquisition, hopes to have opinion out before year end. Also due by end of year is wrapup of Matsushita's acquisition of Motorola's TV business (now Quasar). Takeover was completed in May 1974, but Matsushita & Motorola have been in negotiation & arbitration over final payment details ever since.

LOW PRICES BOOST RETAIL CB SALES: Bargain-basement prices, coupled with heavy ad & promotional campaigns, resulted in significant 23-channel sales increases during first weeks of Christmas season, but retailers say confusion in market is far from over. Increases are

only relative, they point out, with sales in most cases still far below pre-expansion boom days of last spring when prices were more than twice as high.

Most retailers are taking extremely cautious view of 40-channel future at this point, generally avoiding firm purchase commitments and demanding price & inventory protection from suppliers when new models go on sale. Caution stems not only from current market instability, but from cloudy pricing picture of new 40-channel models and uncertainty over consumer acceptance of expanded units. "With prices on 23-channel low-end stuff down to the \$49 level, I don't know if my customers will be willing to jump back to the \$149 level for a low-end 40-channel," mass merchant in South said. "I'm being very, very cautious."

Spurt in 23-channel sales began just after Thanksgiving, majority of retailers—representing over 225 stores—told us. Though often result of distress prices on stripped-down low-end units, most said greatest success has come with package deals. East Coast dealer said \$59 package, including CB with ANL & squelch, antenna and lock mount, "took the roof off the place. But we promoted it very heavily."

Midwest buyer said hot item is base/mobile package "with mobile of your choice" at \$199, deal which would have been at least \$299 last year. Other examples: California electronics specialist reports high-end bargains are moving, cited Panasonic model which was originally \$199, dropped to \$119 in fall, is now \$69; N. Y. chain is selling Sparkomatic unit with "summer price" of \$119 at \$37.77—"one to a customer."

Prices will drop even further, retailers told us. Within last 3 weeks, Cobra, Pace and others have put additional price reductions through on 23-channel models. "If \$49 is now the average low-end leader, it'll be \$39 by the time this year is out," Southern chain buyer said. Series of price changes on Pace 123A, including one last week, has dropped distributor cost from original \$120 to \$87 to \$49, he said. "Everybody will cut prices again before Christmas. They'll never get rid of all that 23-channel inventory, but they've got to move as much as they can to get liquid. If they don't, they're not going to be able to finance 40-channel programs."

Dealers we talked to aren't complaining about margins. "With deals I'm getting, I can move this stuff at ridiculous prices and still keep my 30 points," one said. "My distributor is the one who's taking a beating. He's absorbing drastic price cuts but I've been able to hold my margins." Big problem is dollar volume, with most dealers saying they'll have to more than double unit totals to break even with last year's Christmas sales. "I think I can do it," midwest store owner said, "but it's costing me a lot more in advertising dollars and shelf space. Besides, the whole thing may give me a heart attack."

One factor helping 23-channel sales, dealers report, is growing understanding among consumers that 40-channel performance characteristics won't match those of 23-channel, due to tighter FCC standards. "I used that to sell 23-channel, but now I'm not sure I should have," Northern Cal. buyer said. "A lot of my customers now say they decided to buy 23 because the 40s won't have as much power." Majority of retailers told us they'll enter 40-channel market cautiously, keeping inventories low and offering strong range of 23-channel units. "I'm going to be in 40-channel the second week in January," one said, "but I'm not going to get burned the way I did this year."

Responding to CUB petition seeking reduction in UHF TV receiver noise from current 18 dB standard to 10 dB over 30 months, FCC posed series of questions: (1) Will noise reduction affect receiver's susceptibility to other forms of interference? (2) Will receiver oscillator radiation be changed? (3) What are technical limitations? (4) How much time is needed, and at what cost and what benefit to consumers? (5) Are there any imminent technical developments which might affect current noise figures? (6) Should noise level of different sets with different noise performance in weaker or stronger signal areas be considered? Comments are due Feb. 15, replies March 31.

Mergers & acquisitions: Columbia Pictures has agreed to acquire D. Gottlieb & Co., privately-owned pinball machine producer, for \$50.3 million in cash plus options to buy 400,000 Columbia shares at \$10 each. Deal is viewed by Columbia as opening door to consumer electronics market... **Sprague** shares are being delisted by NYSE as 93% of stock was tendered in response to General Cable's \$19.50-per-share offer (Vol. 16:49 p11).

Zenith signed 2 new foreign consumer electronics licensees, Bizcontact Electronics of Nigeria & Nicaragua Electronica, Nicaragua. They'll start with TV, add audio later.

QUASAR INTO HVTR: Quasar will provide first competition to Sony's Betamax in home VTR here in Jan. when it starts distributing Matsushita-made VR-1000 deck (sold in Japan as VX-2000) in several U.S. markets. It will appear first in Atlanta, Chicago, Miami, Minneapolis & L.A., carry \$995 suggested retail. Unit was shown at Las Vegas convention last week.

VR-1000, non-compatible with Betamax or JVC's VHS, has same basic features as Betamax deck now being sold here, including built-in tuners, optional automatic timer, plus camera input which is only on newer Betamax decks. Quasar has no present plans to offer camera as accessory. There's also microphone input (no mike being offered), color-b&w switch, dehumidifier to remove moisture from tapes. Timer won't be available for several more months, is \$50 option. Accessory remote control for pause function—so you can avoid recording commercials without leaving your chair—is \$10. (For VX-1000 specifications, see Vol. 16:27 p11.)

While VX-1000 deck is priced well below Betamax's timer-inclusive \$1,300, its basic one-hour cassette (maximum current length for Betamax) at \$19 costs \$4 more; 100-min. cassette is \$28, 2-hour is \$34.

Meanwhile, Sony introduced industrial-institutional versions at Video Products Div. meeting last week, will show them to dealers after Christmas, to rest of trade at NAVA show in Anaheim, Cal., Jan. 15-18, start deliveries around end of month. Record model—featuring tuners, headset jack, audio dubbing, VU meters, camera input, audio & video input-output jacks—lists at \$1,445. Play-only model is \$1,150.

Sony also plans \$4 million, 26,000-sq.-ft. annex to \$17 million video tape plant it's now building in Dothan, Ala. Addition, for which construction starts next month, will produce plastic shells for Betamax cassettes, is slated to go on stream in Oct. Tape plant is to be operational next spring.

In Japan, Mitsubishi, as expected, jumped on JVC bandwagon, said it will buy 1,000 VHS units in Feb. Meanwhile, Toshiba, which is still undecided on long-term VTR standard policy, introduced battery portable V-cord II (KV-4100) at \$930, will produce 1,000 monthly. Unit will accept color or b&w camera (not included). Automotive adaptor, battery, RF unit are optional.

Watch watch: Most expensive digital clock radio is \$341 FM-AM model GM will be offering as new car option. Made by Delco, unit has 4-digit LED display which shows station frequencies as well as time & date, can be programmed to show elapsed time on trips. . . **Sinclair** is suing ITT in U.K., claiming ITT's failure to deliver watch ICs forced Sinclair to drop production of low-end watch. . . **Microma** estimates 11-12 million digital watches were sold worldwide this year, predicts industry sales of 20 million for 1977.

Matsushita has sold non-exclusive license to produce & sell lithium batteries to Eagle-Pitcher Industries.

CB 'DE-LICENSING' CONSIDERED: FCC's CB Program Review Committee has prepared list of 9 options for FCC consideration on future of CB licensing, fee collection, and enforcement. Though Commission bureaus are split several ways in their recommendations, what emerges is general agreement that, with improved enforcement techniques, CB licensing could be made both easier and free of charge.

Options range from: (1) Making CB non-licensed service—which would require congressional approval as well as FCC authority to levy fines on newly unlicensed operators—to (2) issuing temporary permit at point of sale, requiring submission of fee and application to FCC, transferring application data to computer and then to microfiche for distribution to regional offices for enforcement program, and mailing license back to applicant. Seven other options are between these extremes.

Chief Engineer Raymond Spence recommends de-licensing, dropping fee collection, seeking alternative methods of enforcing rules which don't require computer data bank of licensee information. Office of Plans & Policy agrees that de-licensing is inevitable, but argues that decision shouldn't be made now because FCC data isn't sufficient to make good judgment. In interim, OPP recommends dropping fees and mail-back of licenses. Safety & Special and Field Operations Bureaus, on other hand, believe de-licensing would harm service by causing increased rules violations. FCC has scheduled special meeting on matter for Dec. 15.

CB Scene: E. F. Johnson is urging dealers to make sure recent FTC & Better Business Bureau consumer alerts (Vol. 16:48 p10) aren't misinterpreted by local news media as warnings not to purchase 23-channel CBs. Dealers should meet with local press and explain "the true & real facts" about value 23s will have even after 40-channel units come on market, Johnson suggests. . . FCC received 314,682 CB license applications, issued 292,985 new licenses & 4,455 renewals, in Oct. By end of Oct., 7,101,776 licenses had been issued. . . Technical Standards Task Force of PURAC will meet Jan. 11 at FCC hq in D.C. to review reports on interference characteristics of receivers, problems posed by PLL circuitry, others. . . CPSC informed FCC that 202 antenna-related electrocutions took place in 1973-1976, urged people installing antennas near high-power lines to use extreme caution, especially on windy days. . . RCA entered CB combo field with FM-AM-23-channel unit in Custom Auto Sound line, price not available. . . **President Electronic's** "Dwight D" 40-channel base station, approved by FCC, may point way to future developments in home CBs. In addition to range of CB-related features, \$330 unit has built-in digital alarm clock.

Price fixing conspiracy is charged in suit filed against Sony and R. H. Macy in San Francisco federal court by local retailer Carr Electronics, which alleges that defendants & others agree to sell Sony consumer electronics at not less than factory-suggested prices. To police pact, Carr claims, Sony delayed filling orders from retailers who didn't hold price line.

JAPAN CB COUNCIL: Japan is striving to change "cheap imports" image of CB industry through govt.-sponsored transceiver export council, which will supervise quality control sampling of all CBs shipped to U.S. & Canada starting mid-Jan.

MITI ordered CB makers to form council after FCC requested quality check on CBs before they are exported to U.S. (Vol. 16:39 p11). Action is seen as official recognition of EIA-J involvement in CB, amounts to mild rebuke of Japanese Export Transceiver Assn. (JET). Several JET members feared council would control export volume & prices.

Meanwhile, FCC continues to crank out 40-channel type acceptances, and 44 new units approved last week bring total approved to 150. With approval-to-rejection rate running at about 50%, FCC has finished testing about 300 of 485 40-channel units submitted by Nov. 1 deadline. Spokesman said about 20 CBs are tested daily, that labs will finish job by Jan. 1.

Latest approvals: Audiovox (MCB-3000), Automatic Radio (CBH-2265, CBR-2175), B&B (B-4700), Boman (CB-950), Craig (L101, L131), Daiei Electric (CTI-90), Fanon-Courier (Courier 40D, Fanfare 880DF), Fukuyama Electronics (FKCB001A), Gemtronics (GTX-44, GTX-55), General Motors (GM CBD-20A), Hitachi Sales Corp. (CM-2410H, CM-4850H), Hy-Gain (2679A), Kraco (KCB 4075), Kris (XL-23A), Kyodo Communications (Sawtron 770 & 790), Matsushita (CR-B4247EU, CR-B4737EU), Meishoh (ME-401A), Midland (77-825), Pathcom (8015A, 8010A), Pioneer (GT1100), President (Honest Abe, Teddy R), Radio Shack (21-1562, 21-1580), Royce (1-675, 1-682), Sanyo (TA-4000), SBE (SBE-43CB), M. H. Scott (DAK-MARK-3A), Sears (CM 4700S), Superscope (CB-140), Uniden (805), Western Auto (CYJ832A-87, CYJ8434A-87, CYJ4837A-87, CYJ4862A-87). Midland 77-955 was omitted from previous list (Vol. 16:49 p11).

Note: FCC rejected requests by Hy-Gain Electronics and E. F. Johnson seeking temporary waivers of CB receiver chassis radiation requirement. Commission noted that it earlier granted EIA Citizens Radio Section industrywide waiver until Jan. 1, 1978 to permit remanufacture of 23-channel CBs in inventory on Nov. 1, 1976 into 40-channel radios meeting 50 microvolts (uv) per meter at 3 meters (Vol. 16:46 p11). For new 40-channel CBs, however, FCC reiterated previous requirement that sets must meet 5-uv standard.

Bally will enter home video game market some time in 1977 with sophisticated unit "closer to the Fairchild approach" than to conventional ball-and-paddle games, Mktg. Dir. Ross Scheer told us. Firm will show line of home pinball games at CES, may privately give distributors peek at new game. Bally, leader in coin-op games, also expects to produce other consumer electronic items in future, Scheer said, adding that distribution of line would probably be done through conventional channels, i.e., Zenith & RCA distributorships.

Terrorists overpowered guards at Sylvania's Juarez, Mex. TV sub-assembly plant, killed foreman who resisted, distributed leaflets & left.

MAGNAVOX GAME SUIT: Allied Leisure & Radio Shack parent Tandy Corp. were charged with infringement of Magnavox video game patents in suit filed last week in Miami Federal Dist. Court. Suit is similar to one filed last year against Atari & Midway, asks that production & sale of games by both firms be halted. Atari dispute ended in cross-licensing agreement (Vol. 16:25 p11); Midway (subsidiary of Bally) signed Magnavox license (Vol. 16:21 p12). Suit against Seeburg & Chicago Dynamics remains alive.

In addition to Atari & Midway, following firms have signed worldwide licensing agreements: Coleco, (U.S.); Videomaster Ltd. (U.K.); Zanussi (Italy); Epoch & Y. S. A. (Japan); Olympos (Korea); Interton Electronics & N. V. Philips (W. Germany); Radofin, Promoters Ltd., E&P Electronics & Concept 2000 (Hong Kong).

Magnavox won't discuss licensing details, but terms of Coleco agreement (Vol. 16:21 p12) are thought to represent general guideline to arrangements with others: \$100,000 against 5.5% royalty on net selling price of first 100,000 units, moving downward to base of 3% after 350,000 units.

FCC approvals: Allied Leisure (A100 & A300), Coleco (6300), Atari (C200), APF (401T), First Dimension (BG 7703).

Electrohome's decision to drop bulk of portable-table color production in favor of importing, while concentrating on 25" consoles, clears last major barrier to Canadian govt. approval of industry-wide production rationalization scheme. Plan gives manufacturers right to duty-free importation of TV in screen sizes they can't produce economically. Aim is to keep domestic producers viable, encourage importers to establish assembly operations in Canada. Electrohome was blocking plan because as only independent still operating in Canada—all others are owned by foreign (U.S., Japanese & Dutch) TV manufacturers—it was only company without ready access to foreign-made sets. Electrohome, which has color component assembly operation in Malaysia and gets b&w from South Korea, said it will buy color imports from Japan.

Motion to suspend investigation into Sylvania's unfair color TV import competition complaint is expected to be on agenda for International Trade Commission's first public meeting Dec. 13, when agency starts operating under "Sunshine in Govt. Act." Bid for delay by Japanese was approved by Administrative Law Judge Renick & ITC's investigative attorney, is unopposed by Sylvania. Sylvania is seeking deadline extension anyway to gain more time to gather depositions. Japanese are asking that proceedings be held up until ITC probe into industry-labor request for import quotas is finished. ITC discussed motion Dec. 8 & 9, put off vote Dec. 10.

Admiral's loss in year to Sept. 30 exceeded that of preceding year; group isn't expected to show profit in 1977, probably won't for several years, Rockwell Pres. Robert Anderson said last week. While there have been talks with foreign companies about possible tieups, he said, there haven't been any "serious discussions about disposing of Admiral."

Trade Personals

Ronald Glese promoted at Magnavox from Milwaukee sales mgr. to Great Plains Div. sales mgr... **Hal Loman** advanced at Superscope from Chicago branch vp to national sales mgr. for Superscope brand line... **Marvin Paris**, ex-Superex, appointed Garrard national sales mgr... **Michael Aguilar**, ex-Sterns, appointed Panasonic tape recorder national sales mgr.

William Gemmell promoted at Gulf & Western to senior vp, consumer products... **Edward Polanek** advanced at Universal Research Labs from exec. vp to pres., succeeding **W.E. Olliges**, who continues as chmn... **William Chapman**, Litronix treas., adds responsibility for tax & customs operations; **John Bentley**, controller, now also responsible for management information systems. Moves follow resignation of Finance Vp **Neil Hynes**.

Marvin Fried, ex-Soundesign, joins ERC (Electra Radio) as eastern sales vp, succeeding **David Silverman**... **Ralph Setton**, ex-Solar Sound Systems, appointed Krypton Electronics national sales mgr., succeeding **Terrence Sexton**, now with Chelco Sound... **Selwin Kent**, ex-Topp Electronics, joins Kendale Technology as vp.

James Aldrich advanced at Memorex Audio Products from Seattle zone sales mgr. to mktg. mgr. for Asia, Latin America & Canada, with added responsibility for special mkt. development, succeeding **James McBurney**, now mktg. dir. for Europe, Africa & Middle East, with hq in London; **Al Pepper** appointed product mgr. responsible for U.S. consumer & professional audio tape & accessories mkts., replacing **Carl Yankowski**, now heading new product & acquisition activities.

Richard Toth named GE Tube Products Div. industrial distribution sales mgr... **James Hornung** promoted at Sylvania Components Products Group to product sales mgr. for renewal & OEM receiving tubes... **Shigehiko Murase**, former Rockwell International Far East rep, appointed National Semiconductor Japan distributor sales mgr... **Todd Davidson** named 3M Electronics Products Div. sales mgr.; **Robert Applewhite** appointed microelectronics mkts. mgr.

