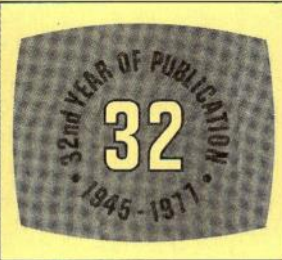


WEEKLY

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with
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JANUARY 3, 1977

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CARTER'S PLANS FOR OTP: Transition team recommends shift of most OTP functions & personnel 'outside the White House,' rejects Office's abolition. Move would cut size of President's Executive Office, streamline federal govt. organization, Carter aides conclude. (P. 1)

NAB TO COMBINE CODE & PR in new public affairs dept. under ex-CBS Vp Thomas Swafford. Helffrich asked to retire, Resor expected to be named PR dir. Record \$5.1 million budget proposed. (P. 2)

VHF DROP-IN CRITERIA: FCC staff suggests precise offset with 24 dB ratio, DAs with suppression up to 15 dB, terrain roughness factor under some conditions. (P. 2)

NAB & COMMUNICATIONS REWRITE: Renewals, forfeiture & all-channel radio are prime items. Members polled on other issues. (P. 3)

CARTER'S PLANS FOR OTP: Shift of most OTP functions and personnel to unspecified organization outside of White House is goal of Carter transition team, according to spokesman Barry Jagoda. Though some current OTP functions "can only be performed by an entity close to the President," Jagoda said, Carter Administration goals of cutting size of Executive Office of the President and streamlining federal govt. organization have convinced transition staff to recommend changes in OTP structure. He added, however, that changes can't be made without congressional approval, haven't yet been approved by Carter himself.

"No one is interested in getting rid of OTP," Jagoda said. "Its functions are extremely important and will be continued" in Carter Administration. However, most will be performed "outside the White House" if Carter & Congress accept transition team recommendations, he said, while "some functions of policy planning and coordination" need to remain in Executive Office.

Jagoda stressed that plan wasn't his alone, but acknowledged that he'd already discussed it with congressional aides and others, in his function as transition liaison with OTP. FCC liaison Simon Lazarus also recently sounded out Senate & House Communications Subcommittee staffers on plan, to try to gauge congressional reaction. Other Carter aides who worked on plan include Transition Dir. Jack Watson and transition press office's Richard Neustadt.

Congressional reaction is likely to be guarded, at first, depending on how severely OTP is altered. Senate & House Communications aides are known to be preparing to make pitch to members to intercede with Carter to convince him of need for strong Executive Branch telecommunications policymaking arm. House Communications Chmn. Van Deerlin (D-Cal.) already is on record in support of strengthened OTP, and incoming Senate Communications Chmn. Hollings (D-S.C.) is expected to "jump right in" after Senate convenes this week, according to aides.

Consumer Electronics

BETTER, BUT BARELY, is our forecast for 1977. Color seen continuing strong in first quarter, with another pick-up at year-end. Imports expected to maintain place in TV market despite ITC. Return to stability for CB, another stereo price war. (P. 5)

TV IMPORTS up sharply again in Nov., paced by 170.7% gain for color. 11-month color imports double those of any previous year. First color imports from Singapore. (P. 7)

BLEAK OUTLOOK for domestic TV industry is seen in Frost & Sullivan study of consumer electronics market. It's suggested manufacturers here seek new products or drop out in response to foreign competition. (P. 8)

JAPAN'S OCT. EXPORTS of most audio equipment showed strong increases from same year-earlier month, though tape hardware held steady. (P. 9)

Two weeks ago, situation looked worse for OTP. "Carter's senior advisors had decided to recommend to Carter that OTP be abolished," Democrat close to transition team told us, "but at this point, they recognize that OTP has statutory status [under reorganization authority granted then-President Nixon]. So in the short term, you aren't looking at doing away with OTP, but whittling it down, transferring it away from the White House. These advisers now seem to have concluded that in the long run, it is still an open question whether or not you need an OTP in the White House."

Still plaguing OTP with Carter forces is its image as meddler in affairs of broadcasting industry—under then-Dir. Clay T. Whitehead. Jagoda & Neustadt have broadcast news backgrounds. "They seem to fear OTP mostly because they're very sensitive to government interference in broadcasting. They ignore its involvement in computer, common carrier, and international telecommunications areas," Democrat told us.

Though one Hill staffer charged that Jagoda & Neustadt wanted to cut OTP in order to enlarge other White House staffs—including that of their own press operation—Jagoda denied this. "The cuts in OTP will result in a reduced number of slots in the Executive Office of the President," he said.

SWAFFORD TO HEAD NAB CODE & PR: A record \$5.1 million budget and major personnel appointments top agenda for Jan. 4-5 NAB Exec. Committee meeting in Washington. Leading personnel items will be planned combination of NAB TV & Radio Codes and PR functions under Thomas Swafford as senior vp for public affairs.

Swafford had been long-time member of TV Code Board as CBS-TV vp-standards & practices—job he left last summer (Vol. 16:28 p5), but he still is receiving full pay from CBS. NAB appointment has been held up pending financial settlement between Swafford & network; he expects to join NAB Jan. 10, will hq in Washington and participate in Jan. 25-28 board meeting in Maui.

Present Code Dir. Stockton Helffrich was 65 Oct. 23 and on Christmas Eve was asked to retire. He's balking at original financial settlement offered, is expected to be treated kindly at this week's Exec. Committee meeting. "Stockton has done an excellent job for the NAB and the Code over the years," NAB Chmn. Wilson Wearn told us. "We are going to be reasonable... and we hope to use him as a consultant immediately." Helffrich has been Code dir. since 1968, gets about \$45,000; Swafford will receive considerably more.

Of Swafford, Wearn said: "We think we need a knowledgeable man in Washington to handle public affairs (where the Code belongs) and Tom could be that man." He said major job is informing public about Code, which goes right along with PR efforts. Presently, Helffrich & Code have hq in N.Y., where Asst. Dir. Jerome Lansner is expected to remain and receive promotion.

In line for top promotion job is Robert Resor, exec. dir. of Office for Free TV since separately funded campaign against pay TV was started 3 years ago. Separate office & funding will be abolished, with functions & budgeting shifted to PR dept. under Swafford. Also, Cable Radio Committee will be disbanded and its activities also shifted along with Resor, whose title is expected to be dir. of PR.

Exec. Committee is expected to make detailed study of proposed \$5.1 million budget (up from \$4.7 million), effective April 1. "We want to know how the staff arrived at what and why," we were told. In combining PR & Code operations, NAB saved expense of one major salary.

VHF DROP-IN CRITERIA: FCC staff VHF drop-in proposal—on which commissioners were briefed recently, no vote taken (Vol. 16:52 p1)—would allow new assignments on basis of case-by-case waivers of spacings. "Equivalent protection" is principle; new stations would be "required to suppress radiation so as to avoid creating more interference to the existing station than would be caused by a new station operating with maximum facilities at the minimum separation with the nominal 10 kHz frequency offset between the stations." Among proposals:

(1) Allow use of precise offset, permitting drop-in when there's 24 dB desired-to-undesired co-channel signal ratio (vs. 28 dB with current offset).

(2) Directional antennas with suppression up to 15 dB "where it can be shown that there will be no reflected signals of an unacceptable level into the null."

(3) Terrain roughness is still debatable factor. Commission had adopted figures for this but suspended it when severe anomalies developed. Staff notes that study is still going on but says FCC should consider terrain roughness "on a case by case basis when proper allowance is made for prediction uncertainty."

Engineers were surprised that FCC is talking about adding Ch. 12 to Johnstown instead of Ch. 8 sought by Group for Advancement of TV Services. They say Ch. 8 is much better fit.

NAB & COMMUNICATIONS REWRITE: Longer licenses, cable forfeiture & all-channel radio are major issues NAB wants in any rewrite of Communications Act, according to Govt. Affairs Senior Vp Donald Zeifang. He said that House Communications Subcommittee efforts "are of tremendous importance" to licensees, that rewrite will get "serious attention" at Jan. 25-28 board meetings in Hawaii.

NAB Exec. Committee already has told members rewrite is "cause for concern" (Vol. 16:49 p1), and Zeifang promised Assn. will have "positive positions to present to Congress." NAB's weekly Highlights has polled member stations for most important issues, mentioning (in addition to above):

Operator requirements—are any needed under present state of the art? Sports blackout. UHF—what provisions are needed to assure parity? Fees. Should obscenity, lotteries, and making destruction of broadcast property federal crime be added to Communications Act?

New satellite tracking system will be built for U.S. by Western Union Spacecraft Communications under 10-year, \$796-million contract awarded by NASA. Satellites would be tracked by 2 relay satellites in stationary orbit at opposite ends of earth. Seven of current 14 tracking stations will be closed when new system is completed.

Warning everyone not to send fees, following recent court decision (Vol. 16:52 p2), FCC emphasized announcement by printing it on pink paper. If fees are sent, nevertheless, Commission will destroy all personal checks; return cashiers' checks & money orders to senders; convert cash to U.S. Treasury checks which will be mailed to applicants.

Five FCC commissioners—Wiley, Quello, Washburn, Fogarty & White—plus ex-Comrs. Dean Burch & Kenneth Cox, will participate in NATPE conference. Feb. 13-16 in Miami Beach (Vol. 16:52 p3). NAB Pres. Vincent Wasilewski also has been added to agenda.

To avoid major impact on Arbitron radio ratings, NAB has asked FCC to delay enforcing new restrictions on AM-FM duplication by co-owned stations from May 1 to June 1. Under new rules, AM-FMs in markets over 100,000 are limited to 25% duplication, in markets of 25,000-100,000 to 50%.

FCC has turned down petition for reconsideration filed by KWHY-TV L.A. against Commission approval of transfer of KBSC-TV Corona to Oak Bcstg. and grant of subscription-TV authority to Oak.

Reply comments on FCC rulemaking to require stations to keep tapes of news & public affairs shows—and place them in public file—plus other record-keeping changes, now are due Jan. 27; extension was made at request of several licensees. Meanwhile, Commission denied request by Solomon Battle that rules governing public inspections of local files be changed "to avoid the possibility of station harassment or interference." Among other things, Battle wanted files available to public 24 hours daily when station operates all night.

RTNDA, continuing counter-attack against media critics (Vol. 16:51 p4), sent following resolution to TV Guide & AIM: "Whereas Pres. John Salisbury... did name those self-proclaimed media critics who would try to destroy our institution, our credibility and integrity by distortions & bias and whereas he suggested that we in fact respond, not in kind, but in truth; be it resolved that we do illuminate the ignorance of their accusations by igniting the torches of our truth."

WCMQ-AM-FM Miami have been fined \$2,000 by FCC for logging violations and "strongly admonished... for apparent unfair methods of competition." Commission noted that station owner Herbert Dolgoff, "either solely or in partnership," promoted 8 concerts and heavily promoted them on WCMQ-AM-FM "at no expense to the stations or the concert promoters."

Nomination of Geoffrey Cowan to FCC is supported by Sen. Cranston and Rep. Van Deerlin (both D-Cal.) in letter to President-Elect Carter. Cranston earlier recommended Cowan for FCC chmn. in Sept. letter, but Van Deerlin supports him only as FCC member, according to Cranston aide, who added that Van Deerlin said he has his own candidate for chmn. Van Deerlin was unavailable for comment.

NAB wants to "eliminate [CATV's] current ability to impair competitive conditions in radio," asked FCC to prohibit systems from importing AM-FM signals. Assn. also wants to require cable to carry all local radio signals, asked Commission to seek comments since record is 4-1/2 years old.

Conference on CATV Reliability is scheduled by SCTE Feb. 23-24, Quality Inn, Atlanta. Engineers presenting papers include: James Palmer, C-COR; James Hart, Scientific-Atlanta; Richard Old, CATEL; Frank Bias, Tele-Vue.

Senate confirmation hearings for 4-6 of President-Elect Carter's cabinet nominations will be televised by PTV. WETA-TV Washington will produce programs, offer them to stations via PBS interconnection.

Personals

Lester Crystal promoted to vp-special programming, NBC News, in executive reorganization... **John Silvestri** promoted to NBC-TV Central Div. sales dir.; **Charles Blake** advanced to TV network mktg. design mgr... **Anthony Kawas**, ex-KNXT L.A., named planning & administration dir., CBS TV Stations National Sales, N.Y.

Frederick Pierce, ABC TV pres., adds responsibility for ABC News and Broadcast Operations & Engineering, in consolidation of TV operations; both formerly reported to ABC Pres. **Elton Rule**.

Jack Allen, WWJ-TV Detroit station mgr., advanced to gen. mgr.; **Frank Sisson** promoted to administrative mgr. of parent Evening News Assn. Bcst. Div... **Monte Newman**, WNBC-TV N.Y. station mgr., named to same post at WRC-TV Washington, succeeding **J. Taber Bolden**, appointed vp-station affairs, NBC TV Stations Div.

Wayne Vriesman, RTNDA pres. & KWGN-TV Denver news dir., promoted to same post for WGN Continental with specific responsibility for WGN-TV Chicago... **Dennis Tugander** advanced to business affairs mgr., WBBM-TV Chicago, new post.

Elected Public Service Satellite Consortium dirs.: **Sidney Tishler**, Md. Center for Public Bcstg.; **Douglass Cater**, Aspen Institute; **Wayne Bundy**, Rocky Mountain Corp. for Public Bcstg.; **Peter Bowers**, Ont. (Canada) Educational Communications Authority.

Floyd Gelini, Blair TV Boston sales office mgr., and **John Ryan**, San Francisco sales office mgr., named vps; **H. Maier**, Atlanta vp-mgr., named vp-Atlanta-Jacksonville operations, new post; **James Lewis** advanced to Atlanta office sales mgr., new post; **Judy Alderson** promoted to Atlanta sales staff... **Joseph Sullivan**, ex-TvB exec. vp, opens Joe Sullivan & Assoc., broadcasting exec. search firm: 111 E. 58th St., N.Y. 10022, 212-752-8888.

Charles Downing, ex-U.S. Computer Systems, joins Cox Data Services as sales mgr. for pay TV & CATV services... **Joseph Cost** promoted to north-eastern sales engineer, GTE Sylvania CATV equipment & installation operation... **Jerry Rahner**, ex-Teleprompter, joins Anixter-Pruzan as Seattle office CATV sales rep... **William Corrigan**, ex-Wis. Physicians Service, appointed Oak Industries Components Group vp-controller.

FCC Comr. **Joseph Fogarty** addresses S.C. Bcstrs. Assn. Jan. 26, Columbia... **Arthur Brown**, ex-Peat, Marwick, Mitchell & Co., appointed Anixter-Pruzan controller... **Larry Delarose** appointed AP broadcast exec. for Ky. & W. Va.

KRDO-TV Colorado Springs has appealed FCC decisions permitting cable systems in area to carry KBTv & KMGH-TV Denver and denying same-day non-duplication protection. Appeals were filed in D.C. Circuit.

TvB Pres. Roger Rice will lead contingent of 17 broadcast execs. on Jan. 17-20 tour of Japanese TV stations.

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with
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Annual CATV forms required by FCC-325, 326 & 395—will no longer be sent to systems on one fixed date for each. They'll be sent in groups all year long, and operators will be required to return them 60 days after receipt. This will ease processing for computer. In addition, Commission is requiring each system to notify it, within 30 days, of any change in name, address or operational status—also as aid in computer program.

N.Y. AWRT chapter sponsors 3-part seminar on broadcasting (\$10 for series, \$5 per session): Jan. 11—"Advertising and the Law"; Jan. 18—"License Renewal"; Jan. 25—"Fairness Doctrine, Defamation & Access." Advertising Age Senior Editor **Maurine Christopher** moderates all 3.

"**Compilation of facts, experience & opinion**" on new FCC ascertainment rules is goal of survey by National Radio Bcstrs. Assn. All U.S. radio stations were sent questionnaire; NRBA said results, plus raw material, will be sent to Commission.

Deadline for reply comments in request that FCC make station financial reports "routinely available for public inspection" has been extended from Dec. 28 to Jan. 18. Extension was requested by Cole, Zylstra & Raywid (Washington law firm).

VHF drop-ins, 1979 WARC, spectrum management and UHF reception top agenda for Jan. 12-14 MST board meeting, Thunderbird Country Club, Rancho Mirage, Cal.

"**Ten bold new ways**" to attract more local spot TV advertising is theme of 8 TvB one-day seminars starting Jan. 18 in Detroit.

Ampex increased prices Jan. 1 average of 6% on all audio & video products.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 17 (50th week of 1976):

	Dec. 11-17	1975 week	% change	Dec. 4-10	1976 to date	1975 to date	% change
Total TV.	367,964	251,702	+46.2	344,005	12,393,385	11,026,704	+12.4
color	243,752	141,125	+72.7	197,023	7,396,025	6,230,422	+18.7
monochrome	124,212	110,577	+12.3	146,982	4,997,360	4,796,282	+4.2
Total radio	708,554	746,851	-5.1	714,866	39,675,141	33,294,737	+19.2
home, portable . .	513,306	510,153	+0.6	484,634	27,680,562	24,317,200	+13.8
AM-only	287,100	114,995	+149.7	259,227	8,975,556	6,638,655	+35.2
FM & FM-AM . .	226,206	395,158	-42.8	225,407	18,705,006	17,678,545	+5.8
auto	195,248	236,698	-17.5	230,232	11,994,579	8,977,537	+33.6
Port.-comp. phono .	70,354	71,254	-1.3	84,672	3,031,463	3,312,922	-8.5

Color TV 5-week moving average: 1976—208,863; 1975—153,750 (up 35.8%).

1977—BIGGER, BUT NOT MUCH BETTER: Consumer electronics industry enters new year without much enthusiasm, despite record sprouting of innovational new products which could soon become important cash crops—videoplayers, games, projection TV, microprocessor devices. Bigger year certainly seems in the cards in terms of sales, but profit squeeze inevitably will continue throughout year—and govt. attitude toward imports may be most significant factor for future of consumer electronics.

In our first issue of each year, it's customary for us to go out on limb and forecast next 12 months. Occasionally we go too far out and fall off (as we did year ago in forecasting CB boom would "clearly continue"), but by-&-large we're proud of our record. Last year, we made 50 distinct predictions, of which 34 turned out accurate, 4 about half-right and 12 we wish we hadn't made. Now, for this year ---

TV sales: Our forecast one year ago of 7.5 million color, 5.2 million monochrome sales to dealers was well below industry consensus at time, but close enough to be classified now as good guess. This year, we're above industry forecast of 8.05 million color & 5 million b&w (Vol. 16:52 p9). We believe 1976's momentum will continue into early 1977, followed by listless 2nd quarter, then brisk pickup in fall-winter selling season, bestowing 8.25 million new color sets & 5.2 million monochromes on eager public.

Industry enters 1977 over-inventoried, which should mean ferocious price-cutting in first quarter. Whether inventory situation improves depends largely on progress of International Trade Commission (ITC) inquiry into Japanese practices; if Japanese manufacturers think tide is running against them in probe, they can be expected to stockpile as much inventory as possible in U.S. Domestic manufacturers will be cautious, holding back production and risking some loss of market share to imports.

Pricing & mix: Color TV prices will rise slightly during year, at least on paper, as cost pressures continue. But in the 19" area of most heavy competition between domestics & imports, new low retail prices will be hit. Average b&w prices will be up slightly, as result of increasing number of AC-DC sets in mix. Color mix will remain about 30% consoles.

Attrition & acquisitions: We see no dropouts this year from hardcore group of remaining domestic TV makers, but there's strong possibility of more activity here by Japanese (see Foreign Trade). It also seems more likely than not that Sony will buy former Westinghouse

picture tube plant, convert it to Trinitron production to supply both U.S. & European markets.

Technology & innovation: Another year of removing costs from TV manufacture through technology. At least one more TV maker will follow GE into VIR-controlled color set, and there'll be more emphasis on digital tuning—but certainly no major sweep. Japanese manufacturers will almost universally adopt electronic tuning, with U.S. counterparts pushing hard in same direction. Remote control will spread to more small-screen sets. No major breakthroughs, though.