Patrick Ryan advanced at Stackpole Components to consumer electronic products mktg. mgr.; **Charles McGill** promoted to professional electronic products mktg. mgr. Both assume duties of **Clyde Robinson** who resigned as sales vp to join Luscombe Engineering, West Coast sales rep... **Richard Steinberg** advanced at Antenna Inc. to field sales coordinator, assuming some duties of **Randall Friedberg**, who continues as sales mgr.; **Herbert Consor**, ex-Dearborn Stove, joins as R&D mgr., new post... **Lester Weidman** appointed President Electronics central region mgr.

Import impact aid was approved by Labor Dept. for those who lost jobs when RCA closed Woodbridge, N.J. receiving tube plant last year. Agency also opened eligibility investigation for employees at GE Semiconductor Products, Syracuse.

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with
Consumer Electronics...

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Toshiba has agreed to join calculator manufacturing ventures in Egypt, Spain & Czechoslovakia, is negotiating for similar ventures in Iraq & Latin America, has opened discussions in Poland & Hungary. Ventures will use parts supplied by Toshiba, gradually develop parts-making capability... **Sharp** introduces solar-powered 8-digit LCD calculator at \$100 in U.S., \$85 in Japan. Full battery charge, which takes 2 hours of direct sunlight, runs calculator about 50 hours.

Increased competition is expected in home fire-smoke detector market next year, spurred by Sears introduction of first under-\$20 model. GE claims to be leader, says it will provide over half of 4 million sold this year, estimates wholesale market will climb from present \$127 million to \$200 million by 1980. Growth is helped by strong ad campaigns, increase in communities requiring devices in all new homes.

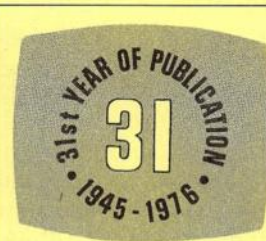
Ad notes: RCA names Ted Bates & Co. for \$1-million corporate account, succeeding J. Walter Thompson, which resigned in Sept... **Audiovox** names Baron, Costello & Fine... **Magnavox** launches annual sale Jan. 9 with TV spots during Super Bowl telecast, is preparing spots for dealers, plus mailers, newspaper supplements... **GE** will offer price reductions up to \$50 on TV & appliances in Jan.-Feb. "GE Sale Days."

WEMA will sponsor first industry seminar & show for microprocessors in Chicago Oct. 17-21 at O'Hare Exposition Center. Called Microfair International, event will be held semiannually to demonstrate uses of microprocessors outside electronics field... **NESDA** will hold national convention in Orlando Aug. 16-20... **NARDA** holds annual convention March 27-30 in Atlanta.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

HUGE FCC FEE REFUND expected as Appeals Court orders revision of entire schedule, return of excess charges. Broadcasters alone may get up to \$20-\$30 million. (P. 1)

HOOKS LIKELY FCC INTERIM HEAD: Tells Carter spokesman he'd like job until July. No concentration on FCC appointments by transition team yet. VHF drop-ins, automatic transmitters, cable definition, up this week at FCC. (P. 2)

RTNDA—GROWING LIKE NATPE: Network personalities are prime attraction for 900 in Miami Beach. Cronkite seeks support for expanded news; Brinkley says forget it. Salisbury hits 'slant & bias' of broadcast news critics. (P. 4)

HOLLINGS CHOICE all but final for Senate Communications Subcommittee chmn. (P. 4)

CODE BOARD'S 'CONCERNS' over TV violence to be relayed to networks via special committee; NAB pre-screening, post-screening, rating service and Code rewrite are rejected. NCCB finds NBC, 'Quest' and Chevrolet most violent. (P. 5)

'DON'T STONEWALL' House Communications Subcommittee's Communications Act rewrite, Shooshan advises broadcasters. (P. 5)

COURT RULING PROJECTS HUGE FEE REFUND: Many millions in refunds are expected by industries regulated by FCC—particularly broadcasters—following 4 D.C. Appeals Court decisions Dec. 16 ordering Commission to develop whole new, lower schedule of fees and to return excess to those who paid since 1971.

Citing 1974 Supreme Court decision upholding NCTA, Court said fees must be based on Commission's costs and related to "value to the recipient." Court said that there's no indication FCC followed those criteria; that it believes fees are too high.

From 1971 to last Sept. 30, FCC collected total fees of \$155,340,651—annual, application, grant, etc. Broadcasters paid \$46,253,956, common carriers \$30,233,975, cable \$5,774,665, balance all other services. CATV got \$4,129,018 of its payments back, following NCTA's 1974 victory in Supreme Court.

No one knows how much will be refunded, obviously, until FCC comes up with new fees satisfying court order. However, Ernest Jennes, attorney who handled litigation for NAB & many broadcast groups, guesses it could run \$20-\$30 million for broadcasters alone. One beauty of case, he pointed out, is that FCC can make refund without going to Congress, because it put fees in special Treasury Dept. account just in case industry won refunds, and Court said "the power to refund fees that are unlawfully collected is implicit in the power to assess fees."

Consumer Electronics

SANYO TAKEOVER of Warwick's TV business, okayed by Justice, set for Dec. 29. Zenith's Nevin hints acquisition may be challenged in court. (P. 7)

SYLVANIA WILL PRESS unfair-competition complaint after ITC suspension period. Japanese countersuit cleared in Zenith antitrust case. Carter appointments & foreign trade. (P. 8)

MPAA EYES ACTION against home VTR in war on piracy. Movie trade group won't join anti-Sony suit, but contracts with Bell & Howell to explore copy-proof broadcast techniques. (P. 8)

VIDEO GAME 'BURN' being probed by FTC. Warning issued by Canadian govt., U.S. mail-order house, but manufacturers & Better Business Bureau report no consumer complaints. (P. 10)

FCC CHANGES CB definitions & rules, meets for 5 hours over 2 days on licensing & enforcement changes, approves 82 new 40-channel units for Jan. 1 sale. Shooshan criticizes FCC's CB spectrum management. (P. 11)

COMPONENT IMPORTS up sharply in first 9 months with strong gains shown for both active & passive devices. Value of parts imports topped \$1 billion in period. (P. 11)

Decision threw FCC into a swivet, and it began discussions with staff immediately. One commissioner was exceptionally bitter, blaming Congress for confusing law which ordered agencies to aim for financial self-sufficiency through fee collection. Commission has several options, including: (1) Refund everything collected, as it did with cable. (2) Set up new fee schedule, ask for industry comments on it. (3) Set up new schedule, ask for comments, immediately refunding excess—then refund more later if schedule is finally revised after comments are received. (4) Ask Court for rehearing en banc. (5) Appeal directly to Supreme Court.

Top-of-the-head speculation around Washington was that alternatives (1), (4) & (5) are least likely—because: (a) FCC can undoubtedly charge something, and (b) Supreme Court's NCTA decision was so clear-cut that high court is unlikely to accept appeal.

Largest refunds are expected to go to those who bought & sold stations. Fee has been 2% of sales price or related to gross revenues, and Court made it clear it can't visualize FCC spending 100 times the effort to process \$100 million sale that it does for \$1 million.

FCC began collecting fees in 1963. They were rather nominal, designed to equal 25% of Commission's budget. In 1970, new schedule was set, to cover entire FCC budget. NCTA challenged that, won in Supreme Court. FCC refunded all cable fees (30¢ per subscriber)—and though Supreme Court said it could collect up to 50% of previous fee, Commission decided to collect none from cable. It continued to collect from everyone else. The 1970 schedule could cost single station up to \$72,000 in annual fee. In 1975, FCC reduced fees; station annual fee, for example, was cut to 35% of previous rate. But just about everyone appealed. And everyone benefits—even "freeloaders," as one party put it, referring to those who didn't chip in for appeal.

In decisions written by Judge MacKinnon, court held among other things: (1) Fee should be based on "value to the recipient," not on "public policy or interest served [or] other pertinent facts." Otherwise, it would be a "tax," and FCC has no power to tax. (2) FCC devised schedule backwards. First, it figured total costs of a bureau, then applied percentage to arrive at "application processing costs." Court said FCC didn't explain how percentages were developed. It said Commission must identify each cost item and explain how it's related to "the service or benefit for which the fee is assessed." For example, Court said: "It strains the limits of credulity to value the services rendered to applicants or grantees at 94% of the annual budget of the Common Carrier Bureau."

Court told FCC how to go about revising fees: (1) Justify fee by statement of benefit conferred. (2) Calculate costs involved by adding all expenses, explaining what these are, excluding "any expenses incurred to serve an independent public interest." (3) Set rate "which reasonably reflects the cost of the services performed or value conferred upon the payor."

HOOKS LIKELY FCC INTERIM HEAD: Carter transition spokesman has talked to Comr. Benjamin Hooks about becoming interim chmn. of FCC after Jan. 20 and he said he's interested in job. No commitments were made, however. Hooks has agreed to replace Roy Wilkins as NAACP exec. dir. (Vol. 16:46 p2); latter doesn't retire until July 1, and Hooks has made no bones about fact he'd like to stay on Commission until Wilkins departs.

NAACP board meets Jan. 10 to confirm Hooks appointment (considered a formality) and he reportedly told Carter people he couldn't make commitment to serve as interim chmn. until he gets clearance from NAACP—if Assn. wants him earlier than July, he'll go. As interim chmn., he reportedly believes that he could have major influence on matters FCC considers for months after he leaves and that he could accomplish much for his black & public interest constituency without pressures he'd face as regular chmn.

"The simple thing is to take Hooks and make him interim chairman since there'll be no vacancies at FCC Jan. 21," prominent Carter advisor told us. He said transition team won't concentrate on FCC appointments for some time, that new commissioners with strong public broadcast leanings will be sought.

Another Democratic commissioner, Joseph Fogarty, also has told Carter team that he'd be willing to serve as interim chmn., then return to regular status. Through such course,

Fogarty also feels that he'd have major impact on FCC scheduling and actions for several months.

* * * *

As Chmn. Wiley promised 10 days ago (Vol. 16:50 p1), FCC will be working 4 days this Christmas week—and commissioners & staff alike aren't particularly happy about it. Wiley also told us there'll be heavy schedule first 20 days of Jan.—and as long as he remains chmn.

VHF drop-ins are up Dec. 21, but no decision will be made until Comr. Lee returns from WARC conference in mid-Feb. Bcst. Bureau discarded earlier plans to recommend 4 cities that were eligible for drop-ins, instead circulated item late Dec. 17—after most commissioners & staffers had left—proposing further inquiry & rulemaking. Document lists criteria cities must meet to be considered for drop-ins; staff still believes only 4 areas meet criteria, are expected to name them in meeting when asked. "I ain't gonna vote on anything Tuesday, I can tell you that," one commissioner told us. He, and others, were unhappy because they hadn't had time to study staff document.

Automated transmitters are up for final action Dec. 22 and are expected to sail through. Next day, Commission again will take up definition of a cable system (Vol. 16:46 p3) but there'll be no final vote. "It'll be a further delineation of the issues," we were told.

Small-dish earth stations have been authorized, though FCC hasn't announced it yet. Everyone made proper happy noises—NCTA, HBO, et al. Decision was essentially as we disclosed (Vol. 16:50 p2). We're advised that technical parameters reported aren't absolute standards; that they may be less stringent in some situations. Commission also approved Edward Taylor's Southern Satellite Systems (SSS) common-carrier operation distributing signals of WTCG-TV Atlanta to cable systems via RCA satellite. He'll charge systems 10¢ per subscriber per month. SSS began Dec. 17, feeding 4 systems—Grand Island, Neb.; Newport News, Va.; Troy, Ala.; Newton, Kan. By Jan. 15, it will add 15, feeding 150,000 subscribers. By April, it's expected 40-50 systems with 500,000 subscribers will be affiliated; year from now, 100-plus systems, one million subscribers. Station operates 24 hours, carries all away games in hockey, basketball & baseball, many college sports, heavy movie schedule. James Meador, Newport News system mgr., said he expects WTCG-TV schedule to increase subscribers 5-10%. Station plans to add pay-cable channel in Jan., feeding home games of the 3 sports. Comr. Washburn hailed SSS grant, said "it could turn out to be the first step on the road to a 4th network."

TV-radio & print have same problems on FOI & First Amendment and should work closer together, according to SDX Pres. Richard Leonard, editor of Milwaukee Journal. Speaking at SDX breakfast during RTNDA convention in Miami Beach (see p. 4), he said Society must become more broadcast oriented and that 2 media should stop selling against each other. "These 2 things are compatible," he said. "The people need both... We're better than we've ever been before but we must get better because the audience is smarter."

Annual speech by FCC chmn. at NAB convention—March 27-30 next year in Washington—will be moved from Tues. to Mon., will be followed by afternoon session on First Amendment featuring top govt. officials.

Valley Cablevision—10 franchises, including South Bend & Elkhart—has been purchased by Buford TV Inc. subsidiary Indiana Cablevision for over \$10 million. Valley has 970 miles of plant, 30,000 subscribers, passes 75,000 homes. Jess King, ex-Southwestern Bell dist. mgr., has been named exec. vp of Indiana Cablevision. Buford owns TVs in Lufkin & Tyler, Tex., Ft. Smith, Ark. & Mitchell-Sioux Falls, S.D. and has applied for UHF's in Baltimore, Cincinnati & Minneapolis for pay TV. Valley was owned by Elkhart Truth (John Dille), WNDU-TV & WSBT-TV South Bend. Broker was Daniels & Assoc., which will be managing agent for new owner.

Daniel Ohlbaum, FCC Review Board member, moves to acting deputy chief of Common Carrier Bureau in reduction of Board from 4 to 3 members (Vol. 16:50 p2). Present deputy chief, Joseph Marino, returns to Gen. Counsel Office to head special staff on appeal of decision by L.A. Dist. Court that FCC violated First Amendment in family viewing (Vol. 16:46 p2). In reassignment of Review Board staffers (reduced from 22 to 9), Common Carrier & Chief Engineer get 3 each, Gen. Counsel 2, Bcst. Bureau one, rest scattered among other offices.

Field Communications, which owns 22.5% of Kaiser Bcstg., is buying remaining 77.5% for \$42.6 million—plus up to another \$11.6 million, depending on stations' performance in next 3 years. Pres. Donald Curran and other Kaiser execs. are expected to remain, and hq will stay in San Francisco. Kaiser stations, all independent UHF's, include WKBD-TV Detroit, WKBS-TV Philadelphia, WLVI-TV Boston, KBHK-TV San Francisco, WFLD-TV Chicago and 36% of WUAB Cleveland (being sold to Gaylord Bcstg.).

Museum of Bcstg., established by CBS Chmn. William Paley (Vol. 16:46 p4), offers membership: Student, \$20; non-resident, \$20; resident, \$30; family, \$40; contributing, \$125; patron, \$1,500. Details: Robert Saudek, pres., 1 E. 53rd St., N. Y. 10022.

RTNDA—GROWING LIKE NATPE: Major issues at record-breaking RTNDA convention in Miami Beach last week were consultants, "happy news," court coverage, ENG, misquotes, lack of enough time to cover news properly, credibility and news personalities. Along with these, a major topic was rapid growth of organization and its convention.

Registration of 900 last week was up dramatically from 600 year ago in Dallas—leading to huge snafus at keynote session and luncheons first 2 days, when there were many more participants & eaters than there were chairs & tables. Also since Dallas, RTNDA membership has jumped from 1,095 to 1,372, with active members (news dirs.) increasing from 481 to 588.

Keynoter Walter Cronkite griped about the many times he has been misquoted by print media—citing *National Enquirer*, *More* & *Time* magazines. Outgoing RTNDA Pres. John Salisbury, KXL-AM-FM Portland, Ore., made same criticisms—and both also attacked reliance on news consultants (who had their own session to defend themselves later).

Cronkite evoked mixed reactions in new pitch for expanded network news, urged news directors to convince management that more news is necessary. He told us later that affiliate opposition is prime reason all 3 networks backed down on plans to expand to an evening of hourly news. "I'm discouraged, mightily I'd say," by decision. He said distortion that occurs through "hyper-compression" of network news is "devastating, eating away at our credibility... Among the informed, the opinion leaders... the awareness that our abbreviated versions of the news are suspect... They have been victimized by our truncated reports and they spread the word."

At lunch next day, NBC's David Brinkley said longer news is "easy to talk about [but] from all I hear that's all there's going to be—just talk." On "happy news," Brinkley said "we have enough of that... We should not bore the audience even more than necessary." He criticized TV's use of newspaper methods for judging what to put on air, cited what he thought was unnecessary NBC report on Lebanese war. "Who in this country really cared?" he asked. "The Lebanese now living in the U.S... a tiny fraction of 1% of our population." He said at least 10% of audience should be interested before TV news carries an item.

Salisbury said broadcast news should defend itself against "the slant & bias... among those who consider themselves to be our chief media critics." He mentioned AIM and newswatch columns in TV Guide. "They are deliberately destructive of our credibility [and] integrity," he said. "We ought to take a little of our air time to set the public straight..."

New ABC White House correspondent Sam Donaldson discussed Carter campaign—which he covered from start—said media did poor job of reporting Carter's "capacity and his temperament."

Ex-CBS Washington correspondent Connie Chung, now KNXT L.A. anchorperson, said male newsmen can succeed with straight, cold delivery while viewers want women to be warmer. "Men can get away with

being fat & bald; women must be attractive," she said. Asked about returning to network as anchor-person, she said: "Sure, I'd love to... I could develop a lisp for a million dollars."

Despite large attendance, RTNDA was able to manage less than half quorum for annual business meeting, thus couldn't vote on several by-laws changes. RTNDA Dir. Walt Hawver complained: "When we come to a place like this, we should have free afternoons and extend the convention for a day... I haven't been to the beach yet." Pres.-elect & Convention Chmn. Wayne Vriesman said free afternoon was considered & rejected because special 10-day rate from Americana Hotel permits delegates to come early or stay late and because news directors shouldn't leave impression their convention was one of "fun & games."

"There's no logical reason" not to televise trials, according to Ala. Judge Robert Hodnette, who permitted TV to cover murder trial and took lead in pushing state-wide guides for broadcast court coverage through Ala. Supreme Court. "I have nothing but praise for the media," he said. "I didn't even know they were there," he told standing-room only crowd on courtroom coverage.