Established domestic consumer electronics industry will continue recent timidity, unwillingness to invest capital in basic R&D, fear of introducing new products. As result, major innovations will come from new firms normally considered outside industry. Last year, show biz firms got tiny foothold in consumer electronics—Gulf & Western by buying Muntz and forming software partnership with Sony, Warner Communications through Atari, Columbia Pictures with Gottlieb—and this trend will accelerate. Other firms will probe weaknesses of hard-pressed industry and come out with products one would normally expect from established entities in the field. And semiconductor manufacturers, who feel their advice has largely been ignored by end-product makers, will be researching where they can fit into consumer product picture.

Foreign trade: Outcome of ITC probe into U.S. TV industry's need for protection from import competition is key to foreign trade scene this year. We can't discount possibility that lawyers for Japanese will again manage to pull out a victory in name of free trade, but cards are stacked against them, as industry's combined financial data shows. So we'll forecast a win for COMPACT, the union-industry complainant in case, but only a partial one.

We see ITC recommending restrictions limited just to imports of big-screen color in complete form, leaving b&w, small-screen color & chassis & kits unhampered. Anything more, ITC will find, would create impossible situation for U.S. TV companies operating in Mexico & Taiwan. Result will be start-up of more TV assembly operations here by Japanese firms, possibly another acquisition of U.S. manufacturer before year end, and little change in relative domestic-vs.-foreign TV market situation.

Mid-1976 change in statistical breakouts to separate imports of complete sets from those of chassis & kits, plus possible variations next year in import patterns, make TV import predictions difficult. Our forecast is for import of about 2.3 million complete color sets and some 4.3 million b&w.

Home video recorders: Public will continue to snap up supply, about 100,000 for year—mostly Sony Betamax—big enough to interest at least one U.S. manufacturer in offering own-brand decks, to be made first in Japan, later in U.S. by subcontractor. EIA-J will huff & puff at standardization process, finally come up with not one, but 2, standards—Betamax & VHS—and launch battle between Sony & JVC for converts. Early this year, Sony will offer cassette-changer accessory, followed later by 2-hour Betamax.

But helical-scan Japanese machines may not be last word. Before year is out, you'll hear more about BASF's fixed-head longitudinal-scan recorder (LVR). And keep an eye on Eastman Kodak, which could enter home video field with low-priced CCD camera and fixed-head VTR. Probably not this year, but you'll sure be reading about it before 1977 is over.

Universal-Disney suit against Sony won't go to trial in 1977, but by year's end there'll be plenty more talk about VTR & copyright as recorder circulation builds up.

Videodisc: RCA will make up its mind, go ahead with player & disc production, squeezing out a few for sale in Dec. after Indianapolis in-home tests. Philips/Magnavox/MCA will keep their word and start sales in one market same month. Prices will be \$499.95 for RCA, \$595 for Magnavox player. Nothing will be proved in 1977, except that some players can be built and discs can be pressed. (This is one of our shakiest forecasts.)

Projection TV: Will be considered more seriously this year, and while some 40 small assemblers will scrap for lens-&-mirror-in-front-of-TV-set market, at least one existing American TV maker will field projection set using unique principle. By midyear, Hughes Aircraft will demonstrate LCD lightvalve projection system, providing quantum leap in brightness, perhaps

followed by another completely different consumer-priced lightvalve device—both developmental, neither produced in '77. Although projection TV sales this year won't go above 35,000, these new developments will whet appetite of much of industry by year's end.

Video Games: Shortage problems will continue through first quarter—possibly into 2nd—as producers struggle to fill pipelines emptied by Christmas sales boom. Prices on first-generation ball-&-paddle games will drop 30-40% at supplier level in first half, bringing starting retail price down to \$35-\$39. Unit sales will top 10 million, but 15-20 million year in some industry forecasts is unattainable.

Microprocessor & programmable games will be important part of market, but major emphasis during year will be on dedicated LSI games patterned after popular arcade units (space wars, tank battles, etc.) in \$89-\$109 range. Another TV producer could join Magnavox with TV-game combination, but big news will come from toy & coin-op industries with at least one major firm entering home market on large scale.

CB: A year of transition & shakeout, with industry slowly recovering from ravages of last-year's 23-channel debacle and at least one prominent name (plus a host of lesser brands) leaving market. Sales will barely top 11 million, but pricing will improve significantly during 2nd half as 23-channel dumps slowly disappear from pipelines.

We see more market confusion as FCC proposes new CB service, kills off old Class E docket calling for band in 220-MHz range. It will be nothing more than proposal during 1977, rekindling FCC-industry debate. Decision will wait until 1978 or later, giving 40-channel market chance to reach comparative level of stability. We don't see repeat of 23-to-40 disaster, at least not this year.

Coming year won't see major new names in industry, but impact of non-traditional CB suppliers (RCA, GE, Superscope, etc.) will put added pressure on older producers. At same time, Japanese OEM giants will adopt more visible profile, and we think Uniden will intensify efforts to establish own brand in U.S.—unless 40-channel market fizzles completely.

Audio: Another year of booming sales & busting companies. Compact-component-portable systems should repeat at a 4-plus million level, with consoles in at around 800-900,000. Having taken lumps in low-fi in 1976, audio specialists will, as group, attempt to improve profits by glutting market with \$250-&-up systems, setting off yet another stereo price war and providing patient consumers with better-than-ever bargains. In tape, cassette will start displacing 8-track in compact & auto systems, and first pocketable mini-cassette radio-recorder combinations will appear. Four-channel stereo will suffer another year of stagnation, thanks in part to FCC's inaction on quad FM. AM-stereo will also stay bogged down at FCC.

Watches & calculators: Another year of same for both industries. Prices on LED watches will continue sinking to \$10 level, while mass production of liquid crystal modules will enable prices for those types to drop to \$20. More for less will be theme of calculator industry, with scientifics falling into \$20 range, programmables as low as \$50. Introduction of basic 10-digit models & units with liquid crystal displays will keep consumers buying at low end.

TV IMPORTS SOARED IN NOV.: Commerce Dept. reported U.S. posted all-time high trade deficit of \$906.2 million in Nov., and TV importers did more than their share with 2nd highest monthly imports of total TV & color TV, setting new records for month for both.

Total of 895,900 TV were imported in Nov., up 128.5% from same month last year, with color up 170.7% to 433,500, b&w up 99.3% to 462,400. Nov. figures pushed 11-month color total to 2.97 million, which is more than double full-year record of 1.4 million set in 1973, and up 167.4% from same year-earlier period. Total TV, at 7.03 million, was up 84.2%, while b&w was up 50.1% to 4.06 million.

Nov. marked first import of complete color TV from Singapore, 1,350 sets (18") worth \$240,300 (average value \$178). Hitachi has color export assembly plant there, has been shipping sets into Canada. Full-period totals include import of 395,000 unfinished color sets, 113,700 unfinished b&w. More than 60% of unfinished color came from Mexico where RCA,

Sylvania & Warwick have plants (latter to be closed by Sanyo this spring), with rest from Japan. About 70% of unfinished b&w came from Taiwan (U.S.-owned plants) with rest divided between Japan & S. Korea.

Japan was source for 463,000 finished & unfinished TV in Nov., up 133.8%, including 293,500 color (up 101.6%) & 169,500 b&w (up 222.9%). Taiwan supplied 279,000 (up 55.7%), with color at 30,600 (up 157.7%), b&w at 248,400 (up 48.4%). S. Korea's 54,500 total was up 278.7%, as color rose 303.5% to 10,400, b&w climbed 273.2% to 44,100.

By-country 11-month results: Japan total 3.72 million (up 143.8%), color 2.44 million (up 156.1%), b&w 1.28 million (up 123.4%). Taiwan total 2.6 million (up 26.9%), color 214,200 (up 62.2%), b&w 2.39 million (up 24.4%). S. Korea total 437,000 (up 104.5%), color 50,300 (up 167.7%), b&w 386,700 (up 98.4%).

CB imports reflected declining U.S. market, with transceivers of all types at 2.7 million, up 176.9%. Automotive CB units rose 118.4% to 797,600; non-CB automotive leaped 718.3% to 62,300; hand-held models (including toys) took 237.1% pre-Christmas leap to 1.6 million; other types (base stations, marine & aircraft mobile, etc.) rose 90.7% to 249,300. Total 11-month transceiver imports were up 173.7% to 20.78 million, with CB-automotive at 10.5 million (up 445.7%), non-CB-auto at 1.43 million (up 257.6%), hand-held at 6.3 million (up 68.8%), others at 2.5 million (up 66%).

Japan set all-time color TV export record of about 5 million, Japanese Finance Ministry said, citing increased demand from U.S., Canada & Australia. Previous record of 2.8 million was set in 1975.

BLEAK VIEW OF U.S. TV: Outlook for domestic TV producers is dark enough so that weaker producers should consider leaving industry, Frost & Sullivan says in 300-page study of consumer electronics. Japanese now have "dominant & growing strength" and it's "highly possible that only 2 or 3 U.S.-owned TV manufacturers may survive over the next decade," as Taiwan producers increase activity, study says.

For those who want to stay in business here, F&S suggests they cut back on annual model offerings, look toward export markets in S. American & Communist countries, consider new products such as security & fire detection systems. They should forget video games, because while market will climb from \$26 million last year to \$130 million by 1985, it will be taken over by toy producers.

Adding to bleak prospects is estimate that home VTR sales boom will be short lived, with market peaking in 1980, then declining as videodisc systems take over. Disc itself may have problems because of lack of software standardization, while market for other current TV innovation, projectors, is seen peaking in 1982.

RCA estimates industry will sell more than 850,000 color sets this month, is boosting Jan. promotional effort (Vol. 16:51 p9) with 3 new open-list XL-100 25" consoles, 2 at about \$650, other under \$600... **Zenith** adds low-end open-list 25" leg console with electronic tuning at about \$680 open-list stereo console (\$300), FM-AM portable radios at \$80 (stereo) & \$70, FM-AM electronic digital clock radios at \$55 & \$70, FM-AM table radios at \$50 & \$80... **MGA** introduces 19" color model at \$450, down \$20 from current leader, step-up at \$500; new 15" at \$390 & 17" at \$440 leave pricing unchanged. All 4 feature new heat-dispersal chassis. Also added were 13" & 15" with limited-function remote, electronic tuning, at \$450 & \$500 respectively.

RCA 25" ColorTrak console is top ranked in current Consumer Reports, with sets of 9 other producers sharing 2nd place. Lowest rated were 2 models from Sears, one for quality, other designated unacceptable because children could push coins into large openings between controls and receive shock. GE's VIR color control was judged preferable to usual one-button systems, but CR says color on GE set was less accurate than that obtained from RCA. In separate story, CR gives vote for calculators with low-drain LCDs which provide 300-500 hours of use on set of batteries, vs. 62 hours from batteries in LED display models.

U.K. color sales to distributors by domestic producers & importers totaled 1.02 million in first 9 months, down 12.4% from same 1975 period, as imports dropped 23.1% to 133,000, U.K.-made sets slipped 10.4% to 887,000. In b&w, total rose 6.9% to 726,000, as 42.2% gain for imports to 404,000 offset 18.5% drop to 322,000 for domestic models. Imports held 13% share of color market, down from 15%, 56% share of b&w, up from 42%. Nine-month results for other products: Audio systems 463,000 (down 10.6%), phonos 117,000 (down 35.3%), radio-phonos 32,000 (down 59%), radios 2.65 million (down 20.2%).

Panasonic TP 1000 video game (Vol. 16:45 p10) approved by FCC last week will be leader in family of games, including programmable unit, if firm decides to enter U.S. market. Although other games will be submitted to FCC soon, company said, final determination on whether to go ahead with marketing will be made after study of products offered at CES & American Toy Fair (Feb. 20-23). Game line will include at least 3 models—TP 1000 (GI chip, 4 games), step-up & deluxe model (programmable, using micro-processor). FCC also approved Atari C240 game.

SONY'S RECORDS: Sony reported record consolidated results for year to Oct. 31, as revenue rose 13.8%—including 13.2% rise in sales to \$1.58 billion—net leaped 82.8% (see financial table). Indicated for final quarter were sales of \$433.6 million, up 9.6%, net of \$15.4 million, up 108.1%.

For full period, sales in Japan edged up just 3.1% to \$649.9 million, while overseas volume grew 21.5% to \$926.7 million. VTRs provided brightest sales picture for Sony, jumping 55.2% to \$162.2 million, though TV continued as volume leader, rising 11.8% to \$576.1 million. Radios & audio recorders posted 4.9% gain to \$358.5 million; audio equipment, at \$196.2 million, was held to 1.7% rise, while sales of other products rose 18.7% to \$283.5 million. Sony said it would increase dividend, didn't specify amount.

Superscope signs 7-year \$25-million loan agreement with group of commercial banks... **Motorola** hikes quarterly dividend to 21¢ from 17-1/2¢...

Texas Instruments increased quarterly to 33¢ from 25¢, votes to buy up to 15,000 of its shares...

Lloyd's reports sales & earnings down for fiscal 2nd quarter, blames shipment delays by Japanese TV game supplier, Systek, which has had financial difficulty. Earnings for half were down 17.2%, though sales held about even... **Koss** suffered 74.6% earnings decline in opening fiscal quarter on 7.7% sales dip. Company said record sales logged in Sept. weren't enough to offset July-Aug. slump...

GE earnings should be record this year, Chmn. Reginald Jones said after holders approved acquisition of Utah International. He said consumer product sales, particularly TV, have improved recently...

Optel, bankrupt LCD producer operating under Chapter 11, said it has plan to convert \$7.1 million in secured debt to \$1.1 million in secured, \$6 million in unsecured debt. Latter will be pooled with other unsecured debts to be paid on pro-rata basis. Pact was with Chemical Bank & Mitsubishi subsidiary Delta Transnational. Delta, which owns 36% of Optel, also agreed to terminate right to call for Optel stock in exchange for \$1 million debt.

JAPAN'S OCT.: While Japanese exporters of audio products managed to keep up with pace of TV & CB in shipments to U.S. in Oct. (Vol. 16:48 p8) in radios & phonos, they showed signs of slowing down in tape recorders & players, Finance Ministry statistics indicate.

Total Oct. exports of audio tape equipment to U.S. totaled 1.36 million, up 2.8% from same month last year. Though exports of auto models rose 18.3% to 218,100, shipments of home types increased less than 1% to 1.14 million. In radios, total exports climbed 213.1% to 1.15 million, due mainly to 415.4% jump for auto units. Home radios climbed 68.2% to 3.57 million, with FM up 55.1% to 224,800. Japanese have resumed shipments of complete phonos with vengeance this year. Phonos exported in Oct. were up 533.7% to 143,800, as phono-only models leaped 9-fold and radio-phonos climbed 164.3% to 57,400. Here are details:

JAPANESE EXPORTS TO U.S.

	October 1976		October 1975	
	Units	Value(\$)	Units	Value(\$)
Total TV.....	340,074	61,393,613	206,621	29,472,903
color.....	302,608	53,089,725	142,747	25,575,108
b&w.....	141,466	8,303,888	63,874	3,897,795
Radio-phono, stereo..	1,137	110,996	13,122	946,396
Radio-phono, mono..	56,267	4,712,135	8,600	301,277
Radio-recrds. & other combo.....	335,099	13,839,875	560,721	22,808,557
Auto radios.....	787,792	51,773,645	153,246	3,855,699
Clock radios.....	110,352	1,949,930	29,279	764,590
Radios AM.....	22,302	373,461	38,272	262,366
Radios FM.....	56,531	1,642,847	144,976	11,747,023
FM hi-fi recvrs. & tuners*.....	168,304	20,246,678	—	—
CB trcvrs., under 100mw.....	103,054	626,538	32,439	313,191
CB trcvrs., other ..	877,796	48,304,364	55,508	23,540,537
Phonos.....	86,404	5,109,031	972	27,528
Tape players, auto cart.....	152,658	2,713,791	184,435	3,459,369
Tape players, auto other*.....	65,471	1,490,069	—	—
Tape recrds., reel ..	6,128	482,517	1,071	122,673
Tape recrds., cass..	494,507	12,414,982	362,403	8,253,052
Tape recrds., cart ..	124,858	2,372,496	100,886	2,027,551
Tape decks, audio ..	181,381	13,099,440	113,416	7,749,726
VTR*.....	9,603	6,682,854	—	—

*Not reported separately in 1975.

Controversy over FCC's proposed 100-dB harmonic radiation limit on CB transmitters is brewing within PURAC ranks, and issue could come to head next week when technical task force meets to prepare final recommendations for full PURAC meeting Jan. 27. Chairman Lee Bergren (Midland) said range of technical "action items" will be covered, "but we'll hit hardest at the 100-dB spurious and harmonics proposal. It could be the same as 5 microvolts (FCC's disputed receiver radiation limit) was last summer." Bergren indicated task force will back up opposition to proposal with detailed technical data on problems it would cause.

Labor Dept. rejected import adjustment assistance for workers who lost jobs when Admiral closed color TV & stereo console cabinet plant in Shelbyville, Ind. Agency said it could find no significant imports of console cabinets or complete sets, noted Admiral will be sourcing cabinets from domestic source.

Watch watch: E. Gluck Co. is negotiating with 3 semiconductor producers for LED modules in wake of closing of affiliate Computer Time, a module producer, by Armin, part of Gluck & CT. Gluck currently buys liquid crystal display modules from outside... **Opto-electronic** joint venture is being formed in Hong Kong by Micro Electronics, local semiconductor producer, & Epidyne of Cal. New firm, Microdyne, will produce LED displays for watch, clock & calculator OEM... **HMW** expects to show loss for last quarter to Jan. 31, plans \$3 million write-off of electronic watch parts inventory. HMW said Pulsar watch business was hurt by demand decline for high-end digital watches, will have loss for year.

Sanyo bought license to produce Philips-type minicassette recorders, plans to start export-only production early this year, may introduce it in Japan later. Advantage of rim-drive Philips system over capstan microcassette of Matsushita, Sony, Olympus & others, is lower production cost.

Trade Personals

Robert Warren resigns as Hitachi Sales Corp. exec. vp & board member, to continue as consultant. . . **Steve Rand** promoted at Superscope from International Dept. gen. mgr. to Superscope Canada vp-gen. mgr.

Richard Steininger advanced at BSR Consumer Products Div. from field sales mgr. to national sales mgr. with responsibility for all product groups, in realignment; **Robert Katz** promoted from eastern sales mgr. to field sales mgr. for BSR & Glenburn lines; **John Gennaro**, former ADC (cartridges) sales specialist, named field sales mgr. for ADC cartridges; **Tom Ebeling**, ex-midwestern sales mgr., now field sales mgr. for ADC professional products, including Accutrac phono & frequency equalizer products; **Larry Wyrick** named western mgr.; **Tarra Thomas** promoted to head of new Communications Dept.; **Bert Mazzacca** named mgr. of new professional products technical sales dept.; **Harold Schiffman** appointed mdsg. services mgr.; **Vince Wheeler** now mktg. services mgr.

Howard Schlichting, ex-J.C. Penney, appointed Lafayette distribution vp; **Ronald Curwin**, finance vp, adds treas. post; **Richard Gaynor**, personnel dir., named vp, adds responsibility for labor relations. . . **John Dineen** promoted at GE from Audio Electronics Products Dept. audio systems products product mgr. to chain retail sales mgr. for Housewares & Audio Business Div. sales & distribution dept. . . **John Bubbers**, ex-Audio Dynamics (BSR) gen. mgr., forms Boston-based Celestion Industries, import-distributor of U.K.-made speaker line. . . **Roger Faust**, ex-Altec international mktg. mgr., forms FIMC International, for hi-fi exports.

Thomas Rossiter, ex-RCA, joins Sharp as national service admin. mgr.; **Martin Brooks**, ex-Simplex Wire & Cable industrial relations vp, appointed employee relations dir. . . **Mike Bratt** advanced at GC Electronics from asst. sales administrator to customer service mgr., succeeding **Rich Keas**, who left company. . . **Richard Cobb** advanced at Cobra Communications from components engineering mgr. to asst. product mgr. for CB accessories, new post. . . **Tripp Marshall**, ex-Central Supply, joins Browning Labs as asst. sales mgr.

William Agee, Bendix pres., adds post of chmn., replacing **W. Michael Blumenthal**, nominee for Treasury Secy. . . **Richard Missar** promoted at DeSoto from corporate mktg. administration vp to exec. vp & chief exec. . . **Robert Adams** promoted at C.P. Clare from Fairview, N.C. plant mgr. to operations vp, new post. . . **Lloyd Call** upped at Burroughs from vp-group exec. for Computer Systems to corporate mfg. vp, succeeding **Edward Schening**, retiring.