Record 37 exhibitors were happy with traffic; delegates had to walk through exhibit area to get to sessions. Showing minicams were Sony, RCA, JVC, Hitachi & Philips. Several news dirs. were disappointed that Thompson didn't have microcam on display.

"Things could change," but as of now it's all but final that Sen. Hollings (D-S.C.) will be new Communications Subcommittee chmn. Last week, Hollings dropped out of race for Senate Majority Leader; he could opt to remain chmn. of Commerce Oceans & Atmosphere Subcommittee, or higher-ranking Sen. Cannon (D-Nev.) could assert seniority, but both are unlikely. According to Hollings spokesman, "he feels now that communications is more of a field where he can go somewhere." At OTP, staffer Joseph Ryan told National Black Lawyers' Conference last week that his conversations with Carter transition team members convinced him that "they recognize the need for a high-level—but I can't say where" Executive Branch telecommunications policy office. This is also recommendation of House Communications Subcommittee Chmn. Van Deerlin (D-Cal.), but it's known that some Carter aides are eyeing OTP as easy way to trim White House staff, though apparently no final decisions have been made. Meanwhile, Roger Colloff, of CBS Washington office and ex-staffer to then-Sen. Mondale (D-Minn.) who took leave from CBS to work on Carter-Mondale campaign, is again on leave from CBS as staffer in energy area in Carter transition program.

Effect of cable on PTV is subject of study proposed by CPB Office of Communications Research. OCR has requested proposals, asks that they cover: Effect of imported signals on stations, effect on PTV subscription charges of cable subscription charges, result of PTV-pay-TV competition, effect on audience of "program-rich environment."

CODE BOARD'S 'CONCERNS': NAB TV Code board—in meeting held last week in Washington—took unusual step of forming committee to meet individually with network presidents first week in Jan. to discuss board's "concerns" over TV violence. Vote was 7-0—CBS voting "yes," NBC & ABC abstaining. In words of one participant, "This will be a highly symbolic event. If it works, it could be very important. We want to tell the networks we're concerned, and then ask them, 'Are you concerned? What can we do about this problem?'"

About 7 hours of meeting were taken up by discussion of what to do about continuing criticism of excessively violent TV programming in wake of L.A. court's finding that TV Code's family viewing standards violated law (Vol. 16:45 p3). Several alternatives were "tossed around" but quickly rejected, according to Chmn. Robert Rich, KBJR-TV Duluth—including pre-screening, post-screening, rewriting Code, establishing NAB rating service. Board finally settled on appointing committee, Rich said.

Committee members in addition to Rich are James Conley, Meredith Bestg.; Burton LaDow, KTVK Phoenix; Michael Kievman, Cox Bestg. INTV board will appoint 5th member. Committee also plans to meet with INTV board, syndicators and representatives of creative community in addition to network presidents. Rich will report to NAB TV board at Jan. 25-28 meeting in Hawaii.

In other actions, Code board recommended: (1) TV board revoke mandatory Code subscription (Vol. 16:48 p2). (2) TV board seek outside study of "parameters within which the Code may operate in light of" L.A. court decision; Hogan & Hartson law firm is expected to perform study. (3) Code board members' initial terms be extended from 2 to 3 years, and that terms of present Code board members be extended one year.

Meanwhile, NCCB released results of its 2nd study of prime-time violence and sponsors of violent programming. Study covered first 6 weeks of 1976 fall schedule, found CBS continues to be "by far the least violent network," NBC most violent, ABC 2nd. Three most violent prime-time programs were NBC's "Quest," ABC's "Starsky & Hutch" & "Baretta," while 3 least violent were NBC's "C.P.O. Sharkey" & "McLean Stevenson" and CBS's "Doc." "Least violent" advertisers were Peter Paul Candy and Hallmark, while "most violent" were Chevrolet, Anacin and American Motors.

In compiling rankings, NCCB used 2 definitions of violence—that of U. of Pa.'s Dr. George Gerbner and one excluding humorous and light violence similar to measure used by CBS (Vol. 16:9 p6). Latter was urged by networks and advertisers who say Gerbner definition is unfair. However, NCCB found network ranking to be identical using both measures, while individual sponsor and program rankings showed "no significant variation."

NBC said study's "usefulness is nullified" because of methodology: "A murder counts the same as a push or a shove. Moreover, the study provides

no information at all about who commits the acts, under what circumstances, with what consequences for either perpetrator or victim, for what dramatic purpose, against whom, and with what audio-visual treatment. The result is that depicting violence in a way calculated to discourage it gets counted as equal to a depiction that glorifies violence." Commented NCCB's Ted Carpenter: "We went to considerable expense to use both methodologies, and it angers me that NBC continues to say the results are invalid. We've disproved their contention by their own methodology."

'DON'T STONEWALL'—SHOOSHAN: House Communications Subcommittee Chief Counsel Harry Shooshan attempted last week to allay broadcasters' fears that they'll be harmed by Subcommittee attempt to rewrite Communications Act (Vol. 16:49 p3). Addressing largest crowd ever to attend FCBA luncheon, he noted rumors that broadcasters will "stonewall" Subcommittee's work or "are keeping their powder dry," warned them to "spend less time going around town feeling paranoid and complaining, and instead begin to establish a dialog with the Subcommittee." He also:

(1) Assured broadcasters they'll "be treated fairly and evenly." (2) Warned "you'll get out of it what you put into it." (3) Announced formation of broadcast advisory panel—though "we'll welcome input from anybody." In addition to those already named (Vol. 16:50 p4), advisors include communications lawyers Ellen Agress & Edward Hayes. (Among those invited to join cable advisory group are ex-OTP Dir. Thomas Whitehead, ex-FCC Comr. Glen Robinson, and Citizens Communications Center attorney Curtis White, though list is so far "less than half complete," according to Subcommittee staff.)

Shooshan urged broadcasters to defend First Amendment rights as vigorously as print medium, said that one reason why broadcasters fear Congress will intrude in this area is that "broadcasters themselves waffle on the First Amendment. On the one hand, they argue for it in the news and public affairs areas, and on the other hand, they compromise it when they're talking about entertainment programming." Reason Congress has been "beating the FCC on the head for years and years" on sex & violence on TV, he suggested, is that "no one has tried to attack the reasons behind" such programming. He hinted that increased competition in broadcasting will alleviate problem.

Meanwhile, OTP also has decided to participate in rewrite, is preparing proposals to "help Congress get off the base," OTP Dir. Thomas Houser told National Conference of Black Lawyers. OTP will have suggestions on license renewal, international common carrier, speeding up FCC proceedings, deregulation.

Conceding he knows little about cable, Sen. Hollings (D-S.C.)—expected to become Senate Communications Subcommittee chmn.—said he plans to "hold hearings, listen." Speaking to state & regional CATV presidents in Washington, he said cable has come a long way despite fact it isn't even mentioned in Communications Act of 1934.

Personals

Wayne Vriesman, KWGN-TV Denver, moves up to RTNDA pres., succeeding John Salisbury, KXL-AM-FM Portland, Ore.; Ernie Schultz, KTVY Okla. City, named pres.-elect, defeating Pat Stevens, KGUN-TV Tucson, 80-51; Curtis Beckman (re-elected), WCCO-AM-FM Minneapolis, & Frank Barnako, NBC News, were elected to board.

Daniel Smith, Capital Cities Communications senior vp-engineering, receives NAB 1977 Engineering Achievement Award at March 29 NAB engineering conference luncheon, Shoreham Americana Hotel, Washington.

Norman Isaacs, Columbia U. Graduate School of Journalism editor in residence, elected National News Council chmn., succeeding ex-N.Y. State Court of Appeals Chief Judge Stanley Fuld, who is retiring from Council... Sen. John Pastore (D-R.I.) resigns from Senate effective Dec. 28 to give Republican successor John Chafee 6 days' seniority over other Senate freshmen.

Allan Ross elected ABC vp-human resources planning & development... Dan Cooper promoted to asst. news dir., WABC-TV N.Y., succeeding Ted Kavanau, named news dir., KTVU Oakland... Vic Burnett appointed public affairs & community service dir., WEEK-TV Peoria... Jack Krueger, WTMJ-TV Milwaukee public affairs mgr., elected a dir., succeeding Don Loose, resigned.

John Cascioli, ex-Eastern Shore CATV mgr. (Ocean City, Md.), appointed gen. mgr., Antietam Cable TV, Hagerstown, Md., succeeding Robert Zitter, named corp. projects dir., parent Schurz Communications... Claire Williams promoted to mgr. of Warner Cable's Marinette, Wis. system; Marna Miles advanced to asst. gen. mgr., Warner's Ft. Walton Beach, Fla. system.

Stephen Koppelman elected pres., Electronics, Missiles & Communications Inc., manufacturer of TV broadcast equipment under Emcee Bcst. Products name... Eugene McPherson, ex-WLWI Indianapolis vp-gen. mgr., joins Reymers & Gersin, Oak Park, Mich. audience research & TV news consulting firm.

Richard Christianson, ex-Diskriter, joins Group W Productions as Pittsburgh Video Center business mgr... Hugh Brown appointed managing dir. for Australia, Far East & New Zealand, Columbia Pictures TV International.

Sale of Systems Wire & Cable by Anaconda—back to principals including Pres. John Woods, Exec. Vp Nathaniel Marshall & Operations Vp William Witzigman—has been approved by FTC. Cash sale is for net book value of assets plus \$300,000; net book value was \$903,168 on June 30.

Oct. TV network ad investments totaled \$327.9 million, up 24.9%, according to TvB-BAR. ABC had \$106,190,400, CBS \$110,562,600, NBC \$111,161,700. For 10 months, total was \$2.4 billion, up 22.3%.

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Moscow talks between Soviet Union and 3 TV networks over broadcast rights for 1980 Moscow Olympics broke off last week with no agreement. Russians set asking price of \$50 million down for "technical equipment & services," and "well in excess of \$100 million" for broadcast rights, according to negotiators. Networks have agreed to 30-day freeze in negotiations; their representatives returned to U.S. to consider possibility of pool bidding. Networks plan to seek permission from Justice Dept. to bargain collectively; if Justice refuses, networks intend to go to Congress for antitrust exemption.

HBO will add 4 more cable systems with some 41,000 subscribers, passing total of 71,000 homes, early in 1977. American Cable TV's Napa, Cal. & Pampa, Tex. systems and GE Cablevision's Watertown, N.Y. & Decatur, Ill. CATVs will go on payable circuit, all except Watertown being fed by satellite. HBO said American Cable is discussing addition of pay service to its Ky., Ind. & Phoenix, Ariz. systems. HBO is now available on 265 systems in 40 states.

"Washington lobbyist tells how it is" is billing for "Vested Interests," written by ex-NCTA Govt. Relations Vp Charles Lipsen and to be published April 4 by Doubleday. Excerpts will appear in March issues of Penthouse & Washingtonian.

Obituary

Ernest H. (Hank) Clay, 49, vp of Washington management consulting firm Frazier, Gross & Clay, died of heart attack in Annapolis Dec. 12. A specialist in audience measurement, he began career in 1949 in L.A. with Coffin, Cooper & Clay, which merged into ARB in 1962. In 1964, he established own consultancy, and in 1968 joined Frazier, Gross & Co. Survivors include wife, 3 sons, daughter.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 3 (48th week of 1976):

	Nov. 27- Dec. 3	1975 week	% change	Nov. 20-26	1976 to date	1975 to date	% change
Total TV.	277,990	205,842	+35.1	402,478	11,681,416	10,500,577	+11.2
color	164,114	124,226	+32.1	234,596	6,955,250	5,927,339	+17.3
monochrome	113,876	81,616	+39.5	167,882	4,726,166	4,573,238	+3.3
Total radio	554,698	653,861	-15.2	1,407,502	38,251,721	31,728,306	+20.6
home, portable . .	358,114	415,953	-13.9	1,160,183	26,682,622	23,220,961	+14.9
AM-only	205,395	110,238	+86.3	406,098	8,429,229	6,378,993	+32.1
FM & FM-AM . .	152,719	305,715	-50.0	754,085	18,253,393	16,841,968	+8.4
auto	196,584	237,908	-17.4	247,319	11,569,099	8,507,345	+36.0
Port.-comp. phono	77,086	80,051	-3.7	104,004	2,876,437	3,154,686	-8.8

Color TV 5-week moving average: 1976—198,332; 1975—149,496 (up 32.1%).

SANYO GETS WARWICK DEC. 29: With blessing of U.S. govt., Sanyo moves into U.S. TV big-time Dec. 29 when it completes acquisition of Warwick's TV business. Justice Dept. last week informed parties—Sanyo, Warwick, Whirlpool (57% owner of Warwick) & Sears (25% owner & major TV customer)—that it didn't intend to oppose acquisition which will raise Sanyo's share of U.S. TV market to about 10%.

Closing date means Whirlpool and what's left of Warwick (being renamed Thomas International) will enter new year with books free of money-losing TV operation. Sanyo is forming U.S. subsidiary, Sanyo Mfg. Corp., to run TV production business here (Vol. 16:50 p7).

"We were expecting bad news and we got it," said GTE Consumer Electronics Group Senior Vp George Konkol. "Knowing what's been happening [in U.S. govt.] the last 5 years, it's no surprise" that Justice cleared deal, he said. Konkol, first as head of Sylvania Tube Div., later in role of Sylvania Consumer Electronics chief, has long been active in fight to stem increased market penetration of imports.

"There wasn't any question what the decision would be," we were told by Zenith Chmn. John Nevin, another leader in anti-import fight. Referring to antitrust suit Zenith has pending against Japanese industry (see p. 8), Nevin said "it's our belief they're [Japanese] acquiring manufacturing facilities in the U.S. so they can use their overseas component manufacturing capability to violate our anti-dumping laws." Pointing to result of Matsushita's purchase of Motorola's TV business (now Quasar), Nevin said that it was claimed at time that deal would preserve U.S. jobs, "but they've shut down 2 of the 3 plants and laid off two-thirds of the people. They've turned Quasar into a two-step operation—one step is to pump the air out of the Japanese boxes, the other is to print 'Made in U.S.A.' on them."

Long a contender that U.S. govt. regulatory agencies look other way for political reasons when Japanese TV companies violate law, Nevin said: "It has become increasingly clear that the courts are the only avenue [of protection from unfair import competition] truly available to us at the moment." While Sanyo's acquisition may go through on schedule, "we've no more forfeited our rights to appeal to the courts in this situation than we did in the [Quasar] case." In antitrust suit, Zenith named Motorola as co-defendant; in addition to damages, it's asking that Matsushita be ordered to get rid of Quasar.

SYLVANIA TO PRESS JAPAN COLOR COMPLAINT: International Trade Commission decision last week to suspend probe into Sylvania's unfair-import-competition complaint against Japanese color producers—while it concentrates on union-industry request for TV import quotas—means only a 2nd beginning, not an end, for Sylvania case, according to company attorney Ruth Prokop.

In 4-2 vote last week, Chmn. Will Leonard & Vice Chmn. Daniel Minchew dissenting, ITC ordered halt to Sylvania case and indefinite suspension of broader companion inquiry it initiated on its own. Latter case was launched, Leonard told us at the time (Vol. 16:16 p7), to see if there was any substance to variety of unfair-competition complaints made by U.S. industry members for years. Decision to drop it doesn't mean it's dead forever, ITC spokesman told us. Information gleaned from other TV cases may make it worth reopening, but "until then we won't put any more resources into it."

While giving full support to import quota case, Sylvania will continue work on unfair-competition case within constraints imposed by suspension, Prokop said. Dismissing any idea case would be dropped if quotas are imposed, she told us: "If we had felt the whole problem could have been alleviated by quotas, we would have gone that way in the first instance." Sylvania is a co-complainant in quota case.

ITC ruling means Sylvania case won't be reactivated until next March, when verdict on quota request is due, and pushes already-extended closing date from next Oct. to Feb. 1978. ITC didn't act on Sylvania's request for extension of time to collect depositions in support of complaint, presumably will decide that when case reopens. Sylvania attorneys were slated to collect depositions in Japan earlier this month but frankly-worded visa applications were rejected by Japanese govt., which holds Sylvania has no legal right to demand access to Japanese nationals on Japanese soil.

Zenith & Japanese split victories in rulings by Philadelphia Federal Court Judge Leon Higginbotham, presiding over Zenith's \$900-million antitrust suit. Zenith was given permission to ignore statute of limitations in preparing evidence to support charges, but with stipulation such material will be acceptable in court only if Zenith can prove Japanese engagement in fraudulent concealment. With similar reservations, Matsushita & other defendants were given clearance to file countersuit (Vol. 16:33 p7).

President-elect Carter's staff selections could have strong impact on industry-vs.-imports situation. Bendix Chmn. Michael Blumenthal, upcoming Treasury Secy., is known to be strong free-trade advocate, is generally in favor of multinational business activities. He was chief U.S. negotiator during Kennedy Round duty rate-cutting session sponsored by GATT, is believer in granting trade concessions to underdeveloped countries. ITC's Minchew, incoming as chmn., is being considered for head of trade negotiations office, and Higginbotham is among those reportedly being eyed for Attorney General. Higginbotham is 3rd judge on Zenith case, and replacing him would mean extensive delay to permit new judge to become familiar with complex issues. Case has already dragged on 27 months and is still in motions stage.

MPAA PONDERES MOVES AGAINST HOME VTR: Although it won't participate in Universal-Disney suit against Sony, Motion Picture Assn. of America is actively exploring methods to prevent home videotaping of copyright programs. One of its first moves, we've learned, is contract with Bell & Howell to investigate what can be done to make such copying technically impossible.

Neither MPAA nor B&H would concede existence of contract, but MPAA Pres. Jack Valenti told us: "It's up to the courts to decide the legality of consumer copying, but anything that enhances the possibility of piracy is inimical to the owners of copyright motion pictures. We're involved in technical research with the goal of making it impossible to pirate pictures."