Richard Emmert appointed Du Pont Electronic Products Div. dir., exchanging posts with **Daniel Friel**, now Instruments Products Div. dir. . . **Dedy Saban**, Solid State Scientific mktg. dir., adds responsibility for sales, succeeding **Robert Mason**, who resigns as national sales mgr.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Filmways			
1976-9 mo. to Nov. 30	91,857,000	2,130,000	.94 ^a
1975-9 mo. to Nov. 30	75,355,000	1,675,000	.76 ^a
1976-qtr. to Nov. 30	34,000,000	943,000	.42 ^a
1975-qtr. to Nov. 30	27,297,000	805,000	.38 ^a
A.C. Nielsen			
1976-qtr. to Nov. 30	62,072,000	4,542,000	.42
1975-qtr. to Nov. 30	54,947,000	3,914,000	.37
Sony^b			
1976-year to Oct. 31	1,630,173,000	104,401,000	.48 ^c
1975-year to Oct. 31	1,432,143,000	57,102,000	.26 ^c
Starr Bcstg. Group			
1976-year to June 30 ^e	29,163,842	(5,074,355) ^d	--
1975-year to June 30 ^e	26,083,044	(2,103,592)	--
1976-qtr. to Sept. 30	7,066,802	217,683	.17
1975-qtr. to Sept. 30 ^e	6,448,969	(392,358) ^d	--

Notes: ^aAdjusted. ^bAt 294 yen=\$1. ^cPer ADS. ^dAfter special charge. ^eRestated.

Broad brush FTC order accepted by Matsushita Electric of America (MECA) bans firm from misrepresenting results of any test survey or other type of report on virtually any products it's offering for sale to consumers. Order follows FTC demand for substantiation of 1975 ad claiming NEA test showed Panasonic color model easiest to service (Vol. 15:25 p7 et seq.); similar action is pending against GE. FTC said it widened scope of order to include products other than TV because in past it found companies were circumventing narrower orders. Order also applies to subsidiary Quasar.

Sanyo became 3rd Japanese & 4th foreign company to own color TV production operation in U.S. Dec. 29 when it completed purchase of Whirlpool's 57% interest in Warwick's TV business (Vol. 16:41 p10; 50 p7). Others are Sony, Matsushita (Quasar) & Dutch Philips (Magnavox). Sanyo is slated to make \$4.43-per-share tender offer for 18% of stock in public hands later this month. Sears will retain 25%.

FCC released final list of 40-channel CBs approved for sale on Jan. 1, noting that firms getting approval after list was issued Dec. 30 were to be notified by telephone. Seven on list bring total 40-channel approvals to 273. Approvals: Browning (SST-2), Dynascan (132XLR), Fanon/Courier (Fanfare 125F), Gemtronics (GTX-4040), General Motors (GM 4120), RCA (14T 302), Superscope (Aircommand CB-640).

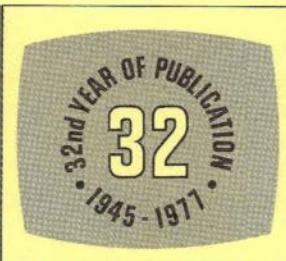
Soaring Dec. color sales to dealers now offer hope year closed out close to 7.8 million at distributor level, well above industry expectations. Dealer purchases in week ending Dec. 17 (see State of Industry box) were 2nd highest of any Dec. week in history, topped only by 265,600 for opening week of Dec. 1973.

Korean electronics exporters booked \$790 million in orders through Oct. 1976, 11% above 1976 goal of \$710 million.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

'REVOLVING DOOR' ATTACKED by Carter transition group through tough new restrictions on top appointees' financial holdings, ethics and post-govt.-service employment. Current FCC members won't be affected. (P. 1)

NAB BUDGET PARED, HIRING FROZEN, following expected deficit for current year. Increase in radio dues rejected. Swafford to head Code & PR. (P. 2)

CABLE ISSUES NEAR DECISION: FCC gets into definitions this week. Radio carriage, contours and radiation on tap soon. (P. 3)

COMMERCE DEPT. PROJECTIONS see TV revenues up this year, earnings flat because of costs. Radio earnings expected to rise 7%. Cable basic subscribers seen up 1 million. (P. 4)

WILEY 'MASTER PLAN' FOR UHF outlined at San Francisco INTV convention. Program availability is a key issue, will be considered Jan. 13. (P. 4)

BREAK FOR INCUMBENT STATIONS expected in new renewal policy, as FCC clarifies WESH-TV decision with definition of 'superior' programming and further evaluation of 'diversification.' (P. 5)

NEW HOUSE COMMERCE MEMBERS named by Republican & Democratic leaders. (P. 5)

CARTER TRIES TO SHUT 'REVOLVING DOOR': Transition group has placed strict new limitations on financial holdings and post-govt.-service employment of new top Executive Branch appointees, but restrictions will have no effect on current members of FCC, FTC, and other independent agencies with commissioners appointed for fixed terms. Among new restrictions:

(1) Full public disclosure of all assets, liabilities and "continuing affiliations" of appointees and their immediate families, with divestiture required for FCC & FTC commissioners and OTP dir. & deputy dir. if holding "will seriously impair the capability of the officer to perform the duties of the office to which nominated." For cabinet members, divestiture requirement is more rigorous. (2) Appointees must make publicly available statement of sources of income from Jan. 1, 1975 until 60 days preceding appointment. (3) Appointee must sign "voluntary" agreement to serve entire term for which appointed. (4) Participation—either formal or informal—in any matter before agency of previous employment is barred for one year after leaving govt. For participation in matter previously included in appointee's official duties, ban is for 2 years (extended from current one year). Transition group added that legislation also would be needed to "close the revolving door," said it would be developed following inauguration.

New requirements won't affect officials already appointed by Presidents Nixon or Ford to fixed terms—such as currently-sitting FCC & FTC commissioners. Even if backed by legisla-

Consumer Electronics

RCA VIDEODISC program survives management review, major goals now lowering price, increasing playing time, adding software—but still no final decision on whether to go to market. (P. 7)

40-CHANNEL SLUGGISH at retail in first sales week. Retailers say they'll look for clues to market's future at CES, cite short supply & consumer disinterest as reasons for slow sales. (P. 8)

ZENITH'S NEVIN to lead witness parade at ITC's TV escape-clause hearing in Chicago this week. All scheduled testimony to be in favor of import restrictions. (P. 8)

TV FREIGHT INBOARDED by most U.S. TV manufacturers, as RCA & Quasar join Zenith, Admiral & GE. Zenith sets new promotional allowances to 'keep competitive.' Sylvania lowers color prices. (P. 10)

CANADA ACTS TO AID TV producers by cutting duty on OEM imports, providing incentives for exports, new business ventures. Move seen as modest help, could draw fire from Canadian importers, including Zenith. (P. 10)

GAMES GALORE AT CES as suppliers move into 2nd generation. RCA's programmable Studio II hits market at \$150, same as Fairchild's VES. Magnavox adds 3-models to Odyssey line. (P. 11)

tion, restrictions couldn't be applied retroactively due to ex post facto restriction in Constitution. Transition spokesman told us question hadn't been raised before, but said he assumed new rules couldn't apply to present commissioners. Therefore, for example, new post-govt. service restrictions won't affect plans of FCC Chmn. Wiley, who told us he has no intention of leaving Commission until term expires June 30. (Wiley said he's planning vacation until Sept. after he leaves FCC.)

New FCC chmn. could find rough sledding if he's appointed by Carter before Wiley term expires. At FCC, top staffers are hired and fired by full Commission, not by chmn. alone. Until there's Democratic majority—which could come July 1 at earliest—4 Republican members can be expected to protect top FCC staffers, resist new chief's efforts to hire his own people. Present staffers are "non-political, really," commented one Republican commissioner, who said he hopes that many top people won't be kicked out even when there's Democratic majority.

Commented Democrat helping transition group: "One of the most important considerations concerning us about leaving Wiley as chairman [after Jan. 20] has got to be that he keeps appointing people, and then they become 'grandfathered.' The longer he's there, the longer his policies survive." In addition to each commissioner's personal staff and advisers, following are listed in House Committee on Post Office & Civil Service's "Plum Book" of FCC staffers who work "at the pleasure of the President": Office of Plans & Policy chief, chief engineer, general counsel, Broadcast Bureau chief. Among those not listed: Chiefs of other bureaus—Common Carrier, Cable, Safety & Special, Field Operations—plus exec. dir.

* * * *

Carter and House Govt. Operations Committee Chmn. Brooks (D-Tex.) reached agreement last week on form of Executive Reorganization authority Carter will seek from new Congress in order to begin restructuring federal govt. (Vol. 17:1 p1). Legislation would give President authority to submit reorganization plans to Congress that become effective in 60 days if not vetoed by either house of Congress. Reorganization could affect any Executive Branch unit smaller than whole department, for which separate legislation would be needed.

Legislation also will allow President to amend his own reorganization plans within 30 days of submission, enabling Congress and others to apply pressure short of outright disapproval on Carter's proposals.

NAB BUDGET PARED, HIRING FROZEN: Proposed \$64,826 deficit in NAB's fiscal 1977 budget (starting April 1) has been rejected by Exec. Committee, and staff told to effect 3-4% cutback to come up with balanced books to present to Jan. 25-28 board meetings in Hawaii. Also concerned by projected \$262,147 deficit (on \$4.6 million income) for current year, Committee ordered immediate "freeze on all positions" at NAB.

This means, according to Exec. Committee member, that NAB can replace resigned staffer only if "special skill" is involved (such as secy.) and only following "specific authority" of Exec. Committee. For instance, he said, if couple of professionals quit govt. relations, approval of Committee would be required to replace one or both.

Much of current deficit was caused by cost of family viewing suit (over \$125,000 for outside counsel; appeal will be handled in-house); net loss in TV dues of \$42,000 (after making TV Code membership mandatory); drop in interest income of \$20,000, and only \$84,510 in contributions for Free TV Committee compared with \$190,000 budgeted. (No effort has been made to solicit contributions for several months, and office is being merged into NAB PR, see below.)

At week's end, staff had come up with balanced budget of about \$5.1 million by cutting across board. Salary increases—averaging 7%, ranging 4-9%—were approved by Exec. Committee and weren't affected by budget paring. Originally-proposed budget included additional \$179,000 from radio dues increase (which was rejected, although a committee will study present dues structure based on net revenues and described as "an absolute failure... atrocious"). Committee also will be formed to restructure TV dues (headed by TV Vice Chmn. Kathryn Broman) since mandatory TV Code membership is being abolished because of family viewing suit (Vol. 16:48 p2).

Following Exec. Committee meeting, Pres. Wasilewski announced appointment of ex-CBS Vp Thomas Swafford as NAB senior vp for public affairs, as expected (Vol. 17:1 p2). Swafford will hq in Washington, head both Code Authority and PR. In other changes, Stockton Helffrich resigned as Code dir., will continue as consultant until end of year; Asst. Code Dir. Jerome Lansner succeeds Helffrich as Code dir. and Robert Resor was promoted to dir. of media relations, reporting to Swafford.

(Note: There's also some talk of moving TIO from N. Y. to Washington and placing it under Swafford. However, networks—which contribute \$87,500 each per year to TIO—are opposed, and move isn't expected to get very far at present.)

In other actions, Exec. Committee: (1) Ordered NAB supervisors to make formal employee evaluations on regular basis. (2) Appointed advisory group to assist staff in planning Sept. "radio programming college"; seminar now is set for L.A., is likely to be shifted to Hyatt-Regency in Chicago. (3) Authorized ad hoc group to study make-up & programming of future conventions.

CABLE ISSUES NEAR DECISION: Variety of cable decisions hang fire at FCC, and aim is to resolve them within month or so. They include:

(1) System definition—due for another discussion this week. So far, controversy centers mostly around 2 issues—head-end and MATV. Pro-broadcast elements fear that use of "head-end" rather than "community" definition will extend imported signals into hitherto forbidden areas. Cable staff says fear is unfounded, noting that systems would still have to get waivers to extend—"no automatic spillover," as staffer put it.

As for MATV, some people, notably Comr. Quello, argue that Commission should be reducing regulation rather than adding new areas. Others say they can't understand difference in logic between "horizontal" CATV and "vertical" MATV. No serious opposition has appeared against staff's suggestion that systems under 250 subscribers be exempt from regulation.

(2) Radio carriage—discussion expected by month's end. According to some staffers, they've seen nothing in comments filed to show any radio station is hurt or likely to be.

(3) Fixed mileages vs. predicted contours. Though 35-mile & 55-mile circles are used for some rules, others are still based on predicted Grade A & B contours. Since new FCC prediction formulas have shrunk many station contours—particularly UHF—giving them less protection, there's renewed interest in promulgating flat mileages for almost everything.

(4) Radiation interfering with aircraft navigation, etc. Most frequencies involved aren't yet in use—but operators want them in the kitty for future. At FCC, current thought opposes outright ban, favors close govt. control.

PTV can be received by 77% of American public, according to CPB-sponsored poll by Statistical Research last Feb. Only 75% report "excellent" or "good" reception vs. 92% for local CBS channel. In phone survey, 46% could identify local PTV channel and provide "an acceptable definition of public TV," while additional 35% could name channel or define PTV but not both. PTV was viewed by 60% of those surveyed, 18% of whom could identify specific program viewed in past week. Of 40% who said they never view PTV, 4% had no PTV channel available, 10% never heard of it, 9% weren't able to receive it, and 17% never watch TV.

Use of optical fibers in submarine cables, compared with conventional cable, is analyzed in Office of Telecommunications Report 76-103 (56 pp.), by R. L. Gallawa. Conclusion: "We are anticipating the happy coincidence of an improved technology at an economically competitive price." Report is highly technical cost-capacity comparison.

Hearing on family viewing (FV) is sought by Rep. Wirth (D-Colo.) in letter to House Communications Subcommittee Chmn. Van Deerlin (D-Cal.); Rep. Waxman (D-Cal.) also intends to request FV hearing. Wirth seeks hearing in early 1977, says it's needed because networks declined to appear at last year's hearings in Denver & L.A. Rep. Railsback (R-Ill.) last week re-introduced resolution to express Congress' concern to TV programmers over violence and rising violent crime rates (Vol. 16:40 p2). Railsback asked House colleagues to push for early hearing and "full consideration."

Citing "long delay" in receiving revised FCC rules from GPO—often 6-8 months—NAB asked Commission to begin monthly mailing of all rules changes to licensees. Assn. also asked agency to start monthly newsletter containing summaries of major broadcast actions. Result would be "fewer inquiries & misunderstandings" concerning FCC rules & policies, NAB said.

COMMERCE DEPT. PROJECTIONS: Strong TV, radio & cable performance last year and optimistic estimates for 1977 & 1985 are provided in Commerce Dept. "U.S. Industrial Outlook 1977." Prepared by E. MacDonald Nyhen, Science & Electronics Div., report estimates:

(1) Total TV advertising rose 20% to \$6.4 billion in 1976, is expected to increase 12% to \$7.1 billion in 1977. (2) Net TV revenues rose about 20% in 1976, to \$4.9 billion, and 1977 increase is expected to run about 12% to \$5.5 billion. (3) Pre-tax TV earnings were estimated up 50% to \$1.2 billion in 1976—but little increase is expected this year, because of rising costs.

(4) Total radio advertising rose some 14% to \$2.3 billion in 1976 (no estimate for 1977). (5) Net radio revenues were up 14% to \$2 billion, are expected to rise 10% to \$2.2 billion in 1977. (6) Radio earnings, depressed since all-time high of \$134 million in 1972, rose 50% in 1976 to \$140 million, are expected to go up 7% to \$150 million this year. (7) FM stations reporting separately to FCC hit revenues of \$375 million in 1976, are expected to increase at least 20% to \$450 million in 1977.

(8) Cable added 1.15 million subscribers in 1976, totaling 11.65 million, up 11%. Another 10% increase, to 12.8 million, is expected in 1977. (9) Basic subscriber revenue in 1976 is figured at \$775 million, up 15%. A 14% increase to \$880 million is anticipated for 1977.

(10) Pay-cable subscribers are figured at 1 million at end of 1976, with another million anticipated this year—total of 2 million adding some \$200 million in revenues.

(11) From now to 1985, TV is expected to compound 10% annually, reaching revenues of \$11.6 billion, pre-tax earnings of \$2.7 billion. (12) By 1985, radio revenues are expected to rise 8% annually to \$4 billion, pre-tax earnings 6% a year to \$250 million. (13) Cable subscribers are figured rising at least 9% a year to 25 million in 1985, with basic subscriber revenues going to \$2.7 billion, and other services such as pay cable producing another \$2 billion.

Growth of employment of minorities & women at commercial TV stations last year exceeded rate of new job openings, according to United Church of Christ study. Report shows total industry fulltime employment at 41,273 in 1976, up 1% from 1975; jobs held by minority employees rose 8.6% to 5,769, while women held 10,871 posts, up 6.4%. At end of year, 14% of jobs were filled by minorities, up from 13% in 1975; 26% by women, up from 25%.

NCTA forms new Operator Services Dept. under Senior Vp Wally Briscoe, combining functions of Assn. Affairs & Operator Relations Dept., including Offices of Convention/Meeting Planning and Membership.

CBS has acquired Wonder Products Co. (toy manufacturer) from Pepsico for cash (amount not disclosed), formed CBS Toys Div. to include new acquisition and Creative Playthings.

WILEY 'MASTER PLAN' FOR UHF: Govt. & industry must provide "joint effort... to put UHF on a par with VHF in the best interests of the American public," according to FCC Chmn. Wiley. Calling UHF "new frontier" of broadcasting—in remarks prepared for delivery Jan. 9 at INTV convention in San Francisco—he outlined elements of his "master plan":

(1) Comparability of tuning "must be fully implemented." (2) Signal quality must be enhanced through transmitter & receiver improvements. (3) Amount of spectrum needed must be identified & protected, "utilized at maximum efficiency." (4) "Vigorous" public education program. (5) Unqualified financial commitment by industry. (6) "The whole question of program availability must be considered."

On last point, Wiley said Group W & Justice Dept. petitions to place restrictions on network program practices (Vol. 16:48 p1) will be considered by FCC Jan. 13. Commission is expected to issue inquiry & rulemaking on many of points raised by Group W regarding affiliate-network relations (Vol. 16:36 p1).

Action for Children's TV (ACT) again is attempting to prod FTC into moving against alleged unfair and deceptive children's TV ads. Filing formal complaint with Commission against Hasbro Industries ads for "Bulletman" toy, ACT Pres. Peggy Charren stated: "The Commission has not litigated a case of misleading and unfair advertising directed to children in the last decade." Noting that FTC Chmn. Collier said at recent ACT conference that agency should pursue case-by-case approach in such ads (Vol. 16:48 p4), Charren charged that FTC "has used the 'case-by-case' argument to excuse its failure to enact rules."

Ascertainment survey of WOR-TV N. Y. "satisfied the FCC's requirements," Chief FCC Judge Chester Naumowicz said in initial decision last week recommending station's license be renewed. He said 301 interviews with "a broad spectrum of community leaders" were acceptable and no showing had been made that any "significant groups" were omitted. Last Nov., FCC denied competing application of Multi-State Communications for not being financially qualified (Vol. 16:47 p6).

Advertisers spent \$336.6 million on network TV in Nov., up 28.4% from Nov. 1975, according to TvB-BAR. Daytime posted largest gain, 34.3%—to \$77.3 million; prime time was up 34% to \$222.2 million. For first 11 months of 1976, advertisers invested \$2.7 billion in networks, up 23%; \$941.4 million went to CBS, \$894.6 NBC, \$867.5 ABC.

Cox Cable arranges \$10-million revolving credit with group of banks headed by Chase Manhattan, including Security Pacific, Fidelity, First National of Atlanta, Trust Co. of Ga. Terms: 1/4% over prime in 1977, 1/8% over in 1978, prime in 1979.

"First priority" in expansion plans of Ziff-Davis Publishing is acquisition of TV-radio stations, according to I. Martin Pompadur, who joined company as senior vp. He resigned as ABC vp-dir. and asst. to pres. last Sept. (Vol. 16:38 p6).

BREAK FOR INCUMBENTS: New FCC policy in comparative hearings involving challenged licensee—giving incumbent stronger hold on license—is expected later this month. It was foreshadowed by Commission action last week dealing with petition for reconsideration of its renewal of WESH-TV Daytona Beach. Last July, Commission voted 4-3 to renew station, turn down challenge by Central Fla. Enterprises, which included black stockholders (Vol. 16:37 p5).

After disposing of a technical coverage question, Commission "on our own motion" decided to clarify what it meant (in original decision) by station's "superior" performance vs. Central Fla., and by preference it had given Central on diversification factor.

What it meant by "superior," FCC said, was "that the level of service provided by WESH-TV was sound, favorable and substantially above a level of mediocre service which might just minimally warrant renewal... as opposed to service which is truly 'exceptional' or of the highest possible level..." FCC said it didn't mean WESH-TV was exceptional compared with other stations in "its service area or elsewhere."

As for Central's "clear preference" over WESH-TV, owned by Cowles, Commission said it really didn't mean it was all that strong. First, it said, Cowles has no other media in area; then, its other holdings are remote from Daytona Beach; furthermore, they don't dominate their own areas. In addition, Commission said, Cowles gives WESH-TV management "substantial autonomy," and this further diminishes Central's preference. Add it all up, and FCC found Central's diversification preference "to be of little decisional significance."

Chmn. Wiley, who had dissented to original decision because he didn't find WESH-TV programming "superior," believes "solid & favorable" programming is accurate description and warrants renewal. He went on to repeat oft-stated belief that FCC renewal policy doesn't make sense, needs legislative correction. Meanwhile, he said, Commission must come up with new policy statement "which will provide interim clarification." Vote last week was 4-1, Hooks dissenting, Fogarty & White not participating.

Earth-station license: Springfield, Ill., CPI. CPs: Kenner, La., Eastbank Cable; Taylor, Tex., Taylor TV Cable. Applications: Marion, Ind., ATC; Billings, Mont., Havre Theatres; Havre, Mont., Havre Theatres. (For details, see CATV Addenda.)

TV studio & cable system in Riyadh, Saudi Arabia, will be supplied & installed by International Video Systems, London, under contract with Modern Electronic Establishment, Jeddah, contract total undisclosed.

FCC needs an engineer as commissioner, wrote AFCEE Pres. Carl Smith to Jimmy Carter, urging appointment of Wallace Johnson, Broadcast Bureau chief.

Volunteer Advisory Council has been formed by PBS. Chmn. is Phyllis Denmyer, WYES-TV New Orleans.

COMMITTEE MEMBERS NAMED: House Commerce Committee began taking shape last week with naming of new members by Democratic & Republican steering committees, but Senate Commerce Committee organization continued to be slowed by consideration of extensive Committee reform proposals (Vol. 16:52 p5).

Added to House Commerce were freshman Democratic Reps. Walgren (Pa.), Markey (Mass.), Gam-mage (Tex.), Mikulski (Md.) & Gore (Tenn.). Republican freshman additions were Reps. Stockman (Mich.) & Marks (Pa.). Leaving Commerce were Communications Subcommittee member Rep. Byron (D-Md.), who shifted to Armed Services, and Rep. Brodhead (D-Mich.)—to Ways & Means.

On Senate side, new members got only temporary assignments, due to promise made by Senate leaders to Sen. Stevenson (D-Ill.) not to make Committee assignments until his reform plan is considered. Freshmen requested temporary slots in order to participate in confirmation hearings on Carter's Cabinet appointments. Assigned to Commerce on interim basis: Sens. Anderson (D-Minn.), DeConcini (R-Ariz.), Matsunaga (D-Hawaii), Moynihan (D-N.Y.) & Schmitt (R-N.M.). Meanwhile, Communications Subcommittee Ranking Republican Baker (R-Tenn.) nosed out Sen. Griffin (R-Mich.) by one vote (19-18) for post of Senate Minority Leader. New job probably means Baker will become less active in all his committee assignments.

Open presidency is planned by Jimmy Carter, according to Robert Lipshutz, who's expected to be named White House counsel this week. He said Carter would make "a positive effort" to communicate directly with large number of White House staffers, Cabinet members, key congressmen, and citizens. Carter Press Secy. Jody Powell said transition coordinator Jack Watson is expected to be named to White House position similar to that of Herbert Klein in Nixon White House's Office of Communications. Watson's role of "roving spokesman" would be in addition to job of Cabinet coordinator.

NBC program "What Is This Thing Called Food?" unfairly portrayed food additives as "hidden dangers" and "grotesquely distorted" food processing technology, according to fairness doctrine complaint to FCC. In complaining, Grocery Mfrs. of America and American Meat Institute hit "NBC's apparent inclination to blind itself to the patent unfairness of this program," charged network had refused time to respond.

House Code of Ethics will be drafted by special committee chaired by Rep. Preyer (D-N.C.). Code is result of promise made last session by Rep. O'Neill (D-Mass.) in wake of probe of South Korean payments to congressmen.

Arbitron issues first edition of annual TV Population Book, providing 21 demographic categories for each ADI. Total TV households are 71,556,200, with 203,933,800 persons—averaging 2.85 each. Copies are available from all Arbitron offices.

WTVW Evansville, Ind. appoints Blair TV rep.

Personals

NBC Pres. **Herbert Schlosser** also named chief exec. officer, post relinquished by **Julian Goodman**, who remains chmn.; Goodman said move clears him to concentrate on policy planning, supervision of corp. projects and to spend more time "with the increasingly complex issues involving the relationship between government & broadcasting."

George Hooper promoted to vp-research & mktg., NBC TV Stations Div. . . **Peter Dimmock**, ex-BBC Enterprises gen. mgr. & chief exec., joins ABC Sports as worldwide syndication sales dir. . . **Peter Roth** promoted to ABC Entertainment west coast children's programs dir.

Jim Kime, KING-AM-FM Seattle station mgr., appointed vp-operations & development, parent King Bcstg., new post. . . **George Lilly**, WBEN-TV Buffalo gen. sales mgr., advanced to station mgr., succeeding **George Torge**, retired. . . **Robert Wickhem**, Wis. TV Network vp-operations, named gen. mgr., WKOW-TV Madison. . . **David Sankovich** promoted to gen. sales mgr., WANE-TV Ft. Wayne. . . **Bill Swing**, ex-KATU Portland, Ore., named news dir., KPTV Portland, replacing **Don Stellges**, who goes into real estate.

John Reinhardt, State Dept. asst. secy. for public affairs, will be named USIA dir. by President-Elect Carter. . . **M. Peter Downey**, ex-WGBH Educational Foundation, appointed PBS operations dir. . . **Chester Haldeman** promoted to engineering dir., Ga. ETV Network, succeeding **Bob Ware**, now chief engineer, WPLG Miami.

Emerson Stone, CBS Radio News, named a dir., AP Bcstrs., succeeding **James Holton**, NBC Radio News; **Virginia Wetter**, WASA(AM) Havre de Grace, Md., also named a dir., replacing **Stella Maloney**, WMEV-AM-FM Marion, Va., resigned. . . **Wayne Baruch**, ex-Syndicast Services vp, joins Robert Wold Inc. as asst. to pres.

Donald Kleffman promoted to vp-gen. mgr., Ampex Audio-Video Systems Div. . . **Fred Huffman**, ex-RCA Bcst. Systems, appointed pres. & chief exec. officer, Richmond Hill Labs, Scarborough, Ont. . . **Arthur Constantine** promoted to Fidelipac sales mgr. . . **Louis Donato**, mgr. of TV & special sales, promoted at RCA Americom to dir.-video & audio services.

Elected PGW vps: **Robert Galle** & **Edward Loud** in N.Y., **Ray Johns** & **James Hunt** in Chicago; **Brian Byrnes** promoted to sales mgr., Chicago National sales team. . . **Rick Feldman** promoted to sales mgr., Metro TV Sales, N.Y.

Robert Hughes, CPI, becomes candidate for NCTA vice chmn., with election during Feb. 14-15 board meeting (Vol. 16:52 p3). . . **Joe Overkamp** appointed Viacom accounting dir. . . **William Asip**, ex-Transcable vp, joins Hollywood Home Theatre as affiliate sales dir. . . **Presley Holmes**, NPR vp-programming, resigns, plans not announced.

WUAB Lorain-Cleveland names **Katz** rep, replacing **Petry**. Station recently was purchased by **Gaylord Bcstg.** from **Kaiser** for \$10.5 million.

Right to broadcast executions and interview death row prisoners has been granted in Tex. by U.S. Dist. Judge **William Taylor**, but Tex. Atty. Gen. **John Hill** said he'll appeal. Decision—in response to suit filed by KERA-TV (ETV) Dallas newsmen **Tony Garrett** & **ACLU** opposing Tex. Dept. of Corrections—has set off considerable controversy among stations and public over whether to televise executions. KTRK-TV Houston survey of 14 news dirs. in 7 Tex. cities found 9 unwilling, 3 willing, 2 undecided. Taylor designated Garrett as "pool" cameraman for networks & Tex. stations, but KERA-TV itself hasn't decided whether to cover executions. There are more than 3 dozen prisoners sentenced to death in Tex. Meanwhile, CBS News plans hour-long documentary on Utah execution of **Gary Gilmore** set for Jan. 17, but won't show execution.

Protection from interference to TV Ch. 6 is goal of numerous comments filed with FCC by broadcasters opposing noncommercial FM broadcasting at 88.1 MHz as well as CPB proposal to add new FM Ch. 200 for educational radio at 87.9 MHz. NAB charges educational FMs have been interfering with Ch. 6 for 15 years, concludes: "Now is the time to do something about it." MST asks that Commission use educational FM proceeding "to address effectively a whole range of problems affecting the public's TV broadcasting service caused by FM broadcasting stations." In addition to new channel, CPB sought restructuring of FM noncommercial service away from 10-watt stations and toward more powerful stations with longer hours.

FCC has issued first "alphabetical index" to TV-radio rules, leading Chmn. **Wiley** to comment: "Anyone who thinks the job [of eliminating unnecessary rules] has been completed should review the mammoth list of remaining rules contained in this item. Obviously, there is much more to accomplish" in re-regulation.

Triangle Publications has sold 8 Canadian editions of TV Guide to new Canadian firm headed by **Phillippe de Gaspé Beaubien**, Toronto hq. Firm also will print French-language counterpart TV Hebdo. TV Guide has total ABC circulation of 1 million in Canada.

Dutch TV-radio home license fee would rise 5% annually for next 5 years under govt. proposal to offset operating deficit of broadcasting system, starting with hike to \$43 from current \$41 in 1977. Radio-only license would go to \$13 from \$12.50.

Broadband equipment sales of all kinds ran \$44 million in 1975, should increase 40% yearly to \$1.12 billion, according to 314-page study—selling for \$6,500—by ComQuest, 1000 Elwell Court, Palo Alto, Cal. 94303.

SMPTE seminar Jan. 28-29 in San Francisco will devote full day to discussion of "beyond ENG," focusing on mini-cameras for uses other than news gathering. Digital video will be featured 2nd day.

ANA workshop on TV Feb. 2, Plaza Hotel, N.Y., will cover future of TV, 4th network, clutter, govt. regulation, new technologies, "how to buy."

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 24 (51st week of 1976):

	Dec. 18-24	1975 week	% change	Dec. 11-17	1976 to date	1975 to date	% change
Total TV	259,404	223,869	+15.9	367,964	12,652,789	11,250,573	+12.5
color	161,100	135,072	+19.3	243,752	7,557,125	6,365,494	+18.7
monochrome	98,304	88,797	+10.7	124,212	5,095,664	4,885,079	+4.3
Total radio	511,398	384,947	+32.8	708,554	40,186,539	33,679,684	+19.3
home, portable . .	281,180	246,602	+14.0	513,306	27,961,742	24,563,802	+13.8
AM-only	160,804	58,329	+175.7	287,100	9,136,360	6,696,984	+36.4
FM & FM-AM . .	120,376	188,273	-36.1	226,206	18,825,382	17,866,818	+5.4
auto	230,218	138,345	+66.4	195,248	12,224,797	9,115,882	+34.1
Port.-comp. phono .	511,398	384,947	+32.4	70,354	40,186,539	33,679,684	-7.9

Color TV 5-week moving average: 1976—200,117; 1975—146,340 (up 36.7%).

RCA'S 'MAYBE' ON VIDEODISC: RCA videodisc program apparently has survived major obstacle—detailed management review, with most or all senior officers reporting their views to Pres. Edgar Griffiths. But decision on whether to take it to market is still in undefined future. Asked whether RCA board had heard report or taken action on videodisc program at last week's meeting, company issued this "unexpandable statement":

"The development of the RCA SelectaVision VideoDisc system is continuing at a level comparable to that of recent years. As the result of a recent management review, the development program will concentrate on measures to lower the system's price further, increase its playing time and broaden its software program. RCA's final decision on whether to market the VideoDisc system will depend on a favorable convergence of technical, marketing & economic considerations."

Lack of reference to disc reliability & durability as goals might be taken as verification of recent reports that RCA engineers have licked some fairly sticky troubles in this area. Mention of possible increase in playing time is in line with our report that RCA has been demonstrating internally a disc with one hour per side (Vol. 16:51 p9). If this were translated to marketable product, it would mean 2-hour feature film could be recorded on 2 sides of single disc—vs. 4 discs in Philips/MCA one-sided 30-min. format—which could make formidable competitive selling-point.

How much more development needs to be done? When, if ever, will "technical, marketing & economic considerations" converge? Wording of statement could be interpreted as indication that RCA is unlikely to meet widely hinted informal marketing date of late 1977—particularly since it seems to be embarked on new project to increase playing time. Major unanswered question is whether longer playing time involves changes in disc alone or both disc & player.

Following board meeting, RCA announced withdrawal of proposed 5-million-share public stock offering. Pres. Griffiths stated that decision was influenced by steadily improving operating results, increased cash flow and enhanced prospects for earnings. Some authoritative observers had felt that offering was essential to finance commercial introduction of videodisc—but many Wall Streeters had remarked that RCA has good cash position, didn't need added capital, and in recent weeks it had been widely predicted that offering would be scrubbed. Videodisc project wasn't.

40-CHANNEL SALES' SLOW START: Ballyhooed 40-channel CB market got off to sluggish start in year's first week, and many retailers say they'll look for clues at Winter CES (Jan. 13-16). Dealers cited numerous reasons for slow-to-non-existent 40-channel sales, but primary ones were: (1) Consumer disinterest. (2) Price differential between 23- & 40-channel units. (3) Delayed shipments. (4) Retailer indecision about whether to enter market.

Conviction that 40-channel prices will be lower at manufacturer level than previously expected is behind much of confusion & caution on retailers' part. "I'm going to Chicago to see what the prices are going to be like," southern chain buyer told us. "If they're high, I'm going to stick with 23, but if they're closer to 23 the way I think they might be, I'll go with 40." Indications of low prices will show up this week in at least one area as major chain on West Coast prepares to break ad for Boman leader model at \$79. "Maybe it's crazy, but we're going to do it," store official said. "It could create some problems for the 23-channel market."

"Prices on 40 are coming in low," owner of multi-store TV-appliance chain in Midwest said. "I've already been quoted a \$63 dealer cost on one model, and as soon as availability is strong and there's no shortage, they've got to come down more." He said his store broke ad on New Year's Day for 40-channel, and response was disappointing, with only 2 units sold at chain's 8 stores. Problem wasn't just price, but consumer belief that power on 40s will be significantly lower than on 23s, he said. "Fortunately, I made a decision earlier that I wouldn't plunge in, and my inventories are very slim. I'll wait until CES before I make any major decisions."

Others throughout country told us similar stories, majority expressing belief 40-channel prices will come in far lower than original 23-channel prices when CB boom ignited. But some said they're surprised at difficulty in getting 40-channel merchandise by first of year, especially in light of pleas by major producers that FCC allow them to ship 40-channel units to retail level by Jan. 1—request granted by FCC (Vol. 16:52 p12). "I think maybe they took a second look at their 23-channel inventories and realized they'd better try to get rid of some more before jumping into 40, but I'm not sure," East Coast CB specialist said. "All I know is that I don't have any yet."

Only major 40-channel promotions across nation during first week apparently were done by Lafayette & Radio Shack, with Lafayette promoting \$120 PLL unit at selected locations. Several manufacturer ads—some carrying dealer listings—also showed up, but retailers generally reported little if any major 40-channel advertising activity. Sales of 23s ran strong through Christmas, most retailers said, and sales held up through first week of Jan. in many locations. Several dealers said they expect to see major 23-channel dumps at CES, further complicating transition to 40. "This thing has got them in a real bind. They've got to get rid of 23s, but if they dump too low it will make 40 prices look even higher. If they drop 40-channel prices, and hold 23 prices where they are now, they may not be able to get rid of all those 23s," buyer for major Mid-Atlantic discount chain told us. "I'm glad I'm me, and not them."

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CES organizers will be busy on internal affairs during week, and members at EIA CEG meeting during show are expected to hear that sampling of CES exhibitors & Show Committee members failed to turn up evidence that undue pressure was used by Staff Vp Jack Wayman to win approval of plan to cancel shift of 1978 Summer CES from Chicago to Las Vegas (Vol. 16:47 p10). What study did show, however, was increased disinterest in ever moving to Vegas—which could wipe out current schedule calling for holding event in Vegas on alternate years starting in 1980. Preregistration for this week's show jumped 38% over last year's event, surpassing all previous records for winter show, EIA said.

ZENITH'S NEVIN TO SPEAK AT ITC HEARING: Zenith Chmn. John Nevin, already on record against use of trade barriers in battle against what he views as unfair import competition by Japan's TV marketers (Vol. 16:43 p8), will be surprise lead-off witness at International Trade Commission TV escape-clause hearing in Chicago this week.

Hearing should run at least 2 days, will be held in federal building at 219 S. Dearborn, starting Jan. 11—2 days earlier than, and several blocks north of, Winter CES. Second session will be held at ITC in Washington Jan. 18.

Nevin was invited to testify and is listed by ITC among those appearing in favor of union-in-dustry (COMPACT) petition requesting import relief. Expectation is he'll present his overview of problem, also comment on new Canadian rules that threaten Zenith's position in market there (see p. 10).

Major thrust of COMPACT's oral argument will be made at Chicago hearing. Among listed witnesses: Wells-Gardner Chmn. Albert Wells, Corning Chmn. Amory Houghton & Exec. Vp Alan Dawson, AFL-CIO Industrial Union Dept. Secy.-Treas. Jacob Clayman, plus union representatives from Radionic Workers (Zenith), IBEW, Flint Glass Workers, IAM and economist Stanley Nehmer.

No representatives of Japanese industry are slated to appear in Chicago, but they are expected to testify in Washington along with Sylvania & COMPACT witnesses. Attorneys for EIA-Japan, Melco Sales (Mitsubishi), Sanyo, Toshiba and American Retail Federation—which represents interests of dealers, including private-brand TV marketers such as Sears & Ward—also are listed as appearing to cross-examine witnesses.

Spate of publicity on this & related anti-Japan cases in consumer press has at last spurred interest of TV newscasters. All 3 networks have TV import projects in works, and CBS, at least, is planning coverage of hearing though it's been told it won't be allowed to bring cameras in.

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Clue to way Japanese may argue against import quotas or higher tariffs is in remarks by Melco Pres. Yoshito Yamaguchi at recent U.S.-Japan trade symposium in L.A. He noted that Japan made inroads in U.S. TV market by stressing quality, adopting new technologies such as solid state and anticipating consumer demand for smaller-screen sets. He dismissed as "myth" contention that Japanese companies act in concert to achieve increased penetration of export markets. Rather, he said, it's competition among Japanese that has forced TV makers there to boost productivity to offset rising costs, which otherwise would have priced Japan's sets out of world markets. A Mitsubishi color production line had 158 workers 3 years ago; through automation, number was cut to 28 in 1975 "and now only 7 people produce 400 sets a day," Yamaguchi said. U.S. firms are following same path, he said, but rather than attribute layoffs to automation, they find it easier to tell their displaced workers that imports are to blame.