B&H's work under MPAA contract is expected to center around possibility of inserting signal in TV carrier—possibly in vertical interval—which, in combination with special circuit in recorder, would keep machine from recording. Such a system would require FCC approval and probably legislation to force VTR makers to include companion circuitry in recorders. It's understood MCA had been considering requesting FCC to permit some kind of jamming signal to

be incorporated in transmission of copyright shows (Vol. 16:48 p11), but this is considered to be difficult, impossible—or ineffective, at very least—unless VTR has companion circuitry to prevent recording.

MPAA will not take any position in suit against Sony. "As a trade association, we don't do that," said Valenti. "That's up to our individual members."

In full-page "open letter to the entertainment industry" in Dec. 15 Variety, Sony briefly stated its case without mentioning Universal-Disney suit. Betamax, it said, "can provide new job opportunities for actors, directors, people in every branch of the entertainment industry, so that news, shows, movies, what-have-you, can be delivered for the consumer's private enjoyment... [Betamax] provides the technology which promotes the congressional policy favoring wide distribution of programs broadcast over the publicly owned airwaves. We at Sony do not condone piracy or exploitation for commercial purposes. Rather, we have pioneered in the video field to benefit the entertainment industry and the consuming public alike."

First consumer ads have appeared for Sanyo's V-Cord II—by retailers, not by Sanyo, which doesn't plan quantity shipments before Jan. advertising "demonstration preview—place your order now"—one N.Y. area dealer headed ad "Super Bowl, Gone With the Wind, Masters Golf, The Godfather, Wimbledon Tennis, Butch Cassidy, the Stanley Cup," pointing out V-Cord can "videotape up to a full 2 hours of movies... [and] costs no more than the other currently available one-hour recorder."

RCA, meanwhile, is engaged in review of progress on its videodisc program. It's understood Pres. Edgar Griffiths has been sounding out all senior officers on their views, with results mainly positive. There have been reports of problems in coating process for discs, short disc life, troubles with dust, fingerprints, etc. But some sources say many of these problems have been licked. Final version may be enclosed in protective sleeve which is removed in machine. It has been verified that company has demonstrated internally a super-LP videodisc which plays one hour per side. It's known that RCA currently is producing large quantities of discs in Indianapolis, could be described as pilot production.

Large post-Christmas promotions are planned by RCA & Magnavox. RCA's heavily advertised "Bonafide Bargains" sale will feature reductions in dealer costs of 8 color & 2 monochrome sets plus 2 new 25" color consoles, to be introduced. All reduced sets will have open list prices, but 2 Color-Trak 19" sets will be down about \$20 to approximately \$470, while 4 ColorTrak 25" consoles will be reduced \$20-\$40, for sale at about \$700-\$730. In XL-100 line, 15" set will drop about \$20 to \$330-\$350, with 19" down \$30 to about \$400, one 25" console down about \$20 to \$570. In b&w, 9" AC-DC will be cut \$20-\$30 to \$120, while 12" AC-DC will go down \$30 to about \$140... Super Bowl commercial Jan. 9 will kick off Magnavox annual sale, which will feature savings of \$10-\$150 in 26 products, prices varying by area. Seven STAR & Videomatic 25" consoles will be cut \$75-\$100, 19" color down \$70, 15" down \$40, high-end stereo consoles \$150, modular system \$50. Sale will be backed by other network sports commercials, newspaper supplement.

FCC finalized rulemaking requiring receiver manufacturers to treat UHF antennas same as VHF when shipping sets (Vol. 16:25 p14). Effective July 1, 1978, when receiver is shipped, UHF antenna must be attached if VHF is; it can be loose in box if VHF is. New rule says UHF antenna must be "designed for and capable of receiving all UHF TV channels." In concurring statements, Comrs. Wiley, Quello & Fogarty said Commission should do even more to achieve parity between UHF & VHF.

New sets: Quasar adds 19" at \$450, 19" remote at \$580. New 25" console trio is \$670, double-sided console with remote \$850. All except low-end 19" have single Super Module chassis... Magnavox adds 2 AC-battery b&w portables—9" at \$120, 12" at \$130. Battery & adapter for cars or boats are extra for 12", adapter is included with 9"... Philco re-entered compact stereo field with 3 Sylvania-made units at \$150 for receiver with 8-track player, \$200 for step-up with changer, \$230 for model with changer & 8-track recorder. Also added were 16" b&w portables at \$130 & \$140, two \$330 stereo consoles... Sylvania dropped in three \$400 stereo consoles... Sanyo drops in 19" color at \$390.

Audio promotion programs to be financed by Consumer Electronics Show include public service radio spots, educational material for colleges, hi-fi newspaper supplement. IHF will cooperate in promotions. Promotional effort is part of compromise package developed by EIA Consumer Electronics Group with group of CES audio exhibitors who earlier this year threatened to quit show unless more attention was given needs of audio industry.

Morse is reopening Dallas assembly operation, closing similar facility in Chatsworth, Cal., but will continue cabinet fabrication at Chatsworth, officials said at Detroit sales meeting. Production activities in Brooklyn & Montreal are unaffected. Company also plans to display first Morse-designed Pilot hi-fi equipment at June CES.

FTC PROBES GAME 'BURN': FTC is looking into possibility that video games may cause picture-tube damage—and if they do, what to do about it. It's known that some game, TV set & picture tube manufacturers have been questioned. Asked about subject, Peter Eglick of FTC's Consumer Protection Bureau, replied: "Where did you hear about that? No comment." He said if there is such a probe, public will be informed in due time.

But FTC already has been in touch with EIA Consumer Electronics Group, game & TV producers, and statement issued by Canadian Consumer & Corporate Affairs Dept. last week is forcing controversy into open. "Prolonged use of the games may cause the game pattern to remain as a ghost during regular TV viewing," statement said, tracing apparent cause to "phosphor exhaustion." This isn't problem when it occurs at even rate over entire screen, but can be harmful if games with fixed lines cause uneven "exhaustion" rate, Dept. said.

There's no indication of any widespread problem so far, but Canadian statement, picked up by several U.S. newspapers, plus initial contacts from FTC, is causing some game producers to worry that issue could erupt into serious consumer scare. Atari Sales Dir. Malcolm Kuhn said his firm hasn't received a single consumer complaint about tube burn, but it will give out pamphlet at CES discussing situation and will display undamaged TV set used for full year on production line to test games.

Even if game marks are burned on set, Atari said, marks can be seen only when set is turned off. It also said: (1) Biggest problem is intensity of white used in b&w games, and Atari uses only grey lines. (2) Continuous moving pattern which appears on Atari screen after game is finished prevents problem.

EIA CEG will cooperate with FTC, Staff Vp Jack Wayman said, acting as catalyst between agency and set manufacturers. Wayman added that EIA is not aware of any problem consumers have experienced with TV set damage from games, that scattered complaints so far have involved stores leaving games on for long time. Wayman said EIA committees would meet on issue in first week of Jan. Council of Better Business Bureaus said it had received no consumer complaints on subject.

Some set manufacturers already are looking at problem and considering whether to exempt game burn-in problems from warranty coverage. Magnavox says it has had "a couple of dealer complaints, but nothing at all from consumers," has alerted dealers not to keep games running permanently.

Service Mdse. Co., midwest catalog house, sends warning to its game customers stating that "continuous extended use of a TV game with a TV set could result in the permanent marking of the TV screen with the outline of the game score or game perimeter." Letter says game manufacturers are conducting tests, suggests that normal viewing habits be maintained and games be turned off when play is completed. Canadian govt. also urged users to turn games off when not in use, suggested that TV set be adjusted to low brightness & contrast while being

used with games "until full technical information is available."

In other game news: (1) First Dimension is shipping private-label version of Odyssey 300, carrying FD name, through contract with Sentinel Div. of Magnavox. Firm hopes to offer new 4+6 micro-processor unit next year after lining up outside production source. (2) FCC approved games from Diamond Electronics, Japan (to be sold under Diamond, Federal Transistor & B&B Import-Export brands), and from Radofin and Concept 2000 (Hong Kong). (3) Financially strapped Systek of Japan (Vol. 16:48 p11) will exhibit color games at CES, resumed production at 2 plants Dec. 5. Systek is being backed by Tokai bank. (4) Magnavox added additional video game licensee to the 14 we named last week (Vol. 16:50 p11)—Centronics Data Computer Corp.

CES seminars: Video, Jan. 13—William Boss, RCA, EIA Video Div., chmn. & keynoter. Panelists: Vern Brisson, Sony; Ed Garland, Toshiba; Kenneth Ingram, Magnavox; Joseph Kenan, Atari; Gerald McCarthy, Zenith; Norman Schnell, GE. CB, Jan. 14—Jack Wayman, EIA, chmn. Raymond Spence, FCC, keynoter. Panelists: Ted Andros, Hy-Gain; Paul Davis, Dynascan; Raymond Gates, Panasonic; Larry Kraines, Kraco; Jack Lose, Royce; Jack Muller, Motorola. Audio, Jan. 15—John Hollands, BSR, EIA Audio Div., chmn. & keynoter. Panelists: Victor Campos, AR; Ken Hoshino, Sansui; Rick Jordan, Superscope; Jerry Kalov, Jensen; David Karron, Fisher. Calculator & watch, Jan. 16—Charles Hoffman, Admiral, EIA Consumer Electronics Group, chmn. & keynoter. Panelists: James Black, Litronix; Scott Brown, National Semiconductor; Werner Fisher, Canon; William Lowry, Casio; John Mains, Omron; Harold Tullman, Sharp. Show at Chicago's Hilton Hotel will have record 325 exhibitors and pre-registration is more than 10% above last year.

Inefficiency is key reason U.S. industries aren't competitive with imports, says Columbia U. Prof. Seymour Melman in N.Y. Times article. He says companies here are too accustomed to operating on war economy basis, claims lack of incentive to minimize costs on military contracts carries over to consumer activities. Noncompetitiveness cost 37,700 jobs in TV-radio industry, 11,800 in semiconductors and 9,700 in communications equipment through 1972 alone, he asserts.

Watch watch: LCDs will account for half of digital watch output next year, vs. 25% this year, if LCD supplies are adequate, Beckman Instruments says. Believed to produce more than half of LCDs currently used in watches, Beckman estimates worldwide digital watch production this year at 16 million, forecasts 25-28 million for 1977. American Microsystems has established LC watch-display subsidiary in Taiwan, expects to employ 300 there by end of 1977.

Bankruptcy is big business. Legal fees for administering liquidation of W.T. Grant have so far run \$2.7 million, appraisal costs \$102,000, and accounting firm Price Waterhouse is due \$898,000. Totals exclude some \$300,000 in related expenses.

FCC CB ACTIONS: CB continues to dominate FCC's time, and last week. Commission: (1) Changed nomenclature of Citizen's Radio Service. (2) Devoted nearly 5 hours over 2-day period to discussion of major changes in licensing & enforcement. (3) Approved 82 new 40-channel CBs, largest number approved in any week since testing began Nov. 1.

Name changes, effective Jan. 27: Citizens Radio Service is now Personal Radio Services; Class A Citizens Radio Service becomes General Mobile Radio Service; Class C becomes Radio Control Service; Class D becomes Citizens Band Radio Service. At same time, Part 95 of rules covering radio services was broken into 4 parts, one for each new service. Licensees will be required to have only those sections which apply to them, instead of complete rules.

FCC also met on omnibus study prepared by CB Program Review Committee (Vol. 15:50 p10), but staffer said decision on range of licensing options, enforcement problems, probably wouldn't come before mid-Jan. He said these 2 general positions emerged: (1) That CB should be regulated "with heavy hand" as is broadcasting industry. (2) That CB service will become so large it would take 10-fold growth of FCC to maintain tight regulation policy. Additional meetings are scheduled this week.

Latest approvals: Asahi (AC-1500), Behar (DX-41), Benjamin (400), Boman (CB-910, CB-930, CBR-9700, CBR-9940), Commando (CC-4050, CC-4055), Daiei (CTI-93), Dynascan (29XLR & 77X), E. F. Johnson (242-4120, 242-4145, 242-4175), Fanon/Courier (Caravelle 40D, Spartan PLL 40), Fukiyama (FK-CB005), Gemtronics (GTX-5000), GE (3-5801B), GM (GM 4145), Hallicrafters (HCM-275), Handic (Handic 230), Hitachi (CM-2430H, CM-6700H), Hy-Gain (2680A, 2683A, 2701, 2710), ITT (CB-4000N), Penney (6214, 6211, 6237A, 6241, 2646), Kiyo (RCB-40, RCB-4150, XCB-70, XCB-880), Kraco (KCB-4070 & KCB-4084), Kris (XL-50).

Lafayette (Telsat 1140), Mars (CON-430), Matsushita (CR-B4000EU, RJ-3050, RJ-3150), Midland (77-838, 77-861), Ward (GEN-702A, GEN-775A, GEN 828A), Motorola (CB-1124, CB-1125), Pathcom (8010A, 8046), Pearce-Simpson (Leopard B), Radio Shack (21-1525), RCA (14T 260), Regency (CB-501), Royce (1-621), SBE (SBE 41CB, SBE 42CB, SBE 44CB, SBE 54CB), Sears (CM-23585, CM-6000LC), Shakespeare (GBS-340, GBS-840), Shinto-denki (ST-12), Sonar (SS-2340), Standard (Horizon 29A), Superscope (Air Command CB-340), Surveyor (CB-2600R), Takasago (703-CBR & 713-CRB), Teaberry (4005, 4010 & 4011), Transonic (MCB-40), Ultra (Ultra 401), Uniden (806). FCC labs have now finished testing 232 of the 40-channel CBs.

Other developments: (1) FCC cited 5 distributors & retailers for illegally marketing 40-channel CB units before Jan. 1, said units involved were 23-to-40 conversions. (2) It's clear from FCC's actions on CB that "squeaky communicator gets the spectrum space," House Communications Subcommittee Chief Counsel Harry Shooshan said in criticizing spectrum allocation. Shooshan promised Subcommittee would examine FCC's performance in CB as it proceeds with job of rewriting Communications Act.

COMPONENT IMPORTS: Imports of consumer electronics parts & accessories climbed steeply in first 9 months of year, with increases shown for all major items reported by Commerce Dept., with exception of TV cameras.

Value of imports of selected parts in period was \$1.35 billion, up 42.3% from \$924 million indicated for same 1975 period. Total excludes accessory items, includes import of \$268.7 million in TV parts & \$120.4 million in picture tube parts (respectively up 52.1% & 65.1%), not shown in table below.

In TV, total picture tube imports of 425,200 were triple those of year-earlier, as color tube climbed 176.8% and b&w leaped 443.8%—latter reflecting increased use of Taiwan-made tubes by U.S. OEM. TV antennas were up 182.8%, tuners 45.1%, while value of deflection components edged up 27.1%.

Speaker imports jumped 124.4% to just under 52 million, paced by 175.3% rise for enclosed single speakers, with raw speakers up 121%, multiple speaker systems 33.3%. In other accessories, microphones rose 131.6%, radio antennas 241.5%—both an indication of booming CB—and audio amplifiers were up 174.2%.

In discrete components, largest increases were in capacitors, with variable units up 201.6%, fixed up 101.4%. Fixed resistors climbed 91.5% while variables rose 51.1%. In active components, ICs made best showing with 84% increase followed by 63.7% rise for transistors. Receiving tube imports, which have been in general decline, showed 2.2% increase, a reflection of general winddown of production by domestic manufacturers. Details:

U.S. COMPONENT IMPORTS

	9 mos. - 1976		9 mos. - 1975	
	Units	Value(\$)	Units	Value(\$)
Pic. tubes, color	156,895	10,482,532	56,685	3,755,649
Pic. tubes, b&w	268,312	2,184,189	49,344	677,501
TV tuners	11,790,337	66,909,615	8,127,205	51,121,151
TV antennas	6,116,036	4,779,840	2,162,651	3,008,870
TV deflection parts	—	39,758,691	—	31,279,488
TV cameras, color	5,427	14,275,083	5,903	12,583,984
TV cameras, b&w	33,535	6,223,861	34,226	9,212,456
Radio antennas	10,686,553	32,157,711	3,129,554	6,772,281
Microphones	6,577,526	15,713,574	2,831,753	7,906,463
Audio amplifiers	1,842,164	24,503,629	671,800	18,911,889
Spkrs., unenclosed	30,989,366	37,700,091	14,023,034	16,632,920
Spkrs., lone, encl.	17,083,278	36,653,841	6,204,605	14,887,398
Spkrs., mult., encl.	3,918,546	17,326,636	2,938,909	10,156,105
Receiving tubes	39,444,214	18,925,981	38,559,049	17,888,966
ICs*	1,281,426	582,057	696,273	399,754
Transistors*	1,117,422	107,343	682,225	97,670
Fixed capacitors*	1,000,093	91,924	893,836	52,943
Variable capacitors*	133,525	8,876	77,427	6,848
Fixed resistors*	2,953,675	25,626	1,542,662	15,817
Variable resistors*	191,624	18,462	126,804	22,495

*Units & value in 1,000s.

Curtis Mathes plans to go private, has scheduled reverse split of shares—one new share for every 1,000 current ones, with owners of fractional shares entitled to sell to company or buy enough extra for new share. Company has about 1,300 shareholders, just under 1.6 million shares outstanding, is traded on ASE. "We don't belong public," company official told us. Private ownership would vastly reduce legal & paper work.

Trade Personals

Robert Bloomberg, Quasar pres. & chief operating officer, adds post of chief exec., succeeding **Chmn. Telichi (Tex) Takeoka**, a Matsushita senior managing dir., who returns to parent in Japan. Also returning to Japan is **Mike Mori**, who recently shifted from mktg. strategies vp to corporate planning vp; **Howard Yamato** transfers from exec. vp slot at Panasonic to same post at Quasar, with responsibility for product & financial planning, project management.