ITC last week gave indication of how an import-injured industry can be protected without imposing unit restrictions on foreign manufacturers. To help non-rubber footwear manufacturers here, ITC is recommending that current 10% duty be jumped to 40% when imports pass specified unit level. Move would cost U.S. consumer estimated \$170 million a year. Decision on recommendation will be up to President-elect Carter.

TV industry may be off federal energy hook, but it's still dangling in Cal. Federal Energy Administration spokesman has indicated that proposed Carter Administration changes could result in FEA's demise, mean end to effort to develop national standard for TV energy use reduction. However, Cal. Energy Resources Conservation & Development Commission has turned down EIA's request that TV be dropped from list of consumer appliances for which energy use reduction standards will be developed. Commission said it found no evidence to support EIA contention that TV manufacturers have gone as far as they can to cut TV power use, has scheduled staff workshop on TV energy measurement test procedures for Feb. 3 in Sacramento, invited EIA participation.

Cheaper imports from Korea are expected from nation's switch to value-added system of corporate taxation. Tax is applied to product at each stage of production & distribution, replaces host of other taxes, will be refunded in part when product is exported.

Among industry forecasts for 1977 in Electronic News roundup: Worldwide semiconductor sales of \$6.49 billion (up from \$5.32 billion), with discretes at \$2.94 billion (from \$2.59 billion), ICs at \$3.55 billion (from \$2.84 billion). U.S. capacitor shipments at \$658 million (from \$570 million). Digital watch sales in U.S. at 28.3 million (from 15.6 million). Video games at 5 million, worth \$410 million... Electronics magazine forecasts U.S. color TV set sales at 8.5 million, CBs at 12 million, total U.S. consumer electronics sales rising from last year's \$7.54 billion to \$8.61 billion.

RCA won't honor warranty claims for its sets which have been converted to projection TV, company noted in letter to Pres. Marvin Friedman of Projecta-Vision, Miami. RCA noted that Projecta-Vision makes "material alterations" in receiver by removing back cover, reversing yoke leads, drilling holes in cabinet to rivet lens frame in place, asked company to stop advertising that set is "fully-warranted RCA product."

TV FREIGHT INBOARDED: RCA follows Zenith follows RCA in elaborate TV pricing dance—and most significant recent fallout has been adoption of freight equalization, or inboarding of freight costs, on shipments to distributors.

Zenith announced inboarding policy last May and sent competitors scurrying to re-evaluate its advantages & disadvantages (Vol. 16:20 p8, 16:21 p8). RCA finally decided it was good idea and started inboarding Jan. 1. Although Quasar officials couldn't be reached for comment, it's known that company also switched to include freight costs Jan. 1. Admiral & GE have moved to freight inboarding on some shipments, generally depending on quantity. Sylvania is holdout, still bills distributors for freight separately.

Inboarding has long been used in appliance & other industries, simply means that freight cost is included in price of set to distributor—for example, distributors in Cal., N. Y. & Chicago would pay exactly same price for Chicago-made TV set (no more "prices higher west of the Mississippi"). This benefits distributors far from factory, slightly increases prices to those nearby. Additional major benefit is simplified accounting, elimination of paperwork.

Within framework of switching to inboard freight, it's really difficult to evaluate RCA's post-Christmas promotional price cuts (Vol. 16:51 p9). But Zenith apparently evaluated them immediately after its own distributor meeting—and repriced at year's end. Asked about pricing move, Zenith spokesman declined to give details but said company had announced to its distributors "merchandising program involving promotional color products sales allowances" de-

CANADA AIDS TV FIRMS: Canadian govt. threw cork on a thread to its drowning TV industry in form of duty-rate cuts on TVs imported by set manufacturers who can keep going. Measure also encourages TV producers to become exporters, start new businesses.

Rescue actions effective Jan. 1 include: (1) Refund of 75% of duties on TV imports through 1981, volume of permitted imports based on Canadian production. (2) Pledge to keep duty rate at 15% through 1981. (3) Elimination of preferential (duty-free) treatment for 17" or larger color sets from Commonwealth countries and for all sets from underdeveloped countries through 1979. Last is insignificant; no sets qualifying for such treatment are being imported.

Allocation formula lets producer import sets worth 1/3 of its Canadian output on low-duty basis. So for each \$300,000 worth of Canadian-made (with 50% Canadian value added) sets it sells, it can import \$100,000 worth of b&w or color sets, paying just \$3,750 in duty, rather than \$15,000. Going into new business or exporting increases allowance on 1.33-to-1 ratio, so for every \$100,000 worth of exports (or new-business sales), producer can import \$133,000 worth of TV at 3.75% tariff.

Only companies producing color in Canada last year will be eligible—U.S.-owned Admiral, GE, RCA & Sylvania; Japan-owned Hitachi, Matsushita, Quasar & Sanyo; Dutch-owned Philips; Canadian Electrohome. We were told by official of Industry, Trade &

signed to "keep Zenith competitive with recent pricing moves and to enable Zenith distributors & dealers to be aggressively competitive in their markets." No list-price changes are involved, and allowances cover representative sampling of line. Changes appear relatively small, one distributor saying it was "on the order of giving a free stand with a table model," a dealer reporting extra allowances amounted to 1.5-4.5% on his cost—for example, \$3.50 on set costing him \$290, \$6 on \$350 set.

Sylvania made some major color TV price reductions—to get first quarter off to "fast start," according to Mktg. Vp James Haley—who also attributed move to high industry inventories, competitive price moves. Leader 17" portable was cut \$30 to \$350, best-selling 19" step-up dropping \$30 to \$430, leader console (GT-Matic II) and 2 step-ups \$31 to \$569 & \$589, four high-end remotes \$50 to \$730. Cuts are permanent until models are superseded by 1978 line.

With Magnavox, RCA & Zenith already on record on promotional price cuts for first quarter, few others wanted to talk about what they're doing. GE will have its usual first-quarter promotion, with reductions varying on regional basis, and amount of cuts won't be advertised nationally. Admiral had planned special closeout of domestically made color portables (new portable line is Taiwan-made), but reductions have been postponed, presumably as result of top-level marketing personnel changes.

Sony, meanwhile, continues to march to its own drummer, raising price of its top-end 21" color to \$720 from \$700, bringing 7" b&w up \$5 to \$155, increasing some audio products. Reason: Rising costs.

Commerce Dept. that measure is intended to help domestic producers compete with imports and encourage U.S. TV marketers to buy some sets from their Canadian affiliates (Magnavox & Philips share parent companies).

RCA Canada so far is only company guaranteed to benefit from move. It's now sole Canadian color tube producer, and it's hard to make a 50%-Canadian set with an imported tube. Seemingly on short end of deal are Electrohome, Hitachi, Matsushita, Philips & Sanyo, which would have hard time making export sales to U.S. Totally out in cold are Canadian importers, including Sharp, Sony, Toshiba & Zenith; last may well have something to say about situation at International Trade Commission hearing in Chicago this week (see p. 8). Measure was met with mild interest by U.S. companies with Canadian plants; all said they were studying it. One key factor being studied is whether the effective 11.5% duty credit Canadian producers earn for exports will be considered a subsidy by U.S. Treasury, which would make any TV imports from Canada subject to off-setting countervailing-duty levy.

While changes could improve corporate profits, probable impact on Canadian jobs was demonstrated by Electrohome—just coming off of 3-week inventory shutdown—which announced layoff of 200 of its 450 electrical workers, mainly from color TV lines, as result of decision to start importing all portable color from Japan (Vol. 16:50 p11). Company indicated plan for rehiring in June, but not for color TV production.

NEW CB DATA: Revision of CB import statistics, ordered by International Trade Commission, should provide more precise handle on size & nature of CB business. (ITC specifies import classifications, Customs collects data, Commerce Dept. reports it.)

While import data for 1976 had just one CB-only breakout—CB-automotive—1977 will have 10. Transceivers operating outside CB band, which were included with CB units in old classifications for hand-held & other (base stations & non-automotive mobile) plus automotive, will have 2 breakouts.

Replacing CB-automotive classification will be 3 categories covering all DC or AC-DC models, including automotive only, automotive with AC adaptors and non-hand-held battery portables. These will be broken down into single-side-band (SSB) 40-channel without SSB, less than 40-channel without SSB. Hand-held models in CB band will be separated into those under \$7.50 (toys) and those over. AC-only CB units, mainly base stations, will have same breakdowns as mobile. New classification covers combination CB-AM or CB-FM-AM radios, including mobile, base and hand-held, but excluding those with tape players. Non-CB transceivers will be reported as either hand-held or other, latter including both mobile & base stations.

Combination CB-tape players will continue to be hidden in tape player classifications, may be broken out next year. Also changing next year will be breakout for toy walkie-talkies to reflect sched-

uled move out of 27-MHz band to 49 MHz. Success of new breakouts in providing useful data depends on correct listing of units by type in exporters' invoices and proper logging by Customs inspectors. But as of end of last week—5 working days after new listings went into effect—local Customs people we talked to hadn't been informed of changes by Washington.

Other CB developments: AMC will offer 3 E. F. Johnson Messenger-series 40-channel CBs (\$130-\$250) as dealer-installed options on cars & jeeps... **Arthur D. Little** forecasts \$1.8-billion CB market by 1980, with wider availability, simplified licensing procedures, aggressive merchandising and other factors keeping boom alive. Number of frequencies available will be primary factor in limiting growth, ADL study says... **FCC** has issued urgent request—on pink paper—that CBers not send \$4 fee with application, due to suspension of all FCC fees (Vol. 16:52, p2, 11). All personal \$4 checks sent to FCC after Jan. 1 will be burned. Money orders & cashiers' checks will be returned... **Ad Hoc** committee of Fla. CB users holds convention this week in effort to halt indecency, discourtesy, arguments, other bad CB practices. Situation has become so serious, organizer said, "that the FCC could easily say 'no more CB'"... **First** (legal) 40-channel CB was sold at 12:01 a.m. Jan. 1 by Radio Shack in Guam—"where America's day begins"... **FCC** received 403,090 applications in Nov., issued 217,624 new licenses, bringing license total to 7,313,786.

GAMES GALORE AT CES: If CB captures major retailers attention at CES, video games will be 2nd priority along with audio. Though some firms will hold off product introductions until June, there'll be plenty of 2nd-generation arcade-style & programmable units in Chicago this week. Leader Atari will head off in new direction with audio-visual device which generates patterns on TV screen keyed to output of audio system.

RCA may show new Studio II programmable game, approved by FCC in Nov. (Vol. 16:48 p11), carrying list of \$150 (same as Fairchild's Video Entertainment System), to be introduced with 3 cartridges—TV Schoolhouse I educational game (\$20) and Fun With Numbers & Space War (\$15 each). It also features 5 built-in games including math quiz, bowling, car racing, doodling. Unit will be produced in Swanton, N.C. RCA plant previously used for manufacture of antennas by Distributor & Special Products Div., go into national distribution this summer.

Magnavox will add 3 games to Odyssey line at CES, including 7-game 24-option unit featuring non-ball-&-paddle (b&p) games for first time. Lowest-priced model of new games will be Odyssey 2000 with list of about \$50—same as current Odyssey 300. It's 4-game b&p unit (tennis, hockey, smash, practice) for one or 2 players with May delivery data. Odyssey 3000 features 8 games (including basketball), will be about \$60, delivery in Aug. New 7-game color model has traditional b&p games (hockey, tennis, etc.) plus tank & helicopter games, will cost about \$100, delivery in Sept.

CES activity by other firms: APF will show up to 5 new games, including programmable & 2 color combination units—one featuring b&p & action arcade games (space wars, etc.), other with b&p games & pistol game using new GI chip—prices, delivery dates not set at press time. Allied Leisure is finally getting into production with its 2 b&p games (one with rifle option), will also show self-contained electronic backgammon game using 19" or 23" b&w monitor designed for both coin-op & home use, and home cocktail table with pinball game located under plexiglass cover. Coleco will show new Telstar b&p unit at booth, privately introduce new line of Telstar games, reportedly including arcade-style road-racing & pistol-firing unit (firm is also thought to be readying stripped-down CB unit for CES). Wonder Wizard (General Home Products) will show new line of tank & rifle games at hotel suite. Firm marketed line of Odyssey-style b&p games made by Sentinel Div. of Magnavox during 1976.

First signs of price erosion in original black-&-white b&p games could show up at CES, many suppliers forecasting up to 30% drop at manufacturer level during first quarter. Shortages will remain problem into 2nd quarter, as industry battles to fill bone-dry pipelines kept empty by Christmas sales boom.

Harman International is seeking merger or other type of venture partner as result of Pres.-elect Carter's nomination of Chmn. Sidney Harman to Commerce undersecy. post. HI spokesman said negotiations are being held with major U.S. company.

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with
Consumer Electronics...

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Trade Personals

Frank DiLeo promoted at Admiral from private brand sales vp to mktg. & sales vp, succeeding Mktg. Vp **George Simkowski**, who shifts to staff of Rockwell Consumer Operations Pres. **Charles Urban**... **Ronald Friedlander** advanced at Hitachi from East Div. region mgr. to sales vp, succeeding **Karl Bulkema** who left company following **Robert Warren's** resignation as exec. vp... **Walter Saffer**, former NBC tax administration vp, moves to parent RCA as tax affairs staff vp, succeeding **Melvin Cornfield**, now vp-treas.

Stanley Gault, GE Major Appliance Business Group vp, advances Feb. 1 to vp & exec. for new Consumer Products & Services Business Sector being created; he'll be responsible for TV, audio, appliances, broadcasting and other consumer products & services; **Robert Frederick**, now vp of Consumer Products Group that will be under Gault, becomes corp. strategic planning staff vp, succeeding Senior Vp **Charles Reed**, who'll take over new corp. technology staff post; **Richard Donegan**, Major Appliance Product Mgmt. Div. vp-gen. mgr.; will succeed Gault.

William Kucera, former EIA-CEG communications dir., joins North American Precip Syndicate as sales vp for Washington metropolitan area, new post... **Al Kovac** resigns as J.I.L. sales vp to found Alko Sales, Anaheim CB & consumer electronics distributor; **James Minea** becomes J.I.L. sales mgr., assuming responsibilities of Kovac... **Tom Westover** named Pioneer Electronics (car stereo, Centrex audio) national special mkts. sales mgr. & western sales mgr.; **Jim McManus**, ex-3M, joins as midwestern sales mgr., succeeding Westover... **Ruth Farmer** promoted at Radio Shack National Ad Dept. from circulation coordinator to circulation mgr.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Chris-Craft Industries			
1976-qtr. to Nov. 30	20,229,000 ^a	2,540,000 ^b	.51
1975-qtr. to Nov. 30	15,844,000 ^a	(142,000)	--
Kansas State Network			
1976-qtr. to Nov. 30	3,948,000	447,000	.26
1975-qtr. to Nov. 30	3,296,000	351,000	.21
Curtis Mathes			
1976-6 mo. to Nov. 30	25,592,807	1,473,430 ^b	.89 ^c
1975-6 mo. to Nov. 30	19,367,238	1,095,090 ^b	.35 ^c
1976-qtr. to Nov. 30	15,192,254	918,868 ^b	.55 ^c
1975-qtr. to Nov. 30	11,080,109	743,610 ^b	.24 ^c
MGM			
1976-qtr. to Nov. 30	71,662,000	7,375,000	.52 ^d
1975-qtr. to Nov. 30	65,613,000	6,091,000	.43 ^d
National Semiconductor			
1976-6 mo. to Dec. 12	211,793,000	6,739,000	.51
1975-6 mo. to Dec. 14	162,280,000	10,900,000	.83
1976-qtr. to Dec. 12	99,716,000	3,397,000	.26
1975-qtr. to Dec. 14	79,894,000	5,659,000	.43
Telecor			
1976-6 mo. to Nov. 30	53,458,000	2,519,000	.90
1975-6 mo. to Nov. 30	41,844,000	1,776,000	.64
1976-qtr. to Nov. 30	30,714,000	1,400,000	.50
1975-qtr. to Nov. 30	23,812,000	1,116,000	.40

Notes: ^aFrom operations. ^bIncludes special credit. ^cFully diluted. ^dAdjusted.

C. M. Smaltz, ex-Fairchild, joins National Semiconductor as consumer linear product mktg. mgr.; **Jerry Robertson**, ex-Power Monolithics, appointed advanced linear product mktg. mgr... **Arthur Toronski** promoted at Aircor Speer Carbon-Graphite Div. from exec. vp to pres., succeeding **Tom Way**, deceased... **Victor Kaplan**, ex-Sales Order Div. mgr., promoted at Dynaco/Dynakit to eastern sales mgr... **Gerald Perutz** advanced at Bell & Howell from senior vp & gen. mgr. for operations in Europe, Africa, Middle East & Australia, to international operations exec. vp, assuming some responsibilities formerly under Vice Chmn. **Everett Wagner**.

Morton Glebermann, ex-Lafayette, named Super-scope vp... **Richard Aquilina**, ex-Sam Goody, joins Technics (Panasonic audio) as northeast mgr... **Michael Dalgaard**, ex-Marantz, named Yamaha eastern mgr... **Brian Firestone** named Sonab eastern mgr... **Joseph Kelley**, ex-RCA Electronics Components vp, forms Kelley Assoc., Convent, N.J.-based electronics & mechanical engineering services rep organization.

Obituary

Gene Gold, 54, Channel Master Consumer Products Div. sales & mktg. exec. vp, died suddenly Dec. 4 of heart attack at Ft. Lee, N.J. home. He was marketing head for Sharp's U.S. operation from early 1960's until he resigned vp post in 1974. Before assuming most recent post he was U.S. marketing vp for Sheen, a Hong Kong-based calculator producer, and early last year put in brief stint as JVC America mktg. vp. Wife, daughter survive.

WEEKLY

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JANUARY 17, 1977

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NO CHANGES AT FCC EXPECTED through June, with 'tentative decision' by transition team to leave Wiley chmn. until term expires; Hooks to stay through July. Pertschuk likely FTC chmn. (P. 1)

FCC STARTS 'FACT-GATHERING' on networks in answer to Group W petition. Comments sought on relationships with affiliates & program suppliers. Special staff to handle; decision in year. (P. 2)

STORER'S OFFER TO VIACOM based on belief both companies are undervalued. Storer expects management resistance, isn't worried about Justice Dept., FCC, franchise transfers. (P. 3)

PROSPEROUS INTV VOTES to double dues & employes, increase Washington involvement. Cable, 4th network, satellites, Wiley & Van Deerlin featured. (P. 4)

CPB-PBS PARTNERSHIP DISPUTE continues as 2 sides haggle, settle little. Third meeting set for Feb. 18 in Dallas. (P. 5)

COMMUNICATIONS BILLS pile up as 95th Congress begins—on renewals, regulatory reform, ads. (P. 6)

Consumer Electronics

1976 SALES to dealers—7.7 million color, 5.2 million b&w. Year was color's 4th best. Consoles declined to 29.5% of mix. (P. 7)

ZENITH & CORNING chairmen support TV import

quotas at ITC hearing but could have weakened case by calling unfair competition main problem. (P. 7)
Admiral moving virtually all color to Taiwan; industry employment plunges in Chicago area. (P. 11)

WCES TOUR DE FORCE for technology, serves as showcase for changes microelectronics is bringing to calculators, watches, games, audio. (P. 8)

UPBEAT TALK ABOUT TV resounds at CES. Sinclair introduces 2" worldwide set. Projection systems feature washable screens. Emerson name on TV sets again. (P. 11)

MIXED BAG OF GAMES AT CES—Lowball, programmable, computers. Atari into video music. GI introduces broad new line of circuits. (P. 12)

CB AT CES—in-dash units & 40-channel seen pushing 1977 sales to 8-12 million. Japanese shakeout seen. Cybernet opens Chicago sales & service hq. (P. 12)

U.S. TV MAKERS re-examine home VTR, find more potential than they thought. Matsushita to make JVC system. Quasar & Sanyo start home recorder marketing in U.S. (P. 13)

REVOLVING DOORS keep unusually busy in consumer electronics in 1976. Some major job moves underscore difficulties of U.S. TV marketing executives in Japanese organizations. (P. 13)

JAPANESE TO BOOST color TV output in U.S., put more stress on exports of audio & appliances to offset expected drop in 1977 color shipments. (P. 14)

NO CHANGES AT FCC THROUGH JUNE: Jimmy Carter won't rush into any changes at FCC or other agencies, according to transition team officials. This means, we're told, that a "tentative decision" has been made to keep Republican Richard Wiley as chmn. until his term expires in June. "This could be turned around if there's strong Democratic opposition," we were warned.

Comr. Benjamin Hooks earlier had been sounded out about becoming interim chmn. (Vol. 16:51 p2), reportedly has told transition team he's no longer interested. However, Hooks now definitely plans to remain at Commission through July—when he'll become exec. dir. of NAACP. Newest Democratic appointee, Comr. Joseph Fogarty, has expressed interest in interim chairmanship—if opposition arises to Wiley—and prominent Democrats in Congress have fallen in behind Fogarty.

Senate Commerce Committee Chief Counsel Michael Pertschuk has launched campaign for FTC chairmanship, is expected to get nod. He worked on Carter transition team before election,

had disavowed interest in any appointment. However, he told us last week that he changed his mind because "it's time to accept new challenges." Pertschuk has been strong on consumer legislation, is close to Ralph Nader organization. Others mentioned for FTC chairmanship (where vacancy currently exists) include ex-Rep. Bella Abzug (D-N.Y.), Georgetown U. Prof. Robert Pitofsky, ex-aide to former FTC Chmn. Miles Kirkpatrick, and Michael Lemov, House Investigations Subcommittee chief counsel.

Carter received reports from transition team Jan. 13 on staffing & policies at FTC, FCC and other agencies under new Administration. However, Frank Moore, chief of Carter's congressional liaison, told Senate leaders next day that new President wouldn't move on any regulatory appointments until "things get fully settled at the White House." This means, we're told, that agency appointments won't get much consideration until at least month after Jan. 20 inauguration.

Meanwhile, Carter appointees are being required to sign following pledge: "In accepting the position for which you propose to nominate me it is my intention to serve the entire term for which you appoint me and if my term is indefinite it is my intention to serve as long as you wish me to serve." Pledge is intended to stifle flow of govt. execs. to private industry (Vol. 17:2 p1).

FCC 'FACT-GATHERING' ON NETWORKS: Broad inquiry of network relationships with affiliates and program suppliers has been launched by FCC at behest of Westinghouse Bcstg. & Justice Dept. (JD). Commission stressed that inquiry won't seek specific remedies to particular problems, added:

"While it is certainly not our intention to adopt any regulatory measures which would impair the ability of the networks to serve the public interest, we must assure ourselves that the networks are not engaging in practices which might unduly encroach on the discretion of our licensees or unnecessarily restrict the development of new sources of TV programming."

Inquiry had been expected since Westinghouse filed petition last Sept. (Vol. 16:36 p1), was almost assured when JD supported Westinghouse nearly 3 months later (Vol. 16:48 p1). JD also wanted FCC to require networks to "divest some or all" of their owned stations. FCC refused to do this, stating "this is not a multiple or group ownership proceeding" although "attention... must be paid" to network practices with respect to their owned stations.

Inquiry was Unanimous (Lee & Hooks concurring), but Fogarty wanted Commission to delve deeper into station ownership by networks. He said: "I do not read this advisement as precluding the examination of any issues as to multiple ownership as it may affect the programming market. Nor do I view [it] as precluding future Commission consideration of appropriate action to remedy any abuses."

FCC noted that almost 20 years have elapsed since "its last over-all study of network practices"—3-year Barrow study completed in 1957. (NBC took issue with this, pointed to prime-time inquiry, last considered in 1975.) Agency also pointed to changes in financial performance of networks since then—net income rising from \$33.6 million in 1960 to \$208 million in 1975, revenues from \$495 million to \$1.6 billion.

FCC will set up special staff task force (taking personnel from Bcst. Bureau, Office of Plans & Policy and General Counsel's Office) to evaluate comments, make recommendations. It'll be under direct supervision of full Commission, which said "it expects to conclude the proceeding" within year after comments—due May 2, replies June 1. After inquiry is closed, any number of avenues will be open, we're told—such as rulemaking, oral argument, panel discussions, direct questionnaires, etc.

In 2 Cal. speeches early last week, Chmn. Wiley disclosed that FCC would take up Group W & JD petitions Jan. 13, endorsed their concept (Vol. 17:2 p4). He was followed at both INTV (see p. 4) and Cal. Bcstrs. Assn. conventions by House Communications Subcommittee Chmn. Van Deerlin (D-Cal.)—who cited "rising concern" over network powers and praised Wiley for bringing controversial subject up so late in his term. Later in week, Van Deerlin warned Wiley not to let inquiry languish for years since "many of these issues are relevant to the studies

& hearings" of Subcommittee.

Many questioned Wiley's motives in forcing decision on inquiry so late in his term, to which he responded: "My only motivation is to get all the tough issues up on the table and decided" while he's still chmn. However, there's no way this one will be "decided" while Wiley is still on FCC (see p. 1). In his Cal. speeches, Wiley said "an effort of this type is essential if the Commission is to have a reasonable basis for informed decision-making and for the development of future regulatory policy... I do not believe that the individual licensee should feel threatened or inhibited by such a Commission inquiry..."

Under network-affiliate relationships, FCC has asked for comments on: (1) Clearance of network shows and expansion of network schedules. (2) Procedures for affiliate pre-screening of network shows (a major complaint of Group W). (3) Relationship between affiliate compensation and their independence from networks.

On network relations with programmers, Commission asked that comments cover: (1) Network interests in programs produced by independent suppliers. (2) Entertainment programming produced by networks themselves. (3) Contractual agreements requiring use of network production facilities by independent producers and options for future program seasons. (4) Exclusive rights to new programs. (5) Exhibition rights to re-runs on networks. (6) Relations between network-owned stations and suppliers of syndicated programs.

Networks, as might be expected, attacked FCC inquiry as unnecessary, and of course all said they'd cooperate. ABC: "We are confident that [study] will not result in basic changes in the network system & structure." CBS: "No need for such an inquiry has been demonstrated and we believe none exists." NBC: "A new inquiry at this time is unnecessary, will cover much of the same ground as has been exhaustively covered [in prime-time access proceeding]." Inquiry assures that issues raised by Group W will be fully explored, according to Pres. Donald McGannon. "Group W is gratified," he added, and position of Commission & Van Deerlin "is of extreme importance to us."

BEHIND STORER'S OFFER TO VIACOM: Storer's offer to take over Viacom at \$15 a share—some 50% over recent market price—is expected to be resisted by Viacom management, but deal may be hard to turn down. Viacom board considers offer at Jan. 20 meeting.

Viacom's 3.8 million shares are quite thinly held, so that its management headed by Ralph Baruch may have tough time opposing merger. On other hand, industry analysts have considered Viacom so much underpriced that Storer's offer may stimulate even better ones. Then again, Viacom is an Ohio corp., and 2/3 stockholder approval is needed for merger; such large fraction may be hard to assemble. Storer's offer isn't a tender; it isn't seeking proxies.

Viacom has 350,000 cable subscribers in addition to profitable TV program syndication arm. It has 3.8 million shares out; at \$15 a share, price is \$57 million. However, if subscribers are valued at \$400 each—as they are by some when pay-cable potential is included—total value is \$140 million for cable side alone. Subtracting Viacom's \$40 million debt, value is \$100 million—\$26-plus per share. That's high by some calculations, but it makes \$15 look quite reasonable. For 9 months ended Oct. 2, company had earnings of \$2.8 million (74¢ per share) on \$34.1 million revenues; it expects fiscal 1976 earnings to exceed 1975's 85¢ per share.

Storer official explained company's thinking: "Both Viacom & Storer are undervalued. We told our stockholders we intended to expand—and stay in fields we know something about, not in airlines. We anticipated we'd meet resistance from management; nobody wants to be absorbed. We don't expect objection from the Justice Dept.; we'll only be the 5th largest system." Note: Storer has 172,000 subscribers; with Viacom's, it would have 522,000, following Teleprompter, Tele-Communications, ATC & Warner, and would hold only about 4% of industry.

"Viacom has no broadcast stations," Storer exec. continued. "It has some microwaves, etc., requiring FCC approval. We don't expect any trouble getting approval of transfer of franchises. We'd have to spin off the systems in the Cleveland area because of overlap with WJW-TV; that's no problem."

Viacom's reaction was extremely guarded. It issued statement: "The Storer proposal was made suddenly without prior consultation with Viacom management. We are studying the proposal. We expect our board to act upon the proposal at its regular Jan. 20 meeting." Baruch would only say: "We're going to look at it very carefully. I have stock, too."

Viacom's cable & syndication operations formerly were part of CBS, spun off in 1971 at order of FCC. CBS Chmn. Paley & other CBS officials were required to relinquish all control of Viacom stock they received in spinoff; Paley had about 5% of total.

PROSPEROUS INTV EXPANDS: "We had a strong reaction for expanding... a unanimous vote for more than doubling our budget" (now \$200,000), a surprised INTV Chmn. Leavitt Pope said in San Francisco last week at close of highly-successful 4th convention of 48 independent stations. He said board was much more conservative than membership, which enthusiastically voted to double dues.

Exec. Committee will meet in couple weeks to draft new dues structure and establish research & engineering departments. INTV now has 4 fulltime employees, will have 8-10 by year end. Pres. Herman Land will go fulltime, spend much more time in Washington on govt. matters, and sales dept. (now only Sales Dir. Robert Somerville) will be expanded. Also due help is Administration Dir. Nicki Goldstein.

Fairmont Hotel in San Francisco was almost like a network affiliates' convention in recent years—with nearly everybody talking about a great 1976 and how good business is for first 2 quarters of 1977. Turner Communications Pres. Ted Turner—only cable advocate who spoke up from floor—claimed his WTCG-TV Atlanta made \$3.5 million (pre-tax) in 1976 ("I shouldn't have said that," he said), told us later that his WRET-TV Charlotte made \$1 million.

Registration last week was 325, vs. 222 last year. Very much in evidence—many for first time—were rep firms & syndicators. Speakers included top govt. officials—FCC Chmn. Wiley, who made strong pitch for UHF (Vol. 17:2 p4) and disclosed FCC plans for network program inquiry (see p. 2), and House Communications Subcommittee Chmn. Van Deerlin (see below). Panels on earth stations, CATV, national advertising and 4th network were lively, well attended; only syndication panel (which closed 2-day convention) failed to get major audience response.

INTV heard NCTA Exec. Vp Thomas Wheeler plead for unity with independent stations to fight common enemy—"the networks"—then promptly rejected his pitch and voted to oppose any relaxation of program exclusivity rules. "We all realize now that that would be devastating," said Pope, whose WPIX N. Y. is carried on 1.2 million cable homes outside its ADI. "We will be deeply involved in the constant battle over rules concerning cable and pay cable," he said.

Speaking from floor during cable panel, Turner said "99% of the people in this room have been helped by cable." He said WRET-TV never would've made it without CATV. As panelist on satellites, Turner said: "The majority of us have no fears from cable... I don't see cable as an enemy." His was a lonely voice. Panelist Crawford Rice, KSTW-TV Seattle,

said lack of TV unity helped cable develop "and this was not in TV's interest or the public's interest." He said 14% of Seattle-area viewers watch TV on cable and that only 2 remaining rules that help—syndicated exclusivity & limitation on number of imports—now are being attacked at FCC. To resounding applause, he said: "The time to take a firm, united stand is right now."

Cable Bureau Chief James Hobson said his "personal view" is that CATV rules are too restrictive; Washington attorney Robert Coll countered with opposite, said "back-door siphoning" of sports (he cited Philadelphia 76ers objections to being imported into N. Y. because of future pay cable potential) is taking place. Coll said CATV doesn't help independents, "particularly when they turn on you with pay cable."

Wheeler noted that both cable & independents are thriving, added: "Then couldn't you assume that cable TV is not hazardous to your health?... We can help each other grow." He and Hobson said independents should try to sell advertisers on increased circulation through CATV, said stations eventually will get the extra dollars they deserve.

Van Deerlin said new FCC chmn. needs to be "a mover and a shaker—someone with an attitude & outlook like Ben Hooks." He made pitch for continuation of OTP as strong White House arm (Vol. 17:1 p1), praised John Eger—acting OTP dir. for over a year—for "restoring integrity to the OTP and taking it out of politics... I would like to see the OTP remain independent & strong."

On ascension of Sen. Hollings (D-S.C.) to chairmanship of Senate Communications Subcommittee, Van Deerlin said: "I couldn't be more pleased... He's one of tomorrow's men... A New South type." He said Hollings is easy to work with and that wasn't always true of retired Chmn. Pastore (D-R.I.). Van Deerlin urged independents to be "innovative," not program "something like Hogan's Heroes" opposite affiliate or network news.

First 4.5-meter earth station applications for CATV have been received by FCC. Teleprompter amended Kalispell, Mont. application to specify Prodelin Mascar unit. Gaithersburg, Md. system applied for unit from Antennas for Communications, as did Radio Bestg. Corp., Philadelphia; latter plans to deliver HBO & WTCG Atlanta to unspecified cable systems.

Kansas City, Kan. cable system, serving 6,000, has been sold by Sammons to Mott Media, operator of system in Manistee, Mich., through broker Donald Perry & Assoc.—cash price undisclosed.

CPB-PBS DISPUTE (CONT'D): CPB-PBS partnership committee, meeting last week in Washington, made some small progress toward settling disputes (Vol. 16:49 p5), but spent most of 5-1/2-hour session grumbling about issues that have troubled them for 9 years. Meeting was open to public at request of Reps. Van Deerlin (D-Cal.), Waxman (D-Cal.) & Wirth (D-Colo.).

Underlying entire problem is sentiment held by CPB that PBS doesn't represent PTV stations. "Let's get it out on the table," PBS Chmn. Ralph Rogers told CPB Pres. Henry Loomis. Responded Loomis: "No organization represents all its members all the time." CPB Dir. Thomas Moore said CPB board believes PBS represents only some stations, doesn't adequately reflect views of small stations & minorities or regional needs. PBS Dir. Howard Nemerovski said CPB shows "serious distrust" of PBS. Commented Rogers later: "This is one area that continues to irritate me."

Sole area of agreement was promise that organizations would work together more closely in program development. CPB insisted on ability to decide unilaterally to fund pilot programs, and PBS promised to respect CPB chairman's authority to make such decisions—provided that all pilots are processed jointly until PBS determines it's not interested in a given pilot, when CPB can proceed on its own.

Group never even began consideration of formal changes in partnership agreement, budget or CPB-PBS overlap—cited earlier by PBS as reasons for meeting. "I assumed there was something wrong in the partnership agreement," commented CPB Dir. Gloria Anderson. "I would like to see those areas listed and the disagreements dealt with." She was ignored. Next partnership committee meeting is Feb. 18 in Dallas.

In related actions: (1) President Ford resubmitted names of 3 CPB board nominees not acted on by Senate last session (Vol. 16:38 p5)—Charles Crutchfield (Jefferson-Pilot Bcstg.), Leslie Shaw (Great Western Financial Corp.) & Paul Stevens (Southern Baptist TV-Radio Commission). Nominees again will be ignored by Senate Commerce Committee—in expectation of new nominees by President-elect Carter. (2) CPB board approved \$40,000 to help NABE raise funds; organization has lost money & members for several years.

PTV programs are more satisfying to public than TV programs in general, according to CPB-sponsored poll by Statistical Research last Feb., just released. Of those aware of local PTV channel, 25% were "very satisfied" with PTV (vs. 14% for TV in general), 47% "somewhat satisfied" (63%), 5% "not at all satisfied" (21%), while 23% gave no answer (2%). Those dissatisfied with TV in general cited "poor quality" (27%), excessive violence & sex (26%), dislike of program or program type (13%), lack of variety (12%), other (17%). Those not liking PTV said it wasn't interesting (8%), lacked variety (8%), other (6%).

Add Senate Commerce Committee temporary assignments (Vol. 17:2 p5): Sen. Chafee (R-R.I.), in Commerce expansion from 17 to 18 members.

Exemption of CATV systems under 250 subscribers from FCC regulation seems almost certain, and exemption may well go higher, following Commission discussion last week. Not only Cable Bureau—but Broadcast Bureau & Offices of Gen. Counsel and Plans & Policy—agree that under-250 systems aren't worth bothering about. After putting together more data analyzing impact of greater exemption, Commission meets again, probably before end of month. Commission appears satisfied that "headend" definition won't produce "automatic spill-over" into new areas (Vol. 17:2 p3), is expected to go for it. There's still struggle about assuming jurisdiction over MATV systems. Comr. Quello did most of talking last week, in opposition; others didn't show their hands. Gen. Counsel was strongly opposed, stating that takeover is of highly uncertain legality. Meanwhile, CATA urged Commission not to require filings by systems under 1,000—for certificates of compliance due March 1. Since size of exempted systems is still under consideration, CATA says it would be unreasonable to require smaller systems to spend money on filings now.

Interference from CATV to aircraft communications (Vol. 17:2 p2) was subject of Jan. 11 OTP-called meeting of 48 representatives of industry & govt.—and cable group under NCTA Pres. Robert Schmidt thought it helped allay fears. NCTA urged: (1) More tests are needed. (2) Each system should maintain list of frequencies used. (3) Carriers in 108-118-MHz should be offset 25 kHz from air navigational aids channels and by 50 kHz from emergency frequencies 121.5, 156.8 & 243 MHz. (4) Leakage standards should be "realistic." Discussion centered around whether leakage standards could be enforced and whether effective measurement/monitoring could be achieved. Meanwhile, FCC extended date for comments from Jan. 17 to March 3, replies to April 1.

Cable TV Administration & Marketing Society (C-TAM) board, meeting in Denver Jan. 6-7: (1) Planned promotion-publicity seminar in Hollywood in July or Aug., with Tom Johnson, Daniels & Assoc., chmn. of committee. (2) Directed C-TAM Pres. Gregory Liptak, CPI, to form affiliates committees to "interface" between pay-cable operators & program suppliers. (3) Named Bruce Burnham, Cox Cable, chmn., MDS-STV Committee. (4) Designated Gerard Maglio, ATC, chmn. of Research Committee. (5) Named Ernest Olson, Cox, head of advertising-promotion material exchange committee. (6) Agreed to accept members only until April 1, at \$20 yearly.

Bundle of 24 optical fibers 1.5-miles long will be installed soon in Chicago ducts by AT&T, evaluated over next year. It will be used for voice, data & video, running from Brunswick Bldg. to Bell's Franklin & Wabash central offices. Each pair in 1/2-in. cable can carry 576 phone conversations or equivalent. Said AT&T: "Ultimately, lightwave communications systems may be used throughout the entire telecommunications network..."

BBI Productions has been formed by Boston Bcstrs. Inc. to syndicate WCVB-TV series.

COMMUNICATIONS BILLS PILE UP: Opening of 95th Congress brought usual onslaught of proposed legislation, including:

Renewals: At least 6 congressmen have introduced license renewal legislation, Rep. Murphy (D-N.Y.) authoring 4-year bill, Reps. Alexander (D-Ark.), Conte (R-Mass.), Lott (R-Miss.), Natcher (D-Ky.) & White (D-Tex.) introducing 5-year.

Fairness: Sens. Proxmire (D-Wis.), Matsunaga (D-Hawaii) & Metcalf (D-Mont.) & Rep. Drinan (D-Mass.) have reintroduced Proxmire bill abolishing fairness doctrine & equal time (Vol. 14:52 p4).

Regulatory reform: Variety of procedural reforms are recommended for agencies, including govt. underwriting of public participation, giving either house of Congress veto authority over agency rulemakings, providing "zero-based" budgeting, periodically abolishing all agencies unless Congress votes to retain them, deregulating industry, and requiring agencies to compute cost and anti-competitive impact of regulations before they're proposed.

Advertising: Rep. Eckhardt (D-Tex.)—expected to become chmn. of House Commerce Consumer Subcommittee when Rep. Murphy takes over Merchant Marine & Fisheries Committee—introduced amendment to FTC Act authorizing damage suits to be filed by individuals, partnerships & corporations victimized by unfair & deceptive practices. Bill to drop tax deduction for advertising of alcoholic beverages was sponsored by 27 congressmen. Sen. Hathaway (D-Me.) promised to amend FTC Act to give it jurisdiction over truthfulness of beer ads if agency doesn't assert jurisdiction itself; he said that ads depicting beer-drinkers as "vigorous," "athletic" & youthful contain "implicit misrepresentations."