Everett Carter advanced at Buckbee-Mears from exec. vp to pres., succeeding **James Bourquin**, resigned for personal reasons. . . **Theodore Maiman**, holder of basic ruby laser patent & developer of TV projector at Laser Video, appointed head of advanced technology for TRW, new post, also serving as asst. to Exec. Vp **J. S. Webb** & vice-chmn. of new corporate Advanced Technology Committee. . . **Robert Alm** advanced from national sales mgr. to gen. mgr. of Colonial Mds., Sylvania Electronic Components Group unit which sells electronic & other parts & accessories through non-traditional retail outlets. Alm succeeds **Donald Kronenwetter**, now Replacement Mkts. Operation vp-gen. mgr.

Herb Horowitz resigns as head of Harman International's Harman America operation to become worldwide mktg. vp of Acoustic Research. . . **George DeRado** leaves post as TEAC America pres. Feb. 1 to devote full time to Daymark Industries rep operation, continues with TEAC as consultant. He'll be succeeded by **Masaji Takahashi**, now an exec. vp with parent in Japan. . . **Steve Kahn** promoted at RCA Records to audio-visual productions mgr., new post. . . **J. R. Gonzales** rejoins N. American Philips as Norelco Consumer Products Div. ad mgr.

James Brennan, ex-National Semiconductor, joins General Instrument Microelectronics Group as clock circuit & module mgr., new post. . . **Norman Rothstein** advanced at Signetics to microprocessor mktg. mgr., new post, in Microprocessor Div. realignment; **Gary Miller**, ex-National Semiconductor, appointed sales mgr.; **Paul Hanson** mdsg. mgr.; **Michael Zyla** planning mgr. . . **John Husher**, ex-Advanced Micro Devices, joins Fairchild Camera as charge-coupled device operations mgr., assuming some duties of **Gil Amelio**, who continues as CCD products mgr. . . **Edward Turney**, ex-Advanced Memory Systems, appointed Intersil semiconductor products sales & mktg. vp, new post.

Ronald Techter, ex-Admiral mktg. information mgr., joins Dynascan's Cobra Communications as mktg. research mgr., new post, with responsibility for mkt. & sales analysis, consumer research and new-product development & design; **Donald Scott**, ex-Admiral private brand sales & mktg. exec. mgr., named national sales mgr. . . **William Coben**, Magnacraft Chicago plant mfg. mgr., named mfg. vp with additional responsibility for Rapid City, N.D. & Mexican plants. . . **Marston Myers**, ex-RCA ad & sales promotion staff vp, joins Lewis & Gilbert, Philadelphia, as exec. vp for mktg. & client services.

Walter Fischer advanced at Allen-Bradley Elec-

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
AT&T			
1976-year to Nov. 30	32,538,443,000	3,813,371,000	6.05
1975-year to Nov. 30 ^a	28,614,141,000	3,104,814,000	5.08
1976-qtr. to Nov. 30	8,432,376,000	1,030,083,000	1.61
1975-qtr. to Nov. 30 ^a	7,503,907,000	805,712,000	1.30
Electro Audio Dynamics			
1976-qtr. to Oct. 30	15,791,000	275,000	.11
1975-qtr. to Nov. 1	12,647,000	101,000	.04
Harman International			
1976-qtr. to Nov. 30	38,738,000	2,671,000	1.15 ^b
1975-qtr. to Nov. 30	31,114,000	2,016,000	.89 ^b
Harvey Group			
1976-9 mo. to Oct. 30	23,880,000	27,000 ^c	--
1975-9 mo. to Nov. 1	23,153,000	(269,000)	--
Outlet Co.			
1976-9 mo. to Oct. 31	98,915,669	2,197,447	1.35
1975-9 mo. to Nov. 1	79,163,931	2,231,929	1.42
1976-qtr. to Oct. 31	35,082,782	1,238,157	.80
1975-qtr. to Nov. 1	30,886,337	1,081,245	.67
Republic			
1976-qtr. to Oct. 31	56,080,000	2,001,000 ^c	.71
1975-qtr. to Oct. 31 ^a	52,142,000	1,190,000 ^c	.42
SBE			
1976-year to Oct. 31	32,061,000	2,308,000	2.41
1975-year to Oct. 31	14,487,000	1,227,000	1.60
1976-qtr. to Oct. 31	5,226,000	(156,000)	--
1975-qtr. to Oct. 31	5,808,000	514,000	.67
Tektronix			
1976-6 mo. to Nov. 13	189,550,000	17,141,000	1.95
1975-6 mo. to Nov. 15	157,068,000	11,920,000	1.36
1976-qtr. to Nov. 13	100,007,000	8,722,000	.99
1975-qtr. to Nov. 15	82,210,000	6,160,000	.70

Notes: ^aRestated. ^bFully diluted. ^cIncludes special credit.

tronics Div. from promotional services mgr. to mktg. communications mgr. . . **Keith Perkins**, ITT deputy corp. relations & ad dir., named vp. . . **Charles Barry**, ex-Philco-Ford sales order & customer service mgr., appointed Jerrold Customer Service Dept. mgr.

Henry Kloss, founder of Advent who recently resigned as technical dir., is setting up video lab to work on development of tubes, optics & electronics for improved projection TV. "I haven't yet decided to do anything commercial," he told us, but "it's increasingly clear that I will continue to be part of projection TV." He says he's exploring picture-sharpening techniques together with methods of improving efficiency and light output of projection systems. He has no plans for further work in audio.

Obituary

Edward L. Stehle, 62, who retired in 1974 as vp-gen. mgr. of GE Major Appliance Group's retail sales div., died Dec. 7 in Louisville. He joined GE in 1946, served 1968-71 as vp-gen. mgr. of appliance & TV sales. Survivors include wife, daughter & son, Edward W. Stehle, who holds mktg. post in GE TV operation at Portsmouth, Va.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

DROP-INS, PAYOLA, WGAL-TV renewal and automatic transmitters included in FCC's Christmas week. Drop-in markets are Charleston, Johnstown, Knoxville, Salt Lake City. Payola found at WOL(AM); WGAL-TV ordered into hearing. (P. 1)

FCC SUSPENDS ALL FEES, may not resume until Congress tells how. All of \$155 million collected could be returned—except for 'nominal' charges such as \$4 CB. Staff to recommend procedures by late Jan. (P. 2)

OLYMPIC TV RIGHTS CONFUSION: Satra claims rights, as networks seek Justice Dept. clearance for pool negotiations. Van Deerlin backs pool concept, attacks Russian propaganda ploys. (P. 4)

VAN DEERLIN'S PLANS: Not anxious for hearing on TV violence, but considers public broadcasting 'a must'—perhaps in first 6 weeks of session. Asserts broadcasters will get fair treatment in Communications Act rewrite. (P. 4)

OT DIR. RICHARDSON offers views on OT-OTP split, need for independent telecommunications agency, lowering barriers to telecommunications growth. (P. 6)

JERROLD RESTRUCTURING to cut costs, improve distribution, but won't quit CATV business, pledges General Instrument Chmn. Hickey. Subsidiary isn't for sale either. (P. 7)

DROP-INS, PAYOLA, WGAL-TV RENEWAL: True to his word (Vol. 16:50 p1), FCC Chmn. Wiley kept his colleagues very busy Christmas week. Among major results: (1) Rulemaking for VHF drop-ins began taking shape with staff reporting eligible markets are Charleston, W. Va. (Ch. 11), Johnstown, Pa. (12), Knoxville (8) and Salt Lake City (13).

(2) Ordered hearing on renewal of pioneer WGAL-TV Lancaster, Pa. (started March 1949) because of alleged "abuses of cross-ownership," discrimination against women and failure to provide programming responsive to community needs & interests.

(3) Re-opened 1964 payola-plugola inquiry after affidavit received in investigation of activities of disc jockeys at WOL(AM) Washington showed "the practices appear widespread, continuing and not isolated." Unlike earlier investigation, new one will be public because of "feeling today against secrecy in government."

(4) Authorized non-directional AMs and all FM's to use automated transmitters (ATS), effective Feb. 7. Commission said that action will permit nearly 80% of radio stations to use ATS and that equipment may be installed without prior approval. Similar rules for TV and directional AMs are expected to be finalized within year, agency said.

Consumer Electronics

BLEAK 1977 FORECAST from major TV manufacturers & importers who see color sales up just 5.2%, b&w in decline. Industry holds high hopes for new video devices, feels profitability and import competition will be year's big challenges. (P. 9)

YEAR-END SURGE in TV exports to U.S. shown in Japanese Finance Ministry totals for Nov., with color up 149.2%, b&w up 69.3%. (P. 10)

U.S. EXPORTS of most key consumer electronics grew in first 9 months as value of TV, radio & phono shipments rose 48.7% to \$218 million. Big-screen color tubes also hot export item. (P. 11)

STABLE CB MARKET IN 1977 predicted by top producers, who see sales at 12.2 million, average retail price of \$150. 23-channel market expected to wane in 2nd half. (P. 11)

CANADA TV MARKET rose 61.6% in first half at new-supply level, but imports took lion's share of growth. (P. 12)

FCC EASES CB shipping rules to let dealers get, but not sell, 40-channel models from Dec. 21. More illegal sale notices issued. Latest approvals. (P. 12)

AUDIO IMPORTS jumped sharply in first 9 months. Commerce reports 95.6% gain for record players, 56.6% rise for phono, 38.8% gain for radios. (P. 13)

On drop-ins, staff presented slide presentation last week, didn't name 4 cities until asked by commissioners. Four other cities which came closest to meeting strict criteria—including DAs & precise offset—were Davenport (11), Milwaukee (8), Sioux Falls (7) & Wichita (5). However, each of 4 had at least "one major flaw," according to FCC official; Milwaukee drop-in, for instance, reportedly would cause interference to 400,000.

Staff comes back with proposed rulemaking (naming cities) in late Jan., but action may await Comr. Lee's mid-Feb. return from WARC conference in Geneva. Lee—bitter opponent of any drop-ins—proposed last week that all markets with only one VHF be made all-UHF by reallocating existing Vs; it didn't get vote. Comr. White won't participate in rulemaking because her husband's law firm represents black group seeking Johnstown V.

Meanwhile, OT's Institute of Telecommunications Sciences has submitted preliminary report (based on \$32,000 grant last spring) to FCC staff concluding that Ch. 8 drop-in would be feasible in Knoxville. It would suffer more than average interference in Grade B, but Grade A interference would be very small, according to ITS. Surrounding Great Smokey Mountains would provide "substantial" protection from Ch. 8 Atlanta, very little from Ch. 8 Nashville.

WGAL-TV renewal was protested by Feminists for Media Rights (represented by Charles Firestone of Citizens Communications Center) because of its ownership by Steinman family, which also owns area's only daily newspapers (morning, evening, Sun.), 60% of cable system (21,350 subscribers according to Television Factbook No. 45). Until FCC approved sale 3 weeks ago (for \$850,000), Steinman also owned WGAL-AM-FM (see Dec. 6 AM-FM Addenda).

When FCC refused to order full-scale divestiture of newspaper-TV combines last Jan. (Vol. 15:5 p3), it said it would take look at serious monopoly situations on case-by-case basis. WGAL-TV is first hearing (Comr. Quello dissented) ordered under that policy, also first hearing ordered as result of feminists' complaints. Major issue will be Feminists' charge that WGAL-TV abused cross-ownership by offering special advertising concessions in co-owned newspapers.

Feminists charged that Steinman enjoys "media concentration" in Lancaster area of between 79-95%, receives 89% of ad revenues (figures include AM-FM). Commission said another complaint—reverse "slug headings" for Steinman stations in papers and "consistent featuring" of WGAL-TV programs in "TV Week" supplement—"appears to be abuses arising out of the cross-ownership." Agency also found that charging 4 area UHF's for TV listings "may have amounted to less than an arms-length transaction in that broadcasters competing with the Steinman stations may not have been treated equally."

Also set for hearing was renewal of WTWV Tupelo, Miss.—on complaint of local coalition—as FCC found "alleged policy of not allowing blacks & whites to appear physically together on local shows troubling." Stations renewed, over protests of local groups, include WCBD-TV Charleston, S.C., KCOP L.A., WBBM-TV-AM-FM Chicago, WKAB-TV Montgomery, Ala.

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Wiley—who is expected to lose chairmanship to interim-Chmn. Hooks late next month (Vol. 16:51 p2)—already has sent commissioners heavy schedule of Jan. meetings, although subjects aren't filled in for most special meetings. "There'll be several major items and surprises," he told us. In memo to colleagues, he said: "You will note that only the first week has been partially completed relative to special subjects [all common carrier]. If you approve of the outline for the rest of the month, I will fill in the 'blanks' over the holidays." Wiley said he planned major speech Jan. 9 at INTV convention in San Francisco that would fill in "blanks."

FEES SUSPENDED; TOTAL MAY BE REFUNDED: FCC has suspended collection of all fees indefinitely, until and unless Congress directs it precisely how to do it. Furthermore, there's strong sentiment within Commission to refund all fees collected to date—\$155,340,651. That's aftermath of last week's Appeals Court decision directing FCC to refigure fees, refund excess (Vol. 16:51 p1).

There's been no decision on refund; Exec. Dir. Richard Lichtwardt and Gen. Counsel

Werner Hartenberger have been named heads of group directed to recommend procedure by late Jan. It's understood that several commissioners, but not all, believe it impossible to come up with new fee schedule complying with court decisions. Commission noted last week, in suspending fees, that it told Congress in 1975 that U.S. Supreme Court decision in NCTA case "contains language sufficiently ambiguous to encourage renewed litigation and judicial review of any fee schedule promulgated by this agency." That opinion, FCC said last week, was strengthened by most recent court decisions which "make it extremely difficult for the Commission to adopt a fee schedule that will successfully withstand judicial scrutiny."

"It's impossible," said one commissioner last week. "We don't have the cost accounting system, money or manpower to determine the 'value to the recipient.'" However, Commission isn't likely to refund small sums such as \$4 CB fee. It notes that Supreme Court once said it could impose "nominal" fee. Furthermore, as staffer said: "It's ridiculous to spend \$15-\$20 each to process payment of \$4. It would break the Commission." Said one commissioner: "Why, we wouldn't even be able to locate many of the millions of people who paid the 4 bucks."

NATPE has record 119 exhibitors signed for Feb. 13-16 conference at Fontainebleau Hotel, Miami Beach. Among agenda highlights: "Testimony" on programming and Communications Act rewrite from ex-FCC Chmn. Dean Burch, CBS Washington Vp Bill Leonard, Warner Cable Pres. Gustave Hauser, Group W Pres. Donald McGannon, with "comments" by House Communications Subcommittee Chmn. Van Deerlin (D-Cal.); speeches by FCC Chmn. Richard Wiley & unnamed keynoter; presentation of "person of the year" award; panels on equal employment, "bridging the gap between news & programming," stripping—"trend or end," career development & syndication.

FCC's first crack at implementing "Sunshine Act" is proposed rulemaking listing kinds of meetings that may be closed, outlining voting procedures, specifying record & minute-keeping. Proposals are general; Commission still awaits staff recommendations on precisely which meetings should be opened or closed. Current proposal says FCC may close meetings if they deal with national security, internal personnel matters, trade secrets, accusation of crime, invasion of privacy, law enforcement, premature disclosure which would frustrate FCC action, subpoenas, formal adjudication, etc. Comments are due Jan. 27, replies "not requested."

Developing nations may spend up to \$5.2 billion on communications satellite equipment 1976-1990, according to Frost & Sullivan. Other projections in 434-page study: Market for 8-15-meter dishes peaking about 1985 but continuing into 1990's; introduction in 1980 of "community receivers"—2-4 meters; introduction of mobile terminals in 1977, selling beyond 1990; 30-meter market declining after 1980.

CBS will drop suit charging Vanderbilt U. with copyright infringement. University has been taping network newscasts for its TV News Archive since 1968. CBS said passage of Copyright Revision Law meant that suit's continuation "would serve no useful purpose." Law exempts non-profit archive from copyright infringement for copying and lending audiovisual news programs.

Logging requirements for noncommercial stations have been eased by FCC, with programming categories simplified & broadened.

NCTA board meeting Feb. 14-15 includes election of officers, with Daniel Aaron, Comcast, now vice chmn., still unopposed for chmn. Sole declared candidate for other offices so far is Edward Allen, Western, for secy. No candidates have appeared yet for vice chmn. or treas. Among major subjects for meeting: Communications Act rewrite, pay-cable leased-channel "demand" of Optical Systems; pornography; copyright (including candidates for tribunal); definition of system—with particular emphasis on single-headend questions of carriage. Site: Sand Piper Bay, Port St. Lucie, Fla., near Ft. Pierce.

Announcing small-earth-station decision (Vol. 16:51 p3), FCC stated: "Receive-only antennas as small as 4.5 meters would be acceptable for use of cable TV systems if sound engineering judgment was used to assess the tradeoffs between antenna size, receiver noise temperature, FM threshold, desired performance and cost of facilities." In separate statement, Comr. Washburn said: "I have been assured categorically by the staff that the supplemental information required... will not constitute a burden on individual [cable] applicants."

Networks' decisions not to expand evening news programs to 60 min. doesn't mean FCC inquiry on TV network practices isn't needed, Group W told FCC in reply comments filed last week. "While the immediacy of the [networks'] threat to affiliated stations has been alleviated, the basic issue as to the appropriate balance of network and local programming under our system remains unaffected." Consequently, Group W said, it's withdrawing request for immediate relief, but remains convinced inquiry is needed.

Two-day seminar on legal problems outside FCC jurisdiction is planned by FCBA for Jan. 27-28, Mayflower Hotel, Washington. It will cover agencies such as FTC, IRS, Copyright Office, FEA, Census, FAA, EPA, OSHA. Chairmen are NAB Gen. Counsel Erwin Krasnow and Scott Robb, Robb & Reukauf, N.Y. Fee: \$100 for FCBA members, \$150 for others.

Highlights of INTV 4th convention, Jan. 9-11, Fairmont Hotel, San Francisco: House Communications Subcommittee Chmn. Van Deerlin (D-Cal.), FCC Chmn. Wiley, panels on satellites, CATV, 4th network, research, advertising.

OLYMPIC TV RIGHTS CONFUSION: As convoluted as Tolstoi's "War and Peace"—and likely to run just as long—story of negotiations for 1980 Olympics developed additional sub-plots last week.

No sooner than delegations of 3 networks returned empty-handed from Moscow, asking Justice Dept. for antitrust exemption so they can bargain collectively (Vol. 16:51 p6), along comes obscure Satra (Soviet-American Trade) with announcement it has "signed a protocol calling for long-term cooperation with the USSR Olympic Organizing Committee." Networks were seeking collective action in face of confusing and exorbitant (\$150 million) demands by Russians.

At week's end, network officials were questioning whether Satra really had Olympic rights and whether Satra was trying to make profit as middleman; wondering how Satra might cover U.S. without network deal, etc.

Rep. Van Deerlin (D-Cal.) jumped in to lend a hand, urging Justice Dept. to allow "limited pooling operations." In addition, he said: "Equitable access by all interested organizations to any such pool coverage could be among the conditions the Dept. might apply in granting any such approval." Van Deerlin also said he's "concerned about reported insistence that the games coverage be laced with favorable depictions of Soviet life." He may conduct hearings on issue.

Satra is outfit which has handled most of U.S.-Russian trade for many years, is headed by Ara Oztemel, Armenian from Turkey. Its negotiator was John Kapstein, cousin of Jerry Kapstein, contract negotiator for many sports figures.

Rumors had it that Satra was talking to MGM, Viacom, Paramount, Hughes Network (acquired last week by Paramount, see p. 7), et al.—but nothing definite has emerged. There was even speculation that Russians were using Satra as device for backing off from untenable position.

"Reprographic reproduction of copyrighted works" is subject of Jan. 13-14 meeting of National Commission on New Technological Uses of Copyrighted Works. Meeting is open to public, at Crystal Mall Bldg., Arlington, Va. Speakers include Edward McIrvine, Xerox; Ben Weil, Exxon; William Knox, NTIS; Charles Lieb, Assn. of American Publishers; Paul Zurkowski, Information Industry Assn.; Irwin Karp, Authors League of America. Other meetings are scheduled Feb. 24-25 and March 31-April 1, subjects not announced.

Sale of WMAL-AM-FM Washington to ABC for \$16 million has been approved by FCC Bcst. Bureau. Divestiture of stations, plus WMAL-TV, was required when Joe Allbritton acquired parent Washington Evening Star (Vol. 15:51 p5). Andrew Ockershausen, head of Star Communications, will remain with radio stations under ABC.

ABC Leisure Magazines has purchased W. Schwann Inc., publishers of music & tape catalogs, for undisclosed sum. William Schwann remains pres.

VAN DEERLIN'S PLANS: Week before beginning of new congressional session, House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) offered following comments:

(1) On possibility of hearing on TV violence in wake of L.A. court decision upsetting family viewing policy: "I don't want to preclude it, but there are more important fish to fry. I want to think you're going to accomplish something when you hold a legislative hearing, but I don't see the possibility of any legislation in this area... I don't know that we could accomplish anything more." It's understood Reps. Wirth (D-Colo.) and Waxman (D-Cal.) favor hearing, but Van Deerlin said neither had contacted him about it.

(2) While many broadcasters are grumbling to him that they're being slighted in House Communications Subcommittee's planned rewrite of Communications Act, their charges aren't true: "They may not like everything we do, but when we've completed this, they can be sure they will have had their innings."

(3) Though most recent CPB-PBS squabble (Vol. 16:49 p5) has quieted down in anticipation of 2nd meeting of partnership review committee (set for Jan. 13 in Washington), Van Deerlin is convinced that hearing will be needed to sort out problems. "I would certainly hope that CPB and PBS would themselves be able to bring about a situation where their functions wouldn't overlap, but we must have a hearing early this session—perhaps within the first 6 weeks—to find out what's behind the charges that are being thrown around." Van Deerlin also confirmed that Subcommittee will review Public Bcstg. Act as part of Communications Act review. Staff was briefed by CPB last week, hears from PBS first week in Jan.

CPB will spend \$35,000 on study by Yankelovich, Skelly & White to "help CPB determine the most effective methods of involving the public and organizations representing the public in furthering the goals of the Public Broadcasting Act." Yankelovich will conduct "in-depth interviews" with CPB staff, officers & dirs., national organizations, public broadcasting professionals, and "public participation specialists." CPB also plans to evaluate current efforts to involve public: Open board meetings, CPB advisory council, audience research, etc. Study is expected to be completed by late spring.

FCC's fraudulent billing rule would be violated by station offering to air "package" of ads over certain period of time if all-expenses-paid vacation is offered as bonus and invoices submitted to advertisers don't mention it, according to Commission announcement. If bonus isn't on invoice, billing is fraudulent because it falsely states amount of money actually charged by station, Commission stated.

"I find the ruling unacceptable & odorous," Southern Baptist TV-Radio Commission Pres. Paul Stevens said of L.A. court decision that family viewing violated First Amendment (Vol. 16:45 p3). "The family viewing concept was an admirable example of self-discipline by an industry that does more internal policing than most any other in the U.S."

GAO FINDS FCC LAXITY: FCC administration of its conflict-of-interest regulations has been faulted by General Accounting Office (GAO) after investigation requested by Rep. Moss (D-Cal.). Congressional investigating office found that not all Commission decision makers were required to file financial disclosure forms; that forms weren't properly examined; that employees with financial holdings constituting conflict often were allowed to keep them or simply transfer them to spouse or minor child.

FCC is one of few agencies with conflict-of-interest provisions contained in statute. Sec. 4(b) of Communications Act forbids all FCC employees from having any interest in any company in any way regulated by Commission. FCC interprets statute to mean that interest by agency officials in any of over 100 companies on list maintained by Gen. Counsel's Office constitutes conflict. To be on list, company must be "significantly regulated" by FCC. "The GAO report understands that the statute is absolutely too restrictive to be strictly enforceable," Assoc. Gen. Counsel Clay Smith commented.

GAO examination of 333 disclosure forms turned up 34 employees whose spouses or minor children had interest in firm on prohibited list. GAO stated these would be "a clear violation" of law if employees' names, asked Congress to make law apply to such interests. "Our position is that constructive financial interests present as great a potential conflict of interest or the appearance of conflict of interest as do the interests directly held by the employee," GAO concluded. Smith commented that FCC considers such holdings a conflict only when they're "substantial."

Study is 14th requested by Moss, and each found agency violations of conflict standards, according to Moss spokesman who said: "The FCC is one of the worst." Moss also has requested additional study of whether agency commissioners & administrators satisfy conflict provisions—expected in about a month.

"Current developments in CATV & pay TV" is seminar scheduled by Practising Law Institute for Jan. 19-21, Waldorf-Astoria Hotel, N.Y. Participants include NCTA's Stuart Feldstein, FCC's James Hobson, Register of Copyrights Barbara Ringer, industry representatives. Chmn. is Gary Christensen, Hogan & Hartson, Washington law firm. For information: Nancy Hinman, Practising Law Institute, 810 7th Ave., N.Y. 10019, 212-765-5700.

Pacific Cablevision reports it will become Optical Systems affiliate for pay cable in Escondido, Cal., starting when earth station in El Cajon is turned on in Feb. Pacific (Floyd Gleason, pres.) plans to use channel on Times-Mirror system. T-M had refused to lease channel, but FCC ordered it to show cause for failure to do so (Vol. 16:44 p3).

UA-Columbia Cablevision has negotiated \$9 million loan from group of 6 banks (led by Chase Manhattan and Pittsburgh National) to replace existing \$6.5 million credit. Loan will help finance expansion, consists of 3-year revolving credit followed by 4-year term loan at interest ranging from prime rate to 0.5% above prime.

Fate of Senate committee reform proposals by Sen. Stevenson's (D-Ill.) Committee on Committees remains uncertain, though Senate organization is only week away. Reform package would cut number of committees from 31 to 15, limit each senator to membership on only 2 standing committees. It would cut Commerce Committee from 20 to 17 members, greatly expanding its jurisdiction in science & technology, cutting it back in energy. In face of request by several senators that proposals' consideration be delayed, Rules Committee Chmn. Cannon (D-Nev.) and Sens. Byrd (D-W.Va.), Stevenson & Griffin (R-Mich.) agreed that reform package would be introduced Jan. 3, subsequently referred to Rules for full hearing, and reported back to floor by Jan. 19 for immediate consideration. Senators agreed there would be no Committee assignments or changes until reforms had been dealt with. Agreement has effect of delaying much—if not all—Committee business. Meanwhile, Commerce Surface Transportation Subcommittee chairmanship—vacated by defeated Sen. Hartke (D-Ind.) and desired by Stevenson—is being eyed by higher-ranking Sen. Long (D-La.). Move is likely to leave Stevenson head of Commerce Consumer Subcommittee formerly chaired by defeated Sen. Moss (D-Utah).

Full-scale experiment in broadcasting of Senate proceedings is one recommendation of "Toward a Modern Senate," final report of Commission on the Operation of the Senate. "It is the Commission's judgment that the advantages of broadcasting floor proceedings would outweigh the disadvantages, and it believes the questions about TV's impact on Senate proceedings can only be resolved by conducting an actual test." Commission was created by Senate in July 1975. Broadcasting of House proceedings was supported by 274 of 322 congressmen responding to Common Cause survey. Sunset law—requiring periodic re-examination of regulatory agencies with aim of eventually phasing them out—was supported by 328 of 332 congressmen surveyed, while restrictions on employment of Administration officials after they leave govt. were favored by 285 of 318. Meanwhile, American U. School of Communications survey of House members found that, of 166 responding, 92% believe national coverage of Congress is superficial, 73% think coverage is "seriously inadequate," 79% say national media ignore House in favor of Senate and President, and 81% think reporters "tend to form in packs."

ATC microwave rate increase proposed for 12 Minn. cable systems has been suspended by FCC, ordered to hearing. Commission questioned ATC policy of charging higher rates for larger cities. Increase would run 11.5%—to \$211,116 a year.

Gridley, Kan. CATV system has gone to D.C. Appeals Court to challenge FCC decision ordering it to stop operating. System deliberately refused to apply for certificate of compliance, with goal of testing Commission's authority.

NBC-affiliated WDTB Panama City, Fla. has been purchased for \$2.1 million by Anthony Kupris (no broadcast interests) of Atlanta. Brokers: H.R. Gardner & Milton Q. Ford.

RICHARDSON ON OT-OTP RELATIONSHIP: John Richardson, dir. of Commerce Dept. Office of Telecommunications (OT), thinks present split OT-OTP arrangement "has caused inefficiencies," believes telecommunications would be better served by independent agency combining both offices. Richardson, who helped establish OT in 1969-70, was appointed its first deputy dir. in 1970, acting dir. in 1973, dir. in 1976.

As for separate Cabinet-level department, "the time isn't right in this country," he said. "Compared to other departments, there aren't sufficient operating functions to merit a separate department." Most telecommunications functions are taken care of by the private sector, he said, leaving only policy-making to govt. OTP is hurt by being in Exec. Office of the President, he said, because "anything in the Exec. Office has to be lean and mobile." Independent structure wouldn't detract from FCC, he said, because it's "a regulatory agency principally responsible to the Congress. Formation of policy is an executive function and clearly belongs in the Exec. Branch. It is not an exclusive function of the FCC."

Richardson said he expects 1978 budget recommendations—from either Ford Administration or new Carter appointees—to contain "some adjustments within the existing structure which are advantageous to all concerned." He noted that major administrative changes such as those carried out by then-Pres. Nixon in 1970 couldn't now be made because Congress must first give Carter new reorganization authority—"which may take time." Among changes that would benefit both OT & OTP, he said, would be to delegate all but final decision-making authority in spectrum management to OT, with OTP paying more attention to policy planning. Current OT functions—which OTP approves of, Richardson said—include spectrum management assistance, formulating scientific and engineering advice for other agencies, and analysis of policy planning issues (but stopping short of actual policy formulation, which—along with frequency assignment—is assigned by law to OTP dir.).

Following OTP recognition of these 3 functions, "much of the uproar surrounding OT and OTP has calmed down," Richardson said. Other factors in current OT-OTP peace: Appointment of OTP Chief Scientist William Thaler, "the removal of uncertain-

ty about OT's future," and departure of ex-OTP Dir. Thomas Whitehead. Richardson said Whitehead interfered in OT's internal affairs and "clipped OT's voice... I think it's far better now because one of the things this country is founded on is the free expression of views. I have found myself freer since Whitehead left."

Richardson said OT has steered clear of broadcasting lately, mainly because OTP hasn't recently "invited it" to investigate broadcasting issues, but also because "you don't go into these areas—with their First Amendment implications—lightly." He added: "Feelings run high in the telecommunications industries, and these high tensions seem to carry over to the agencies themselves. In the past, if I made a policy or administrative suggestion, I ran the risk of being accused of opportunism by another agency." He theorized that "high tensions" had to do with enormous sums of money involved in telecommunications.

Govt. task force on lowering barriers to telecommunications growth—coordinated by OT—will complete its report around Jan. 1, Richardson said. It will propose formulation of national telecommunications agenda, to deal with industry, govt. and user problems & goals. Most important agenda items, he said, would be Bell bill (Vol. 16:36 p4), Communications Act rewrite, future of satellites, non-entertainment services on cable TV, land-mobile frequency management, optical fibers, "marriage" of communications & computers.

In land-mobile frequencies, he said, OT has found that inadequate measure of channel capacity and equipment performance have added up to "inefficient" spectrum management. Optical fibers will first benefit phone companies in urban areas, then institutional and home users in urban areas, and finally cable and rural areas, he predicted, because of need for high population density and great broadband demand before glass fibers become more economical than conventional cable. "This is at an early stage of development and should be left to the private sector for now," he said.

Richardson said he has no plans beyond Jan. 20, wants to stay, feels that as technician rather than politician he would be acceptable to Carter Administration.

Public's personal radio needs—including CB and other services—will be studied, under FCC contract, by Advanced Research Resources Organization, Silver Spring, Md. Study will cover "desired usage, expected range, cost of equipment, privacy," etc. FCC also has granted experimental CP on 1610 kHz to Colo. Dept. of Highways to transmit travel information on Interstate 70. NAB has opposed such uses.

UHF's should be permitted to go on VHF towers when new VHF is built or existing VHF builds new tower or modifies its present structure, according to WRDU-TV Durham. In rulemaking petition to FCC, station said UHF should pay extra costs involved, substantially cheaper than building own tower, at same time achieving greater parity with VHF.

Rebroadcast of CB and amateur radio service transmissions is sought by NAB in petition to FCC. Commission rules currently forbid such rebroadcasting by broadcasters, and NAB states that relaxation would enhance stations' ability to serve public by providing listeners with emergency traffic, road and weather information.

First 2 Microcams, production model, of Thomson-CSF were delivered to CBS-TV Dec. 23; company reports backlog of 200, expects to produce 20-25 monthly. Selling for about \$30,000, unit weighs 8 lb., including lens & viewfinder; hip pack runs 2-1/2 lb.

Cox Bcstg. has agreed to buy WLIF(FM) Baltimore from Sudbrink Bcstg. of Md. for \$3.9 million cash.

JERROLD'S CATV PLANS: Jerrold is moving to cut overhead and boost efficiency, has no intention of quitting CATV equipment business, Frank Hickey, chmn. of parent General Instrument said last week. Addressing group of press, cable operators & GI executives, Hickey said: "If we were going to get out we would have gotten out 2 years ago, we wouldn't do it now." He said there's been major change in industry economics since "wild & woolly days of 1971-72," and with Jerrold's customers now more profitable & liquid and pay TV a reality, "we'd be damn fools" to quit business now.

Hickey confirmed reports Jerrold is negotiating with national distributor, but stressed that goal is to lower costs of serving smaller customers, said company would retain field sales force and would establish technical liaison group to improve communications with customers. He said personnel cutbacks were in progress; 80-90 of 1,300 force, mainly in non-engineering service posts, have been let go, with more to leave when administrative functions are moved to Chicopee, Mass. Engineering & sales operations will remain at Horsham, Pa. No R&D or customer service activities will be reduced by cost cutting program, he emphasized.

Jerrold isn't up for sale either, Hickey said. GI has been approached by one European & one N. American firm but there've been no serious negotiations. "Nobody would pay the price we'd want," and "we've taken no initiative" in any acquisition talks, he stated.

To spotlight continuing commitment to CATV, Jerrold demonstrated prototype of microprocessor-equipped ultrasonic remote-control converter company will display at Chicago NCTA convention in April. Unit will cost \$80-\$85, has LED channel display, comes with hand-held calculator-like remote, provides random access to up to 100 channels. Unit was joint development effort by GI divisions, including Microelectronics, F.W. Sickles (TV tuners) & Jerrold. Hickey admitted to us that putting microprocessor in converter was something of technological overkill, but said converter was just first step. Same unit, he told us, can be made to accept input-output controls as well as outside (computer type) programming. He indicated future converters will be more than just channel selectors, said they also could become TV game & training devices or even double as in-home computers.

Uncle Ben's Rice and ad agency Rosenfeld, Sirowitz & Lawson, N.Y., have signed consent agreement with FTC promising that future TV ads won't depict children coming too close to cooking foods, attempting to cook foods themselves, or engaging in other behavior "which creates an unreasonable risk of harm to themselves or to others." Ad shows 4-year-old helping mother cook rice, saying: "I cooked it all myself." In related matter, NARB judged Alpo beef chunks dinner ads misleading because they claimed Alpo is all-meat and that all-meat dog foods are nutritionally superior to other dog foods. Alpo disagreed, but promised to modify ads in future.

House Select Committee on Professional Sports has recommended: (1) Quick passage in 95th Congress of sports anti-blackout bill; measure died last session because of objections by Senate conferees. (2) House Communications Subcommittee should consider whether sports fans would be served by addition in anti-blackout bill of provision disqualifying blacked-out games from being considered to satisfy FCC anti-siphoning rules. (3) Baseball's special exemption from antitrust laws should be ended, while all other professional sports' antitrust treatment should be studied more.