Other proposals: (1) Several resolutions calling for broadcast coverage of congressional proceedings. (2) Provision of free broadcast time to candidates, by Rep. Stratton (D-N.Y.). (3) Prohibition of telecast of obscene programs "offensive to the public taste & morals," by Rep. Hammer-schmidt (R-Ark.). (4) Ban on broadcasts which ridicule or demean ethnic, racial & religious groups, by Reps. Murphy, Annunzio (D-Ill.) & Roe (D-N.J.). (5) Requirement that foreign language subtitles be used by stations in areas with large ethnic groups.

Tests with 4-ft. earth-station dish for audio have been completed successfully by RCA & Harris Corp., according to Muzak which says results indicate low-cost distribution of programs to Muzak franchisees and radio stations is feasible. Said Muzak Pres. U. V. Muscio: "It will improve service... while helping to control costs and increasing operating efficiency."

WTSC(AM) Stamford, Conn. renewal should be denied, according to FCC Judge Lenore Ehrig, who would grant competing Radio Stamford. She said latter would promote diversity and had a black in top management, and she faulted WTSC programming. Station was fined \$10,000 in 1973 for repeated Sec. 315 and record-keeping violations.

FCC network inquiry (p. x) isn't intended "to suggest that the relationships between the networks & affiliates are improper or even that there are abuses which the Commission must remedy," FCC Comr. White stated in address prepared for Jan. 15 meeting of Va. Assn. of Bcstrs. "I was surprised," she said, "to learn that the Commission does not have a more complete picture of the economics of the industry." She also said she opposes "roadside radio," except for uses such as at L.A. Airport and in National Parks. Regarding CB, she said Commission receives 100,000 complaints yearly about interference to TV & radio, estimates 20 times as many cases aren't reported. She said that Commission is considering banning manufacture & sale of illegal CB linear amplifiers; that present licensing system is being kept as "most cost-effective"; that FCC must get more funds or lose control of CB.

"In every time period with series programs, the viewer has a choice of at least one or more non-violent network shows," TIO Dir. Roy Danish told 2nd PTA hearing on televised violence in Kansas City. First hearing was in Pittsburgh in Dec. (Vol. 16:49 p6); next is in Atlanta Jan. 18. In other testimony, psychiatrist Walter Menninger—member of 1968 Presidential Commission on Violence—said "real people" have more influence on children's development than TV characters. "It is the adult models living with children who determine their ultimate violent or non-violent behavior far more than Kojak."

Rep. Staggers (D-W. Va.) appeared before freshman Democrats last week—at their invitation—to tell why he should chair House Commerce Committee for another 2 years. Tradition of chairmen appearing before freshmen began last Congress (Vol. 15:2 p4). "He gave a flag-waving speech, and that was the sum-total of it," according to one member who said Staggers outlined Committee ambitions "in vague terms." Few freshmen were present, reflecting fact that—so far—no member has publicly decided to challenge Staggers.

Preview of "Roots" series was presented by ABC at National Archives last week, before audience including leading blacks of Congress, Washington city govt., FCC, other agencies—and had strong impact. Based on book by Alex Haley, it traces his ancestors since 1750 in Africa, through slavery & freedom. Several in audience, particularly blacks, said program produced powerful emotions. Said one: "I wouldn't have shown it in the 1960's—too inflammatory." Series will run 12 hours, 8 consecutive days, starting Jan. 23.

Family viewing hearing is planned by House Communications Subcommittee—Chmn. Van Deerlin (D-Cal.) approving requests of Reps. Waxman (D-Cal.) & Wirth (D-Colo.) (Vol. 17:2 p3). Date hasn't been set, but session will be in Washington. Meanwhile, working on Communications Act rewrite, Subcommittee plans seminars, discussions & panels for policy development throughout first session, hearings 2nd session. Emphasis will be on informality—to avoid "posturing," encourage frank discussion.

Personals

Ann Berk, WNBC-TV N. Y. station operations dir., advanced to station mgr.—first woman to hold title at any network-owned TV station; **Richard Raburn** promoted to vp-controller, NBC; **Diane Healey** appointed station relations regional mgr.; **Jordan Rost** promoted to TV Stations Div. audience analysis mgr.

Harry Smith named vp-planning, CBS; **Louis Rauchenberger** appointed vp-controller; **Jeane Renick** promoted to Hollywood daytime programs dir.; **Vicki Baker**, ex-Rand, joins ABC as Bcst. Operations & Engineering business mgr.

Thomas Smith, ex-WSPA-TV Spartanburg, S. C., appointed gen. mgr. & gen. sales mgr., WYAH-TV Portsmouth, Va.; **Gary Whiteaker**, ex-WKRC-TV Cincinnati, named news dir., WEHT Evansville, Ind.; **Gilbert Anderson**, ex-Storer, appointed engineering dir., WSPA-TV-AM-FM Spartanburg, S. C.

Richard Modig, WTCN-TV Minneapolis business mgr., named vp.; **G. Earl Broome**, vp-sales, WITN-TV Washington, N. C., retires after 21 years with station.

George Hoover, CBS News information dir. and onetime ABC, joins NBC Jan. 31 as vp-press & publicity, succeeding **Gene Walsh**, who transfers to L. A. as vp-press information; Walsh replaces **Henry Rieger**, named vp-corp. information, West Coast; **Curt Block** promoted in N. Y. to dir.-press & publicity, adding sports promotion; **Paul Myer**, ex-assoc. dir. of White House Domestic Council for congressional affairs, joins ABC Washington as dir.-govt. relations, new post.

Glen Robinson, U. of Va., former FCC member, speaks on communications policy at FCBA luncheon Jan. 28, Army-Navy Club; **Edwin Newman**, NBC News correspondent, keynotes June 2-4 AP Bcstrs. convention, St. Louis; ABC's **Barbara Walters** addresses June 4 luncheon.

Sydney Elges, retired NBC PR vp, named vp-PR, Council of Better Business Bureaus, Washington; **Karl Gillgren** & **Patrick Plaehn** elected Nielsen dirs.

Sanford Feldman, ex-Excelsior Productions pres., appointed Viacom vp-west coast business affairs; **Harry White**, ex-Valley Cablevision, Ind., joins Televents as vp-operations; Appointed Tele-Rep vps: **Tom Belviso**, **Steve Herson**, **Mike Levinton**, **Patricia Prie**, **Tom Wilson** & **Greg Stone**.

Elected Katz Agency vps: **Victor Ferrante**, Katz TV midwest sales vp; **Gordon Hastings**, Katz Radio & TV divisional vp; **Ken Swetz**, Katz Radio vp-gen. mgr.; **Paul Pearse** advanced to vp-sales, Blair TV; **Winston Edwards**, ex-RTVR, named Kaiser Bcstg. Spot Sales sales research mgr.

David Campbell, ex-WKEF Dayton, named midwest sales rep., Columbia Pictures TV Worldwide Distribution Div.; **Alfred Steel** promoted to vp-development, Conn. PTV network; **C. Rodney Gibson**, ex-International Microwave Corp., joins Microwave

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Cecil Forster, Group W vp-business affairs, speaks at National Conference of Black Lawyers Jan. 21 luncheon, George Washington U. Faculty Club, Washington.

OTF functions will be examined by Carter Administration "over the next few weeks...as part of broader reorganization considerations within the Executive Branch," Commerce Secy.-designate **Juanita Kreps** stated in written answer to written questions from Senate Commerce Committee. "The Commerce Department is one alternative for additional telecommunications responsibilities." Though OT & OTP "continually work to minimize" differences in goals & priorities, "the situation may not be ideal," she said.

Networks, PBS, RTNDA & Warner have filed proposal with U.S. Dist. Judge **John Sirica** (D.C.) for sale of tapes & records reproducing Nixon White House conversations. Under plan filed at Sirica's request, National Archives would sell cassettes at \$3.75-\$4.00 per hour, reels at \$5-\$5.75, records at \$5; cost of all 20 hours used in Watergate trials is expected to run about \$80. Price would include package and printed transcript. Nixon lawyers have asked Supreme Court to block tapes' release.

Congressional Black Caucus asked FCC to "formulate a new policy" to permit stations facing revocation or renewal hearings to sell out to minority groups "at a substantially lower sales price." Caucus said policy "is right—because it redresses a wrong [and] speedily eliminates from the broadcast field a possible wrongdoer...The Commission simply has not appreciated the benefits to be obtained from permitting assignments to minority groups."

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STATE OF THE INDUSTRY

EIA's final figures on 1976 consumer electronics sales to dealers have been delayed. Official release is expected next week. For preview, see below.

1976 SALES—7.7 MILLION COLOR, 5.2 B&W: Color TV sales to dealers totaled 7.7 million units last year, up 18.7% from 1975, and monochrome sales were 5.2 million, up 4.7%, according to rounded figures released by EIA at last week's Consumer Electronics Show in Chicago. Detailed data on consumer electronics sales are scheduled for release next week. Here are approximate 1976 figures vs. 1975 & 1974:

	1976	1975	% change	1974
Total TV	12,901,000	11,454,000	+12.6	13,771,000
color	7,701,000	6,486,000	+18.7	7,830,000
port.-table	5,428,000	4,403,000	+23.3	5,304,000
cons.-comb.	2,273,000	2,083,000	+9.1	2,526,000
monochrome	5,200,000	4,968,000	+4.7	5,941,000

In perspective, 1976 was color TV's 4th best year (after 1973, 1972 & 1974). Console-combination segment dropped to 29.5% of total sales in 1976 from 32.1% in 1975. In 1976 portable-table color breakdown, 12"-&-under segment totaled 540,000 sales (9.9% of total portable-table market vs. about 9.3% in 1975), 13-17" totaled 1,356,000 (25%, down from 26.2%), 18" & larger 3,532,000 (65.1%, up from 64.5%).

Year's final week ended Dec. 31, saw sales of approximately 144,000 color sets (up 20% from same 1975 week), 105,000 monochrome (up 27%).

TV QUOTA CASE WEAKENED BY KEY WITNESSES: What otherwise seemed solid case for TV import quotas by Committee to Preserve American Color TV (COMPACT) at International Trade Commission hearing in Chicago last week was eroded somewhat by testimony of group's 2 key witnesses, Zenith Chmn. John Nevin & Corning Chmn. Amory Houghton.

Both said they reluctantly supported quota petition as stopgap to keep domestic industry alive until marketers of Japanese TV here are forced to stop current business practices. State-ments drew heavy questioning from ITC, particularly Comr. Will Leonard, who repeatedly stressed quotas are last-resort remedy for import-injured industry, shouldn't be invoked when more appropriate & less complicated cures are available. COMPACT attorneys Thomas Shannon & Donald deKieffer were forced to spend good part of 2-day hearing urging ITC to ignore unfair act charges, concentrate on depressed state of industry and need for immediate relief.

Nevin acknowledged reversing earlier anti-quota position, said he did so because many industry members would go under without quotas. He said Zenith hasn't been hurt as much as others, injury coming in moderate market-share loss and more serious 10-15% depression of prices. He said Zenith would try to hike prices if quotas are imposed, stressed belief that short-term quotas wouldn't lead to increased Japanese investment in production facilities here. To be effective, he said, quotas would have to cover both finished & unfinished color imports.

Nevin surprised listeners with revelation that Zenith made strong attempt to enter private-label TV business in 1974 with overtures to Sears & Ward. At that time, he said, Zenith learned it might get Sears business if it acquired Warwick, but attorneys assured him Justice Dept. would block that.

Houghton said he was appealing on behalf of his employees rather than company—because if color TV industry folds here Corning can move somewhere else but "the people in our plants do not enjoy that flexibility." He asked that quotas be imposed as prelude to forcing importers to "follow the same rules which we are legally required to follow." He said quotas should be kept on "while we negotiate what those rules should be," perhaps for full 8 years provided by statute. Japanese got where they are by acquiring U.S. technology, he said, adding that if Corning had known what was going to happen it might have thought twice about selling TV bulb production licenses to Japan.

Under probing from Commission, COMPACT economic consultant Stanley Nehmer said that group would seek quotas for all imports of complete color TV, unfinished color & key components, and that import boom of 1976 be excluded when calculating how many sets should be allowed in. Indications are COMPACT will propose dividing unfinished sets into 2 classes, those imported with picture tubes and those without, and would be willing to exclude tubeless chassis from quotas to protect U.S. firms importing chassis from Mexico (Sylvania & RCA) & Taiwan (Admiral).

Dismal picture of domestic industry's health was presented by long roster of COMPACT witnesses. Only retort from Japanese came from ex-ITC Comr. Bruce Clubb, now representing Melco Sales (Mitsubishi), who contended leap in color imports this year was aberration and couldn't be blamed for years of losses and declining employment of U.S. producers. Prodded by Leonard, Clubb acknowledged he voted with majority in 1971 when Commission found U.S. industry injured by dumped Japanese TV, but said that finding "doesn't necessarily correlate to the type of cataclysmic injury needed to trigger" import quotas.

Japanese will press anti-quota case at Washington hearing starting Jan. 18, but not until COMPACT puts on 10 more witnesses, including GTE Consumer Electronics Pres. George Konkol, to describe further industry's sick state and type of quota protection needed. Also appearing in favor of quotas will be Zenith and Council on Wage & Price Stability. Arguing against will be EIA-Japan, Matsushita, Mitsubishi, Toshiba, Taiwan Electrical Appliance Mfrs. Assn., Korean Electronic Industries Promotion Assn., American Retail Federation.

Hearing will run at least 2 days; if more time is needed, as seems likely, it could resume afternoon of Jan. 20 following inauguration. Chmn. Daniel Minchew, working under March 22 deadline to wrap case up, said Commission will meet March 3 to discuss staff report, vote March 15 or 17.

WCES—TOUR DE FORCE FOR TECHNOLOGY: There was plenty of talk about pricing, delivery dates and usual industry concerns, but real story of Winter CES last week was in products. Event could have been billed "Show of the Future," serving as dramatic showcase for vast changes application of microelectronics technology is bringing to calculators, watches, games & audio, plus new breed of products combining elements of all 4.

Word "computer" was tossed around by virtually every supplier at show—as well as "LSI," "microprocessor" & "logic"—and major CES news was made by General Instrument, which announced new Gemini series of microprocessor video game chips which provide 50 games plus programmable circuits.

New GI games showed up on floor immediately. Unisonic demonstrated programmable line in prototype. Others, including Coleco, reportedly were showing GI games privately. APF showed range of games, from ball-&-paddle types through programmables, using GI, MOS Technology & TI circuits.

Perhaps most sophisticated new product was \$495 Personal Electronic Transaction (PET) computer from Commodore, which acquired MOS Technology last year. Somewhat reminiscent of Videospond concept abandoned by Admiral, PET is interactive device consisting of TV screen, keyboard, memory storage & cassette recorder, can be used for teaching, games, household accounting, etc., communicate with data banks or other home computers, will be offered with library of programmed cassettes.

Other new products: (1) Casio combination calculator, alarm clock & stopwatch, about

size of handheld calculator, \$50. (2) National Semiconductor continuous display watch-calculator, \$350; "Quiz Kid" calculator with capacity for over 6,500 problems. (3) APF calculator which plays various math & action games using overlays. (4) Mattel handheld auto racing (dealer cost \$15) & football (\$22.50) games using LED moving blip & number displays with sound effects. (5) Fidelity Electronics \$200 chess challenger with LED readout.

CES is far from a video show, but TV & VTR were in spotlight at & near Chicago's Conrad Hilton. As Quasar started distribution of VX-2000, its parent Matsushita announced in Japan it would build & sell JVC-developed VHS in interest of standardization. At same time, Sanyo started U.S. sale of V-Cord II. But perhaps most significant development was growing interest in VTR by U.S. TV makers, as expressed by representatives of Zenith & Magnavox at CES video seminar (details on p. 11). Among other TV developments were debut of Sinclair's long-awaited 2" worldwide TV set, revival of Emerson name on Korean set line, showing of projection systems using new washable screens (see p. 11).

Traditional CES concerns were ignored, however. CB industry found itself still in throes of 23-to-40-channel conversion, with suppliers at Show generally optimistic and retailers saying they'll know more in next few months. Prime retail concern seemed to be differential between 23 & 40 pricing, many dealers expressing conviction that 40 prices will drop substantially in first quarter. Producers agreed prices of off-brand merchandise may erode in near future, but insisted others will hold firm as bargain 23s clear pipelines. Suppliers appearing at CB panel (see p. 12) forecast strong year for both 23 & 40, unit projections ranging from low of 8 million to high of 10 million.

Audio field remains key part of WCES, but atmosphere this year was low-key, with few flashy new products introduced and talk centering primarily on refinements, negotiations for Beatrice Foods to acquire Harman International (see below) and Superscope's entering Marantz into high-power race with \$1,100 185-watt-per-channel receiver and forthcoming introduction of low-priced Imperial line.

Watch field apparently opened another round of who-can-be-the-lowball-leader. Commo-dore set pace with \$9.95 five-function LED, its first watch offering. LED vs. LCD battle should be 50-50 by end of this year, shift to 75% LCD by 1980, Fairchild spokesman told us. He said sales in U.S. should double this year.

Beatrice Foods is discussing acquisition of Harman International, but both companies said last week that price hadn't been mentioned. Harman became candidate for merger when Pres.-Elect Carter nominated Chmn. Sidney Harman for Commerce undersecy. For some time, Beatrice has been seeking audio acquisition. If sale goes through, Harman operations will be placed under Beatrice Senior Vp Richard Hanselman, pres. of Luggage & Home Environment Divs. & Samsonite Corp., and under Group Pres. Edward Disborough. Both Hanselman & Disborough are former RCA Consumer Electronics officials. Other Beatrice executives, both at Samsonite, are Keith Nieman & Gerald Martin, ex-Magnavox & RCA... **Hoffman Electronics**, onetime TV-stereo producer, said it discontinued negotiations to buy unidentified firm which distributes auto sound & CB... **Sanyo's** offer to buy publicly held shares in Sanyo Mfg. Co. (Warwick's former TV operation) expires Jan. 19, unless extended.

"**New marketing strategy**" for Sylvania's GTE audio components involves "very limited distribution [by] a few high-quality dealers." Dealers will receive exclusive franchises for their territories for one year. Short GTE line has 3 receivers at \$280-\$600, 3 speaker systems at \$120-\$250.

JVC will recall 979 color sets made in July & Aug. 1971 for possible modification to avoid potentially excessive X-ray emission. In re-testing sets, Bureau of Radiological Health determined that zener diode had been omitted from horizontal oscillator high-voltage circuit, situation which could cause emission of more than 1 milliroentgen per hour under certain conditions of component failure (0.5 mR/hr. is permissible maximum). Some of the sets, all 19", may contain the diode, JVC America spokesman said, but all are being recalled for examination. Last year, JVC launched recall program for 5,098 19" color sets in another X-ray case (Vol. 16:34 p11). JVC spokesman said that despite notification, only 10% of owners bothered to bring sets in for modification (3 new circuit boards) and company will make another effort.

New AM stereo systems have been submitted to National AM Stereo Radio Committee by Magnavox and by engineer Hobart Wilson, owner of radio stations in Ore. & Mont. Magnavox system is described as "true phase-modulation system"; Wilson's technique hasn't yet been outlined. NASRC plans to start field tests March 14, probably using facilities of WTOP and WGMS or WMAL Washington, with skywave tests probably at WBZ Boston.

TV UPBEAT AT CES: Encouraged by momentum of 4th-quarter sales (see p. 8), TV manufacturers venturing 1977 forecasts showed varying degrees of optimism. RCA's William Boss, chmn. of EIA Consumer Electronics Group, keynote speaker at CES video session, set tone: "The video industry [is] now poised for unparalleled growth that will be fueled by a continuing supply of new products and new features," with 1977 retail market for "video-related products" reaching \$4 billion.

Other manufacturers agreed with his estimate that 40% of 1977 color market would represent replacement sales, additional-set sales 33%, with 52 million over-5-year-old color sets candidates for replacement. Average retail price of color TV has "improved noticeably since 1973," he said—portable category has risen \$43 to \$402, consoles \$59 to \$632. Video seminar produced 1977 color TV estimates of 8 million units ("a certainty," said Magnavox's Charles Dolk) to 8.4-8.5 million (GE & Zenith), with agreement that more deluxe features, such as digital electronic tuning & remote would be pushed. Toshiba's Edward Garland saw technological advances as significant for step-up purposes as changeover from hybrid to solid-state.