Home Box Office summarizes activities as of year end: 600,000 pay-cable subscribers served in 275 systems vs. 287,199 & 102 year ago; 78 earth stations feed 136 CATVs & MDS stations, microwave serves 139 systems. Figures exclude Telema-tion, recently acquired.

FCC again has postponed (until Jan.) consideration of cable definition (Vol. 16:47 p3). A major issue still is whether to include MATVs as CATV systems as proposed by staff; Comr. Quello will seek to exclude all MATVs which carry only off-air signals, include those which use microwave.

Two 4.5-meter earth stations are being offered by Hughes Aircraft, starting at \$28,000: First covers 3 channels, uses synchronous degenerate parametric amplifier; 2nd has 24-channel synchronous phase lock receiver. Hughes notes that dish may be roof-mounted in some cases—rare with 10-meter.

Advertisers spent \$327.9 million on network TV in Oct., up 24.9% over \$262.5 million in 1975, according to TvB-BAR. For Jan.-Oct., network billings were \$2.4 billion (up 22.3%), compared with \$1.9 billion last year. Of 10-month total, \$820.8 million went to CBS, \$785.6 to NBC, \$761.3 to ABC.

New cable group sponsored by NCTA, is American Assn. of Minority Cable TV Operators. Spokesman Clayton Sinclair, Inner City Communications, Atlanta, said purpose is to promote CATV ownership by minorities, assisting in financial planning, management, etc.

Arbitron & WEEP-AM-FM Pittsburgh have resolved litigation, stations agreeing not to use Arbitron data without permission. Earlier, Federal Dist. Court in Pittsburgh held that stations' use of data was copyright infringement, unfair competition, violation of proprietary rights.

Paramount TV has acquired Hughes TV Network—which has contract with RCA Americom for 1,800 hours of satellite time per year—reportedly as forerunner of becoming direct pay-cable program supplier. Hughes Pres. Arthur Mortenson will remain.

CPB signed \$25.3 million contract with Collins for groundwork for construction of approximately 150 earth stations. It contains escape clause in case FCC rejects CPB applications, but approval is expected in Jan.

Personals

William Flynn, vp-gen. mgr. of WSBK-TV Boston, named vp-gen. mgr., WJW-TV Cleveland, succeeding **Charles Bergeson**, who resigns for personal reasons; **Joseph Dimino** promoted to WSBK-TV gen. mgr., succeeding Flynn.

Named Cox Bcstg. vps: **Robert Wehrman**, engineering, succeeding **Ernest Adams**, retired; **Jack McCarthy**, WHIO-TV Dayton gen. mgr.; **Ronald Kempff**, WHIO-AM-FM gen. mgr.

William Fouch, KCST-TV San Diego program dir., promoted to operations mgr.—responsible for programming production, promotion & engineering, ascertainment; **William Yordy**, ex-KTVV Austin, Tex., appointed KCST-TV chief engineer.

Maury Long, business vp, Broadcasting magazine, retires, establishes consultancy, 5100 Dorset Ave., Chevy Chase, Md. 20015, 301-652-6999... Ex-news caster **Ian Trethowan**, now head of BBC TV Services, will succeed Sir **Charles Curran** as dir. gen. of BBC when latter retires next Oct.

Ted Van Weeren promoted to business administration dir., ABC west coast broadcast operations & engineering; **Sue Jones** appointed administrative services mgr... **Clarence Hopper**, CBS vp-facilities, retires... **George Torge** retires as vp and TV mgr., of WBEN-TV-AM-FM Buffalo remains a dir.

Cheryl Avila advanced to personnel mgr., KWGN-TV Denver... **Ray Freneau** promoted to sales development dir., WAVY-TV Portsmouth, Va... **Donald Baxter** promoted to asst. gen. sales mgr., WBTV Charlotte.

FCC Chmn. **Richard Wiley** addresses Ark. Bcstrs. Assn. convention Feb. 11, Little Rock... **Mary Boyd**, ex-U.S. Civil Service Commission, joins FCC Exec. Dir. Office as editor of "FCC Communicator," internal newsletter... **Michael Fitch** promoted to asst. chief, FCC Legal, Advisory & Enforcement Div., Safety & Special Bureau.

E. Stratford Smith retires as partner in Smith & Pepper, Washington law firm; he has bought WKWF(AM) Key West, is building FM, moves there to run station; he'll be of counsel to firm which keeps same name.

R. Bruce Ellis, ex-Cablecom-Gen. midwest mgr., appointed vp-gen. mgr., Mission Cable, San Diego... **Hank Feinstein** & **Ed Michalove** promoted to Telemation vps for East & West Coasts, respectively.

Albert Farone, Oneonta, N. Y., appointed to N. Y. Commission on Cable TV, succeeding **Eli Wager**, term expired.

H. William Wood elected Intelsat Management Div. vp, succeeding **Martin Votaw**, named vp-technical operations for Satellite Business Systems, satellite-computer partnership formed by Aetna Life, Comsat General & IBM; **Richard Colino** elected U.S. Intelsat Div. vp, succeeding Wood.

Toby Karpinos promoted to Viacom Enterprises merchandising & licensing sales exec... **M. E. Chester**

advanced to data products mktg. mgr., Conrac; **Robert Newhouse** succeeds **Chester** as data products engineering mgr... **Randy Midkiff** appointed chief technician, Continental Cablevision of Miami Valley, O. southern systems; **James Novak** appointed northern systems chief technician.

CBS has streamlined corporate staff, reducing number of officers reporting to Pres. John Backe to 10—the 4 operating group presidents and 6 staff divs. Group presidents: John Schneider, Bcst.; Walter Yetnikoff, Records; John Phillips, Columbia; there's vacancy in Publishing (formerly headed by Backe). Divs.: John Manion Jr., Development; James Geer, Finance; Kidder Meade Jr., Corp. Affairs; James Hill, Law & Govt. Affairs; James Sirmons, Industrial Relations; Gene Jankowski, Administration. Jankowski previously was vp-controller; he'll also oversee new CBS School of Management. Among operations previously reporting directly to pres. are Economics & Research, Technology & Facilities; they're now under Manion. Earlier in year, Washington Office & Law were placed under Hill; they had reported to pres.

Grover Cobb, senior exec. vp of NAB at time of his death March 7, 1975, will be named recipient of first "Vincent T. Wasilewski Award" from Southern Baptist Radio-TV Commission. Award won't be presented annually, will be made "when a person distinguishes himself in raising the image of broadcasting in the eyes of the public." Commission also will present "Distinguished Communications Medals" to Mrs. Lyndon Johnson & Bill Moyer, CBS correspondent and press secy. to President Johnson, at Feb. 17 Abe Lincoln Awards dinner in Ft. Worth.

Manner of choosing & confirming FCC commissioners was criticized by House Communications Subcommittee Chief Counsel Harry Shooshan. "It's been atrocious in the past," Shooshan told Time-Life Bcstg. luncheon last week. "The FCC has been a dumping ground for political favors." He said he hopes new Administration will make decisions signaling new interest in communications matters: "Communications policy is very far down on the Carter list. We have to do a job to build a constituency."

NCTA Communications Act Rewrite Committee has been formed: Ralph Baruch, Viacom, chmn.; William Bresnan, Teleprompter; Gustave Hauser, Warner; Frank Drendel, Comm/Scope; Robert Weary, Communications Services; Bill Daniels, Daniels & Assoc.; Ben Conroy, CPI; Richard Forsling, Cablecom; Donald Tykeson, Liberty; Eugene Iacopi, Multi-Vue.

Obituary

Delmer C. Ports, 62, NCTA engineering vp, died of heart attack in Arlington, Va. Dec. 18. Native of Barboursville, Ky., he held degrees from George Washington U. & Ohio State, began career with Jansky & Bailey consulting firm. When firm became part of Atlantic Research, he served as dir., Electronics & Communications Development Dept., joined NCTA in 1971. A fellow of IEEE, he served on its board 1969-70. 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 Dec. 10 (49th week of 1976):

	Dec. 4-10	1975 week	% change	Nov. 27- Dec. 3	1976 to date	1975 to date	% change
Total TV.	344,005	274,425	+25.4	277,990	12,025,421	10,775,002	+11.6
color	197,023	161,958	+21.7	164,114	7,152,273	6,089,297	+17.5
monochrome	146,982	112,467	+30.7	113,876	4,873,148	4,685,705	+4.0
Total radio	714,866	819,580	-12.8	554,698	38,966,587	32,547,886	+19.7
home, portable . .	484,634	586,086	-17.3	358,114	27,167,256	23,807,047	+14.1
AM-only	259,227	144,667	+79.2	205,395	8,688,456	6,523,660	+33.2
FM & FM-AM . .	225,407	441,419	-48.9	152,719	18,478,800	17,283,387	+6.9
auto	230,232	233,494	-1.4	196,584	11,799,331	8,740,839	+35.0
Port.-comp. phono.	84,672	86,982	-2.7	77,086	2,961,109	3,241,668	-8.7

Color TV 5-week moving average: 1976-199,179; 1975-153,835 (up 29.5%).

TV MAKERS SEE BLEAK 1977 OUTLOOK: Early optimism for continued recovery of TV industry has faded, and our annual survey of manufacturers—both domestic and foreign—sees rough year ahead, with only slight increase in color sales, marginal rise in prices & industry dollar volume, with virtually same squeeze on profits as in 1976.

Consensus of 12 manufacturers answering our annual year-end questionnaire indicated only 5.2% increase in U.S. color TV sales to dealers in 1977 and decline of nearly 4% in monochrome sales—total TV sales up only 1.6%. Here's median of manufacturers' forecasts for 1977, as compared with estimated 1976 figures and actual 1975 results:

	1977 (forecast)	1976 (est.)	1977 vs. 1976	1975	1976 vs. 1975
Total TV	13,050,000	12,850,000	+ 1.6%	11,452,900	+12.2%
color	8,050,000	7,650,000	+ 5.2%	6,485,297	+18.0%
monochrome	5,000,000	5,200,000	- 3.8%	4,967,603	+ 4.7%

All respondents did agree that 1977 would see more color sales than 1976, but more than half of them put figure at 8.1 million or less, and only one went as high as 8.5 million. In monochrome, 5 million was very solid consensus, picked by half of those responding, with replies ranging 4.6-5.3 million.

Neither was there any substantial feeling that imports would decline, although response indicates that they'll level off in 1977 at around 1976 figures. Only 3 of 12 respondents forecast decline in color imports, 2 seeing drop in monochrome imports. Here are median forecasts of imports for 1977, with 1976 & 1975 comparisons:

	1977 (forecast)	1976 (est.)	1977 vs. 1976	1975	1976 vs. 1975
Total TV	6,800,000	6,800,000	—	4,190,000	+57.5%
color	2,600,000	2,600,000	—	1,215,000	+97.5%
monochrome	4,200,000	4,200,000	—	2,975,000	+41.2%

Suppose import quotas were established on TV sets. Would this help domestic manufacturers? In color, strong consensus was that it would be "moderately beneficial," while quotas on b&w sets would have unfavorable-to-insignificant effect on U.S. industry—"unfavorable" chosen by slight plurality, presumably because almost all U.S. set makers depend on own or others' plants abroad for their monochrome sets.

Color TV prices will rise about 3%, discounting changes in mix, survey found—no respondents seeing decline. Manufacturers think mix will remain about same as 1976, with consoles representing about 30% of total. Some 40% of sales will be replacements for existing color sets, 25% representing additional color sets in already color-equipped homes.

No major change in screen-size mix is forecast, medians for 1977 coming out almost exactly same as first 9 months of 1976: 23-25", 30%; 20-21", 2%; 18-19", 43%; 16-17", 6%; 13-15", 11%; below 13", 8%.

Set makers were surprisingly high on video devices—projection TV, games, videoplayers. Eight of the 12 foresaw projection as viable consumer product—4 of them in its present formats, 4 in new format in near future. Remaining 4 recognized no potential in projection—there were no "no answers."

You can look for more TV manufacturers to enter video game market, on basis of our survey. Ten of the 12 thought video games promised viable field for TV manufacturers—although 2 of these replies were "maybes." Three of these envisioned both built-in & add-on games as fields for TV makers, and, including this overlap, built-in games received 5 votes, add-ons 8.

All respondents except one visualized mass home market of million or more units per year for videocassette recorders and/or videodisc players within next 10 years. Eight of the 12 saw mass market for both. Including those seeing both types of videoplayer gaining mass-market status, 4 saw videodisc player and 5 saw videocassette reaching that point within 5 years, while 5 thought it would take 5-10 years for disc, 4 saw that time required for tape. All in all, results indicate feeling that videocassette recorder will hit bigtime before disc player.

As to home videocassette recorder, ignoring 4 "no answers," consensus was that U.S. sales would total 100,000 in 1977, doubling in 1978—but there was no unanimity; 1977 guesses ranged 50,000-300,000; 1978, 75,000-500,000.

In videodisc preference, there's been slight swing back to optical system. Of 8 stating opinion, 5 favored optical (Philips/MCA), 3 capacitance (RCA). In our survey at end of 1975, vote was 4-2 for capacitance system; 1974 poll results came out 6-1 optical. We'll let you figure out what that means.

Despite such new businesses and slight increase in color TV sales, respondents didn't see any big jump in consumer electronics industry volume. Ten forecast increase (median 8-10%), one decrease, one no change. Profits remain major area of concern, and picture here certainly isn't encouraging. Consensus is that industry profits in 1977 will be same as 1976—one respondent seeing slight decrease, 5 predicting no change, 5 increase. Highest increase forecast was 10%. Participating in this year's survey were Admiral, Advent, GE, Magnavox, Curtis Mathes, Quasar, RCA, Sharp, Sony, Sylvania, Toshiba, Zenith.

Biggest challenge to consumer electronics industry in 1977? Imports, by wide margin—cited by 6 respondents. Other challenges, in descending order of votes: Profitability; price & product competition; cost reduction, increased operating efficiency, inventory control; consumer confidence; govt. legislation; technological—particularly electronic tuning & cheaper remote control.

JAPAN EXPORTS IN YEAR-END SURGE: Japanese exporters made sure U.S. retailers wouldn't run short of TV or CB this Christmas. Finance Ministry reports color TV & CB shipments to U.S. in Nov. set new records for month while b&w had best Nov. since 1971.

Total Nov. TV exports from Japan to U.S. climbed 116.9% to 413,800, as color leaped 149.2% to 282,900, b&w rose 69.3% to 130,900. With only 11 months reported, 1976 is already

biggest TV export-to-U.S. year for Japan, as cumulative shipments topped 3.94 million, up 135.7% from same year-earlier period, and nearly 100,000 higher than record 3.85 million posted in calendar 1971. Total color exports this year stood at 2.66 million, up 144.7%, while b&w was up 119% to 1.28 million.

Nov. CB exports dropped below million mark for 2nd straight month, reaching 761,700, up comparatively modest 41.3% from Nov. 1975. Full-period exports of just under 12.3 million were almost exactly 4 times those of same year-earlier month.

INDUSTRY 9-MONTH EXPORTS UP: Industry exports of consumer electronics in complete & kit form, as well as color picture tubes, enjoyed generally healthy increases in terms of both units & value, Commerce Dept. figures indicate.

Total value of exports (excluding picture tubes) jumped 48.7% from \$146.6 million to \$218 million in 1975 period. But during same period, imports of comparable products leaped 76.9%—from \$615.4 million to record \$1.09 billion—thanks mainly to soaring color TV shipments. As result, nation's unfavorable consumer electronics trade balance was \$870.7 million, 85.7% increase from \$468.8 million of Jan.-Sept. 1975.

Exports of color tubes rose 41% to 835,100, with value up 64% to \$80.5 million. Accounting for all of increase was exports of larger (22"-&-over) tubes, with units up 78.8% to 628,200, value up 98% to \$68.3 million. Shipments of smaller tubes dropped 14% to 206,900, value down 17% to \$12.2 million. Leading purchasers of large-size tubes included U.K. (198,500), Germany (169,300), South Africa (80,000). Leading buyers of smaller color tubes were France (145,000) & Canada (35,000). B&w tube exports dropped 46.9% to 69,400, with value off 29.7% to \$1.38 million. Average value of large-screen color tube exports rose to \$108.71 from \$97.94, while value of smaller tubes dropped to \$59.13 from \$61.23 and average b&w tube rose to \$19.86 from \$15.02.

Average export value for most consumer electronics increased, exceptions being TV chassis & kits (\$46.14 from \$48.41) & home radios (\$13.81 from \$14.01). Averages for other products, with comparable 1975 prices in parentheses: Color TV \$384.34 (\$351.28); b&w \$123.28 (\$103.27); auto radios \$52.72 (\$51.67); radio chassis & kits \$14.84 (\$12.49); radio-phonos \$121.67 (\$109.24); phonos \$82.25 (\$67.40).

U.S. CONSUMER ELECTRONICS EXPORTS

	Units			\$ Value (add 000)		
	Jan.-Sept. 1976	Jan.-Sept. 1975	% change	Jan.-Sept. 1976	Jan.-Sept. 1975	% change
Total TV.....	218,079	161,811	+34.8	56,987	41,419	+37.6
color.....	115,306	99,625	+15.7	44,317	34,997	+26.6
monochrome.....	102,773	62,186	+65.3	12,670	6,422	+97.3
TV chassis & kits ..	2,521,348	1,506,991	+67.3	116,323	72,952	+59.4
Total radio.....	547,877	475,312	+15.3	19,487	15,192	+28.3
home.....	241,543	249,039	-3.0	3,336	3,488	-4.4
auto.....	306,334	226,273	+35.4	16,151	11,704	+38.0
Radio chassis & kits.	290,139	377,249	-23.1	4,308	4,713	-8.6
Total phono.....	223,566	145,552	+53.6	20,941	12,268	+70.7
radio-phono.....	64,713	58,746	+10.2	7,874	6,417	+22.7
phono-only.....	158,853	86,806	+83.0	13,067	5,851	+123.3

STABLE 1977 MARKET SEEN BY CB MAKERS: After 2-year period of spiraling annual increases, CB sales in 1977 will run even with—or slightly behind—1976 totals, our year-end survey of leading CB manufacturers shows. Median forecast indicates unit sales of 12.2 million in 1977, with average retail price of 23- & 40-channel units settling at \$150 level.

Unlike TV industry, comparisons with 1976 are difficult due to absence of hard statistical data on CB. Generally, however, 12.2-million forecast probably represents slight decline

from 1976, since majority of CB makers polled agreed with our estimate of 12-14 million in 1976.

During first half, 35% of total market will be represented by 23-channel units, but in 2nd half, makers see 23-channel share-of-market slipping to 10% as 40-channel units gain in popularity and excess 23-channel inventories are cleared. In 1977, average price of 40-channel CB will be \$165, with average 23 price dropping to \$77. Average price of 23 in first half 1976 was \$160, respondents estimated, slipping to \$100 in 2nd half.

Strongest category within total CB product mix during 1977 will be 40-channel mobile units, according to consensus of makers, capturing 56% of market. Of remainder, 23-channel mobiles will account for 21%, SSB (23 & 40) 7%, base (23 & 40) 11%, in-dash combinations (23 & 40) 5%. CB saturation rate will climb roughly 5% during 1977, with household CB penetration moving from estimated 15% in 1976 to 20% in 1977.

CANADA'S HALF: Canada's TV market, at new-supply level, showed strong gains in first half from same period last year, but bulk of increase was captured by imports as domestic production registered only moderate improvement, figures from Statistics Canada show.

Canada's total first-half TV market rose 61.6% to 627,500, as color climbed 47% to 421,900, b&w 103% to 205,500. Domestic TV production was up 22.2%—color 24.6%, b&w 6.9%—while total imports jumped 96.3%, with color rising 73.9%, b&w soaring 134.3%. As result, imports took 64.6% of total market, up from 53.2% in same 1975 months, including 53.6% of color (up from 45.3%) & 87.1% of b&w (up from 75.4%).

While Canadian manufacturers increased output, they suffered declining sales. Figures show factory sales of made-in-Canada sets down 10.8% to 194,500, with color volume off 5.7% to 169,000, b&w down 34.4% to 25,500. Sales of Canadian-made consoles edged up 8.2% to 79,000, while portables rose just 5.4% to 82,000, indicating bulk of 10,200-unit sales decline was absorbed by table models, presumably 19", for which 1976 totals were withheld. In first half last year, 27,600 table models were sold, along with 817 combinations. Here's picture of Canadian production vs. imports for half:

CANADIAN PRODUCTION - FIRST HALF

	1976	1975
Total TV.	222,321	181,900
color	195,713	157,016
monochrome	26,608	24,884
Radio-phono	45,086	20,408
Phono.	26,110	n.a.

CANADIAN IMPORTS

Total TV.	405,167	206,448
color	226,228	130,083
monochrome	178,939	76,365
Radio	1,014,238	637,360
Auto radio.	633,057	824,197
Radio-phono	302,347	216,898
Phono.	50,650	21,062
Tape rec. & players	531,520	444,050

Hitachi will introduce 3 b&w AC-DC portables at CES—its first 5" model at \$150, 9" at \$130 and 12" at \$140.

CB SHIPPING DATE CHANGED: FCC gave CB industry Christmas present, approving waiver permitting type-approved 40-channel CBs to be shipped to the retail level during 10-day period (Dec. 21-31). It stressed that actual retail sales of new CBs must not begin before Jan. 1. Chief Engineer Raymond Spence said no special enforcement effort would be mounted to police retail CB activity, but warned that FCC will send violation notices to any retailer selling 40-channel units before legal sales date. So far, FCC has sent violation notices to 10 distributors & retailers for allegedly selling 40-channel equipment.

Testing on all 485 CBs submitted to FCC during Sept. 10-Nov. 1 period is completed, Spence said, with final approval list to be issued this week. Latest batch of 36 issued last week brought total number of CBs approved for Jan. 1 sale to 268. Approvals: Browning (Baron), Emergency Beacon (RT-40), Fanon/Courier (Fanfare 185DF, 190DF, 350F, Night Rider 40DR), Fukuyama (FK-CB002S), GM (GM-4175), Hy-Gain (2680A), I.A. Sales (TRX-500), Penney (6218), Ray Jefferson (CB-840), Kiyo (FCB-770, RCB-470A, XCB-71), Kraco (KB-4045, KCB-4004), Mark Electronics (MR-82), Matsushita (RJ-3250, RJ-3450), Midland (77-801, 77-830, 73-854), Pathcom (145, CB143, 8015B), RCA (14T410), Robyn (007-140), Royce (1-632), Samn (200), SBE (SBE-45CB), Shinton Denki (SN-14), Surveyor (2610), Teaberry (4004), Toyota (00850-00001), Vector (10). Mars Radio CON-430 & SBE SBE-54CB should be deleted from list released last week (Vol. 16:51 p11), FCC said.

Note: MITI assured members of Japanese Export Transceiver Assn. (JET) it has no intention of using new govt.-sponsored CB council (Vol. 16:50 p11) to control CB export volume or prices. Council will concentrate on monitoring quality control of CBs shipped to U.S. & Canada.

Justice Dept. decision not to challenge Sanyo's Dec. 29 takeover of Warwick's TV business (Vol. 16:51 p7) was based on belief that deal would maintain current level of competition in private-brand console color business, it's been learned. Agency apparently felt alternatives—sale to U.S. TV producer or shut down—would be more anti-competitive than permitting Sanyo to expand into console TV through acquisition.

9-MONTH IMPORTS: Consumer electronics market recovery here had strongly favorable impact on imports across board, though sharp gains for audio products were less substantial than those logged by color TV & transceivers (Vol. 16:45 p8), Commerce Dept. totals show.

Among steepest of increases was for record players, jumping 95.6% to 1.8 million, as changers & automatic turntables rose 88% to just over 5 million. Shipments of manual turntables were better

than double those of year earlier, and Japan passed U.K. as top supplier for this fast-growing segment of hi-fi market. In phonos, total shipments (excluding those with tape players or recorders) climbed 56.6% to 460,000, with phono-only models up 83.5% to 231,000, radio-phonos up 36.4% to 229,000.

Total radio imports of 29.6 million were up 38.8%, paced by 72.2% jump for automotive units to 4.6 million, while home & portable models rose 34% to just under 25 million. Here are details:

U.S. IMPORTS

	9 months 1976		9 months 1975			9 months 1976		9 months 1975	
	Units	Value(\$)	Units	Value(\$)		Units	Value(\$)	Units	Value(\$)
Color, 19" & over. . .	1,074,370	208,091,009	319,486	64,591,048	B&w, 10" & under. . .	648,402	157,203,861	467,959	29,281,314
Japan	983,319	108,144,348	293,833	59,144,924	Japan	241,053	15,999,707	119,686	8,420,322
Taiwan	79,143	138,875,302	21,227	4,154,478	Taiwan	338,573	20,140,322	306,191	17,934,879
S. Korea	1,300	200,517	10	1,547	S. Korea	67,444	4,176,871	41,074	2,690,710
Color, 18"	3,092	643,970	27,739	5,582,801	Color, unfinished* . .	87,382	7,513,705	—	—
Japan	3,061	635,154	12,751	2,827,111	B&w, unfinished* . .	46,461	1,922,853	—	—
Taiwan	18	3,467	14,960	2,745,896	Auto radio, AM . . .	1,951,817	36,283,880	909,655	16,766,736
Color, 16-17"	59,229	9,805,807	43,327	7,166,726	Auto radio, FM . . .	2,251,062	61,559,696	1,064,352	33,711,390
Japan	38,935	6,209,519	19,315	3,815,811	Ck. radio, dig. AM . .	171,002	1,387,996	90,322	667,966
Taiwan	18,694	3,324,028	23,597	3,196,185	Ck. radio, dig. FM . .	3,642,264	44,643,161	3,222,798	46,004,135
S. Korea	1,520	328,343	375	71,143	Ck. radio, other, AM .	387,523	2,967,152	333,707	2,728,602
Color, 14-15"	170,899	32,511,569	77,957	14,907,082	Ck. radio, other, FM .	903,826	11,343,355	865,698	11,667,088
Japan	167,068	31,862,532	72,680	13,177,528	Tr. radio, AM, AC . .	680,313	2,449,170	317,914	1,494,619
Taiwan	3,722	622,000	5,027	870,963	Tr. radio, FM stereo, AC, w/o spkrs.*	1,060,140	102,725,671	—	—
S. Korea	50	7,411	220	40,983	Tr. radio, AC, w/o spkrs., other . .	197,736	4,561,464	790,465	53,649,515
Color, 13"	303,852	47,973,802	128,395	20,726,116	Tr. radio, FM stereo, AC	137,377	7,689,321	984,618	30,053,474
Japan	257,726	40,792,267	86,089	13,986,528	Tr. radio, AC, other* .	642,196	9,713,263	—	—
Taiwan	43,456	1,187,240	31,060	4,660,655	Tr. radio, AM, batt. .	6,947,728	19,585,261	5,220,207	14,980,080
S. Korea	2,640	391,301	11,023	2,044,711	Tr. radio, FM, batt. .	5,998,509	77,699,515	4,802,141	65,371,295
Color, 11-12"	240,325	40,748,797	121,666	20,042,945	Tr. radio, multiband .	4,136,104	59,734,728	2,426,297	33,062,185
Japan	218,708	23,118,849	109,912	19,213,144	Trcvrs., auto, CB . .	8,678,317	441,967,543	1,253,195	66,502,623
Taiwan	507	83,668	11,646	814,068	Trcvrs., auto, other .	1,266,223	62,015,813	336,519	17,345,164
S. Korea*	21,069	3,136,760	—	—	Trcvrs., hand-held . .	3,341,473	32,936,708	2,874,759	18,515,462
Color, 10" & under. .	91,496	15,184,506	47,351	7,492,671	Trcvrs., other	1,989,167	126,822,751	1,112,571	59,131,402
Japan	80,506	13,348,276	45,025	7,275,613	Rad.-phono, console .	26,557	700,764	61,112	1,903,081
Taiwan	10,812	1,607,719	771	101,257	Rad.-phono, other . .	202,194	6,269,231	106,570	4,380,938
S. Korea	—	—	1,596	105,336	Phono, stereo	75,889	4,576,823	49,390	3,261,942
B&w, 19" & over. . .	211,513	16,769,954	158,423	12,794,110	Phono, other	155,285	1,605,159	76,574	1,214,565
Japan	65,134	6,045,010	16,902	1,648,025	Record changers . . .	4,878,444	70,463,012	2,681,438	45,454,659
Taiwan	125,906	9,028,453	127,878	9,818,577	United Kingdom . . .	4,747,805	64,414,116	2,381,709	29,959,910
S. Korea	19,514	1,368,768	12,529	895,003	West Germany	84,084	4,652,455	199,313	10,567,600
B&w, 18"	24,131	902,245	90,649	3,793,486	Automatic turntables* .	161,592	8,227,490	—	—
Japan	790	44,372	1,280	212,919	Japan	101,820	5,596,628	—	—
Taiwan	23,281	874,895	89,218	3,550,010	Manual turntables* . .	796,157	26,041,678	302,107	4,243,631
B&w, 13-17"	183,136	14,003,141	179,701	13,314,544	Japan	438,930	20,200,068	30,469	1,885,546
Japan	103,195	8,104,569	47,053	4,081,703	United Kingdom . . .	147,842	522,032	234,430	861,571
Taiwan	30,989	5,095,190	131,185	8,659,989					
S. Korea*	1,506	71,892	—	—					
B&w, 11-12"	2,010,039	111,244,098	1,278,393	73,550,935					
Japan	560,663	30,591,120	225,522	12,866,068					
Taiwan	1,241,359	69,771,323	923,758	53,882,636					
S. Korea	207,195	10,694,643	128,378	6,677,208					

*Not reported separately in 1975.

*Not reported separately in 1975.

International Trade Commission last week approved Sylvania's bid for more time to collect depositions to support charges Japanese color TV firms engage in unfair import competition, granted 30 days instead of requested 60. Since ITC has ordered suspension of probe into Sylvania allegations until it completes investigation in TV import quota relief petition (Vol. 16:51 p8), clock for Sylvania case won't start running until late March. Agency also agreed to request that some material in Sylvania case files be made available to attorneys for Japanese companies which will be arguing against quota imposition, because files are open to ITC staff investigators.

Sony is still considering purchase of former Westinghouse color tube plant to manufacture Trinitrons (Vol. 16:45 p7). Recent visitor to Horseheads, N.Y. plant was Sony Pres. Kazuo Iwama.

FCC suspended all fees, including \$4 CB license and equipment authorization fees, as of Jan. 1, in wake of Appeals Court decisions (see p. 2 & Vol. 16:51 p1) ordering revision of fee schedule and refunds to those who paid excess amounts since 1971. Suspension is for indefinite period. However, it's unlikely CB fees will be refunded—too difficult & costly. Decision affects entire consumer electronics industry, since TV, radio, videoplayer, video game, CB equipment authorization fees, etc. are involved.

FTC confirmed our report (Vol. 16:51 p10) it's investigating possibility that video games can damage TV picture tubes, wouldn't discuss details, timetable. "Fact of investigation wouldn't justify conclusion that there's a problem," spokesman said. RCA has sent reminder to distributors that picture tube warranty doesn't cover damage done by video games.

WEEKLY Television Digest

with
Consumer Electronics...

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Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Automatic Radio			
1976-year to Sept. 30	82,611,600	4,256,000 ^a	1.75
1975-year to Sept. 30	52,234,100	(1,160,000)	--
1976-qtr. to Sept. 30	17,963,600	(984,000)	--
1975-qtr. to Sept. 30	18,104,100	(472,000)	--
General Instrument			
1976-9 mo. to Nov. 28	349,310,858	13,555,013	1.69
1975-9 mo. to Dec. 1 ^b	280,553,149	6,502,076	.73 ^c
1976-qtr. to Nov. 28	125,071,871	5,408,169	.68
1975-qtr. to Dec. 1 ^b	100,376,122	2,088,911	.23 ^c
Hy-Gain Electronics			
1976-qtr. to Nov. 20	12,311,655	(2,034,598)	--
1975-qtr. to Nov. 20	18,617,986	4,409,409	1.41
Rust Craft Greeting Cards			
1976-9 mo. to Nov. 28	65,591,000	1,632,000	.71
1975-9 mo. to Nov. 30	59,907,000	1,201,000	.52

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

Trade Personals

Fred Wenger promoted at RCA Distributor & Special Products Div. from business development vp to sales vp; **Gene Duckworth** advanced from mfg. operations vp to business development & international operations vp... **George Montaigne** advanced from RCA media services dir. to corporate ad-media services dir., adding responsibilities of **Marston Myers**, former ad staff vp, now with Philadelphia ad firm... **Louis Scinto** promoted at Zenith from solid-state module operations mgr. to electrical components mfg. dir.

Clark Jones resigns as Panasonic auto products national sales mgr... **Jack Green** shifts from Gates Rubber to Gates Lear Jet Stereo as gen. mgr., succeeding **Ed Lucasey**, resigned... **Emil Marx**, Magnasonic senior mktg. vp, adds post as pres. of Sanyo Canada, Magnasonic-Sanyo color & b&w TV manufacturing joint venture... **William Salatich** advanced from Gillette North America pres. to corporate vice chmn. responsible for new products & business strategy.

John Sprague moves up at Sprague from semiconductor components senior vp to pres., succeeding **Neal Welch**, who continues as chmn.; **William McLean**, former passive components senior vp, named exec. vp... **Gerhardt Vilsmeier** shifts from Siemens Germany to U.S. subsidiary as Components Group operations vp, succeeding **Philip Troilo**, who moves to parent; **John Herz**, mktg. dir., named vp... **James Ambrose** resigns as ITT Semiconductors exec. vp... **Alan Janes**, ex-Westinghouse Canada, joins ESB Canada as controller.

Guy Entrekin, Bourns pres., adds duties as Trimpot Div. gen. mgr., succeeding **Robert Hallock**,

reassigned to corporate staff post... **Robert Wall** promoted at Harris Semiconductor from S. E. mgr. to national sales mgr., new post... **Edmond May**, ex-JBL, appointed speaker engineering vp for Superscope & Marantz lines... **Burnie Tremlett** appointed DeSoto Furniture Group vp.

Increased output of large-scale ICs is planned by major Japanese producers to meet growing domestic & export demand by consumer electronic, CB, calculator & computer manufacturers. Nippon Electric, now turning out 3.8 million LSIs monthly, is aiming at 5 million by March; Toshiba plans jump from 1.5 million monthly to 2.5 million by spring, capturing 2nd place from Hitachi which has 3-million monthly capacity but is operating at 1.5-2 million rate. Value of Japanese semiconductor exports, paced by ICs, has been growing at 50% annual rate, and pace is expected to be maintained in 1977 when total should top \$60 million.

IUE presidency was won by incumbent David Fitzmaurice, who drew 55% of 76,000 votes counted, defeating challenger William Bywater as head of Dist. 3 (N.Y.-N.J.). About 7,000 ballots haven't been tabulated in Labor Dept.-supervised election. Fitzmaurice, who was appointed pres. earlier this year when Paul Jennings resigned for health reasons, said he would try to reunite his group with UE. IUE was formed in 1949 following UE's expulsion from CIO amid charges of Communist domination. IUE has about 275,000 members, UE some 165,000.

RCA's business wasn't involved in former Chmn.-Pres. Anthony Conrad's failure to file personal income tax returns (Vol. 16:38 p7), independent investigation has determined. RCA said inquiry by outside law & accounting firms involved interviews with 27 present & former employees, including all directors and all officers who reported to Conrad, as well as examination of large number of documents and Conrad's personal & business papers. Investigation found no other RCA personnel involved, no effect on accuracy of RCA's books & records.