Quasar Mktg. & Sales Vp Alex Stone forecast color sales at 8 million, b&w 5-5.2 million, in statement released at CES, with sales running at nearly 7.8 & 5.3 million rate in first quarter.

Unique TV-set introduction at CES was Sinclair Radionics' long-awaited "pocket TV"—now re-dubbed "Microvision" because of slightly-larger-than-pocket size (6x4x1.5 in.). Book-size 2" set weighs 26 oz., can tune VHF & UHF in any part of world (except some Eastern European countries) by means of continuous varactor tuners and 3-position standards switch. It will play 4 hours on 4 built-in AA nicad batteries, will sell (in U.S. first) at \$300. Managing Dir. Clive Sinclair told us sets are already being shipped from factory in England, would eventually be sold in Japan as well as Europe. Bulk of circuitry is on 5 bipolar ICs.

Five projection-TV systems were displayed, including 2 with new easy-clean screen surfaces. Futurevision (formerly Video-1), Miami, said it was going into Macy's Herald Sq. (N.Y.) store, Sam Goody's & some Allied dept. stores, has 2-piece systems with new Mylar washable screen, new 7" fresnel f1.4 lens, using 13" Toshiba as source, at \$1,295 & \$1,495. Infra-red digital calculator-type remote made by Selectra is \$140 option. Pres. Leigh Rothschild said production goal is 30-40,000 yearly.

Sega (Gulf & Western) also has washable screen surface—of aluminum with special coating—for its one-piece system. Sega America Pres. Harry Kane said company now has 5 distributors, will shortly appoint 4-5 more. Sony 15" remotes & Toshiba non-remotes are picture sources.

New 2-piece unit which resembles Advent in cabinet appearance (but uses 13" Hitachi as source) was displayed by Amtron Video, Chicago. Using 51" diagonal Ektalite screen, it will sell for \$1,995 following FCC approval.

Two rear-view units with 3M lens-screen were displayed—by Global Video, Seattle (17" Zenith remote, \$1,995), which claims to be selling about 100 monthly, and by Century Projection Systems, Santa Clara, Cal. (13" Zenith, about \$2,000).

In conventional TV, Emerson name is reappearing on Korean-made line imported by Empire Ultrasonics, Rahway, N.J. (Jack Beyda, pres.), name licensed from Emerson Radio Corp. (formerly Major Electronics). Initial line starts with Empire-brand 12" at \$70, Emerson-brand 12" at \$80 & \$90, wood-cabinet 13" color at \$230, with 16" b&w (\$100), 19" color & b&w planned later. National distribution will be through reps, and spokesman told us 500,000 sets would be shipped this year. Warranty provides for one-year customer return for full credit.

Among other new sets announced at CES: Quasar, step-up 19" at \$450, remote \$580, three 25" at \$670, remote \$850...Panasonic, monochrome AC-DC sets with self-contained D batteries—5" at \$140 and 7" at \$150...Hitachi, 5" b&w AC-DC with D batteries, \$150, other AC-DCs at \$130 (9"), \$140 (12").

ADMIRAL CUTS U.S. TV: Admiral will virtually drop out as U.S. TV manufacturer this year, rely on Taiwan plant for portables & color console chassis, restrict operations at Harvard, Ill. plant to mating of imported chassis with U.S.-made cabinets & picture tubes, according to Pres. John Henry.

Responding to comments by union leader at ITC hearing last week (see p. 8), Henry told us switch to Taiwan would cover Admiral's entire 1978 model line, but there was still possibility that production of ERA II modular chassis, introduced last year, would continue at Harvard. He said Admiral has no plans to have any sets made in Japan. In view of transfer, he said, any import quotas imposed on TV or chassis imports "would be harmful to us." Expressing understanding of industry's depressed state, Henry said "I'm not a believer in import quotas," but "if the Japanese are getting [TV export] subsidies from their government, they should be offset." He wasn't certain such subsidies were being given, "but I don't know how else they've been able to undersell us."

Among details of industry depression given at hearing: RCA Indianapolis IBEW membership is 4,100, down from 10,000 in 1967, with more due to go as RCA shifts output of 16" & 19" b&w to Taiwan; Warwick's Niles, Ill. plant, which employed 2,500 in 1971, is down to 100 and being closed; Wells-Gardner employs 300, from 1,600 peak in 1966; Admiral in Chicago employs 500, from 1,500 just last year.

* * * *

Wells-Gardner, now producing only 25" color consoles, is introducing new chassis which will drive either 19" or 25" models...Admiral retained bulk of private-brand color contract with Montgomery Ward, though it's understood Sharp took increased portion of portable business. Admiral will also supply 13", 17" & 19" color portables to Midland, which formerly purchased most of its sets from Japan's General Corp.

CES GAMES—MIXED BAG: Games were dominant part of CES scene last week, but delays in getting products delivered & prototypes produced, and new directions taken by several gave field new look. Atari threw press bash to show "Video Music," non-game control console which hooks to output of stereo system & TV antenna terminals, providing viewer with range of visual-pattern options keyed to audio output. System will sell at \$150-\$200 through stereo specialties market beginning in Jan. Firm conducted extensive consumer-profile research on project, and Warner Communications executives reportedly were enthusiastic about system when they began initial negotiations for acquisition of Atari.

Representatives of major game manufacturers Atari & Magnavox agreed that 1976 sales totaled 3.5-4 million, which would rise to 8.5-10 million, depending on how well game industry guesses consumer preferences. Both Atari Pres. Joseph Keenan & Magnavox Sales Planning Vp Charles Dolk agreed there'd be 3-tier market this year—simple games, more sophisticated dedicated units & top-end programmables. Game & set manufacturers reported no consumer complaints of "burn" damage to TV sets—but report that Canada had dropped probe of situation (Vol. 16:51 p10) turned out to be false.

GI, which isn't in consumer product field, made its own game news at Show, introducing broad line of circuits (see p. 9), including road-race, submarine, blackjack and series of programmable game circuits. GI also is sticking with dedicated-circuit approach in game field, Vp Edgar Sack said, designing microprocessors with specific functions for firms interested in high-volume, low-cost production. Unisonic was sole visible firm using new GI chips, and Pres. Maurice Lowinger told us it will introduce 15 new games, including GI programmables, in 2nd half, prices not set. Prices on low-end ball-&-paddle units will hold firm due to continuing shortage, Lowinger said, "but some of the dreck coming in from the Far East may go down in price."

Other new games: APF showed new GI b&p game (\$70), MOS-chip b&p game (\$80-\$90), will introduce games using TI circuits later. National Semiconductor was expected to show \$45 version of Adversary, reportedly planned to add \$39.95 b&p game which hadn't shown up by press time. Fairchild added 3 new cartridges to Video Entertainment System, bringing total library to 6, announced that VES system price has been jumped \$20 to \$170. New cartridges (\$20) are Spitfire airplane game, Space War & Math Quiz. Fairchild Exec. Charles Jacoby told us lag in delivering 2 of original 3 cartridges continued through Christmas, but said firm is catching up with back orders. Two of new cartridges will be available in March, 3rd in April, he said, adding that firm probably will enter home computer market some time in next year.

Other game developments: U.S. District Court ruled that Chicago Dynamics & Seeburg Corp. infringed Magnavox game patents. Magnavox suits against Allied Leisure & Radio Shack in Fla. Federal Court are still pending. RCA showed new black-&-white Studio II cartridge game privately at hotel suite.

CB AT CES: Increase in popularity of in-dash concept, rejuvenation of market through introduction of 40-channel units, will push sales at least to 8 million this year, possibly to 12 million. That's consensus of suppliers appearing at CB seminar. FCC applications, which shot to 400,000-plus in Nov., about 430-440,000 in Dec., are encouraging, panelists agreed. Forecast at panel: Panasonic (8-10 million), Hy-Gain (10-12 million), Motorola (8-9 million), Kraco (10-million-plus), Fanon/Courier (9-12 million), Dynascan (11 million).

Major shakeout among Japanese producers during 1977 is inevitable, panelists said. Motorola Automotive Products Vp-Gen. Mgr. Carl Lindholm said as many as 70% of estimated 100 Japanese CB producers will disappear, with "bigger names than we've seen before" emerging. Fanon/Courier Exec. Morris Adato said shakeout will hit "both sides of the ocean" with only those firms strong in basic R&D, through suppliers or in-house, surviving.

FCC Chief Engineer Raymond Spence didn't electrify forum with startling announcements, but did make following points: (1) Comments on proposed 100-dB transmitter harmonic suppression limit probably will be extended "to give the CB industry time to respond." (2) Rumor that 40-channel CBs don't "talk as far as 23s" due to new FCC standards is "sheer nonsense" and industry should spike it. (3) FCC won't issue rulemaking on power mikes. (4) Sunspots will hit peak in late 1979, into 1980, but won't wipe out 27-MHz communications. Range during high-skip periods will be limited to about a mile. (5) Current CB band won't be eliminated when FCC proposes new services, which should come this year.

On Show floor itself, CB producers insisted market was basically healthy, with 23s moving through pipelines by early summer. Although suppliers said industry-wide 23-channel inventories now stand at about 2 million, retailers said figure was far higher. "I think it's closer to 4 or 5," one said, leading him to speculate that 40-channel prices—particularly on leader models—will begin to drop through first quarter. "I was offered some promotional merchandise at \$59 & \$69 cost, and I expect more."

Competition should heat up further as major Japanese manufacturers start trading in U.S. under own names—latest being No. 1 maker Cybernet, which is opening sales & service operation in Chicago.

New 40-channel lines: Motorola, 4 under-dash models all with digital PLL synthesizer (\$180-\$260). Firm is stressing hands-off operation, with automatic noise-limiting, other features built-in, and minimum number of user controls... Panasonic, 4 models with LED read-outs (\$130-\$330), including 2-piece trunk-mounted unit with remote mike containing controls, switches, indicators & speaker... Superscope, 3 models (no pricing), including unit with continuous Channel-9 scanner... Sanyo, 2 models (\$150-\$200), both with LED readout & PA switch.

FCC changed effective date of UHF-VHF antenna comparability rule (Vol. 16:51 p9) to July 15, 1978 from July 1.

U.S. MFRS. LIKE VTR: Marketing success of Sony Betamax home videocassette recorder had reverberations last week in both Japan & U.S. At home, major TV manufacturers were mapping Sony sales very closely and re-evaluating their positions to determine whether to enter this market, presumably via Japan-made OEM decks. Among these are understood to be the 2 major videodisc proponents—Magnavox (Philips) & RCA. Both are on record that tape & disc are not competing products.

In Osaka, Pres. Masaharu Matsushita told employe New Year gathering that his company would manufacture VHS system developed by affiliate JVC in move toward single standard, pointing out that it already has been adopted by several other makers (Hitachi, Mitsubishi, Sharp, in addition to JVC). He said production initially would be "few thousand" units monthly at Okayama VTR plant for sale at about \$897 (JVC unit is sold at \$883). Matsushita will continue to make & sell its own VX-2000, which lists at \$725 in Japan, \$995 in U.S. (Quasar). Matsushita move obviously was inspired—at least partly—by success of big-selling Betamax in both U.S. & Japan.

Meanwhile, video seminar at CES marked first public acknowledgement by 2 large U.S. manufacturers that they're beginning to lean toward home VTR. Zenith has been "quite impressed" by Betamax's market acceptance, said TV Planning Dir. Gerald McCarthy, and on basis of its research, "we are looking quite heavily into the VTR business." While Zenith has no plans to enter market, "it seems to be a far more viable product than we thought it would be."

Magnavox Sales Planning Vp Charles Dolk expressed similar view when he said: "We have moved from passive to active interest in the potential of these devices." However, he added that company is "skeptical" about mass-market appeal if VTR stays in over-\$1,000 price range. "Conceivably if the retail price drops to the \$700-\$900 category...there could be a very significant consumer market."

GE TV Mktg. Mgr. Norman Schnell saw sales as "function of price." "No doubt there's a market. As price comes down, volume will go up. We'll continue to look at it, but we have no plans for this year." Edward Garland, vp-sales mgr. of Toshiba America, whose parent is making V-Cord II home VTR in Japan, thought disc would be more viable mass-market product, but that VTR might "sell fairly rapidly" even at current prices, Betamax becoming "standard by default" if no other system seriously challenges it in next year.

RCA wasn't represented on panel, but it's understood whole subject of home VTR is under review there. RCA has consistently said that low-priced VTR could become mass-market product.

Betamax's first 2 competitors are now in limited U.S. marketing, Quasar starting sales in 5 markets (Vol. 16:50 p10) last week and Sanyo beginning deliveries of V-Cord II (price \$1,290) this week in L.A., San Francisco & N.Y. Demonstrating \$995 machine in Chicago last week, Quasar officials called dealer reaction "phenomenal." Quasar sales approach will be similar to Sony's (company calls

its VTR "The Great Time Machine" vs. Sony's "time-shift machine"), but it will also stress what it considers advantages over Betamax—particularly 2-hour recording time per cassette, simple single-head construction, in-cartridge scanning. Sales are scheduled to be nationwide well before midyear, with ad campaign starting in 2nd half.

1976's REVOLVING DOOR: Last year saw unusually large number of top management changes in consumer electronics, particularly in marketing area. Some of more recent moves underscore difficulties experienced by top marketing executives for American companies when they switch to Japanese-owned operations. In this category are William Anderson (ex-RCA), who transferred from Sharp exec. vp to consultant, and Robert Warren (ex-Motorola & Quasar) who made exactly same move at Hitachi Sales Corp. Similarly, last year saw resignation of Toshiba Mktg. Vp Conrad Jutson (ex-GE), to join TI, just as his predecessor Charles Fabso (ex-GE & Philco) did in 1972 to rejoin GE, where he now heads housewares & audio sales & distribution, while IHF Pres. George DeRado resigned presidency of TEAC.

Among other major consumer electronics changes in 1976: (1) Realignment of Sylvania along international lines, with George Konkol moving up to GTE Consumer Electronics pres., succeeded as Entertainment Products senior vp by Frank Lann. (2) Teiichi (Tex) Takeoka's transfer from Quasar chief exec. officer to parent Matsushita in Japan, with Pres. Robert Bloomberg taking over chief exec. duties and Mktg. Vp Alex Stone getting increased responsibilities. (3) Resignation of founder & ex-Pres. Henry Kloss from Advent following appointment of Pierre Lamond as pres. (4) RCA Exec. Vp William Hittinger's shift from consumer electronics & components to research & engineering. (5) John Chamberlin's return to Lenox as pres. and his succession as GE Housewares & Audio Business Div. gen. mgr. by Paul Van Orden. (6) George Simkowski's move from Admiral mktg. vp to staff of Rockwell Consumer Operations Pres. Charles Urban, Frank DiLeo assuming mktg. & sales vp post.

At very top level in consumer electronics parent companies were several milestones, highlighted, of course, by Anthony Conrad's forced resignation as RCA chmn.-pres. and his succession as pres. by Edgar Griffiths. Among others: Retirement of Joseph Wright, succeeded as Zenith Chmn. by Pres. John Nevin; promotion of Akio Morita to Sony chmn., Kazuo Iwama to pres., with Masaru Ibuka's assumption of honorary chairmanship.

Plans to buy color sets declined, while buying intentions for b&w rose in Conference Board's Dec. Buying Plans Index. Bucking trend in plans for purchases of all products (which rose to index figure of 122.6, up 23 points from Oct.), color TV buying plans dropped to 6.2% from 6.6% in Oct. survey, 6.9% in Dec. 1975. Monochrome buying plans rose to 1.8% from 1.5% & 1.6% in earlier periods. Plans to buy cars, homes, refrigerators, washing machines & ranges were up sharply. Consumer Confidence Index jumped to 91.2 in Dec., up 11 points since Oct.

Trade Personals

James Haley resigning as Sylvania Consumer Electronics mktg. vp for personal reasons, will continue until successor is named, then become consultant... **Stanley Hamitz** promoted at Panasonic from national TV sales mgr. to asst. gen. mgr., TV & antennas; **Jack Dreyer**, former Business Machine Div. national sales mgr., shifts to auto products national sales mgr., succeeding **Clark Jones**, now with Electra Bearcat... **Walter Williams** promoted at GE Audio Electronics Products Dept. from mktg. mgr. to gen. mgr., replacing **Paul Van Orden**, now Housewares & Audio Business Div. gen. mgr.

Gus Ishida advanced at Sony from southwestern mgr. to Hi-Fi Div. gen. mgr., assuming responsibilities of **John Kearney**, who resigned as national sales mgr. last Aug... **Hugh Craton** advanced at RCA Distributor & Special Products Div. from national & special accounts mgr. to southeastern sales mgr... **Ron Mickwee**, ex-Rockwell calculator mktg. vp, named to same post at Hy-Gain; **Dan O'Connor**, Rockwell Microelectronics Products Div. commercial sales dir., adds Mickwee's former duties... **Greg Cornells** rejoins Koss as sales & mktg. exec. vp.

A. David Russell, ex-Sylvania secy.-senior counsel, appointed GTE Service Corp. asst. gen. counsel—corporate. Other GTE Service appointments: **Dean Rohrer** promoted from senior attorney to asst. gen. counsel—special projects; **Richard Schaulin**, ex-General Telephone of Ill., named management placement dir., succeeding **Dale Benjamin**, now labor relations dir... **John Hatfield**, vp, elected chief operating officer of Vitramon Inc. (capacitors); **Robert Paquette**, ex-treas., named chief financial officer; **Barton Weller** continues as pres. & chief exec... **Anthony Barnett** resigns as Bunker Ramo corporate mktg. vp... **James Walker** promoted at BASF to national sales dir., succeeding **Gerard Berberian**, resigned.

H.R. Anderson, ex-NCR, joins Rockwell Micro-electronic Device Div. as microprocessor product planning mgr., new post... **Lyle Orstad** appointed GTE Service treasury operations dir.

RCA continues to lop off business & projects which are unprofitable or which it doesn't believe have maximum potential. RCA Records announced it's closing Nashville & Hollywood recording studios this month and is considering shutting N. Y. studios, utilizing independent facilities. RCA Ltd. (Canada) has agreed to sell 500-employee unit to Spar Aerospace Products, Toronto. Unit designs & makes spacecraft transponders & satellite earth stations, had revenues of \$17 million last year.

PURAC technical standards task force was unable to reach agreement last week on recommendation to full PURAC on FCC's proposed 100-dB harmonic radiation limit on CB transmitters (Vol. 17:1 p9). Task Force meets again on problem March 24 in Orlando. Group also agreed to ask FCC chief engineer to set up symposium at FCC labs on FCC type-acceptance procedures—for benefit of manufacturers with new CBs to be tested.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Cablecom-General			
1976-year to Nov. 30	26,120,008	3,043,628 ^a	1.19
1975-year to Nov. 30	23,570,309	2,717,802 ^a	1.06
Craig			
1976-6 mo. to Dec. 31	68,825,000	5,711,000	1.83
1975-6 mo. to Dec. 31	53,906,000	3,387,000	1.11
Fuqua Industries			
1976-year to Dec. 31 ^b	530,000,000	13,800,000	1.50
1975-year to Dec. 31 ^c	505,719,000	(17,627,000)	--
International Video			
1976-year to July 31	25,240,836	(65,766)	--
1975-year to July 31	24,832,658	(6,775,013)	--
MPO Videotronics			
1976-year to Oct. 31	18,939,825	921,783	1.77
1975-year to Oct. 31	13,716,827	(367,404)	--
Walt Disney Productions			
1976-qtr. to Dec. 31	119,529,000	11,828,000	.37 ^d
1975-qtr. to Dec. 31	115,736,000	11,169,000	.35 ^d

Notes: ^aIncludes special credit. ^bPreliminary. ^cRestated. ^dAdjusted.

JAPAN'S EXPORT PLANS: Japanese exporters, anticipating 10%-20% drop in color TV shipments to U.S. this year from the near 2.9 million level of 1976 regardless of outcome of import quota case (p. 8), and cut of as much as 50% in CB exports to about 7.5 million, are already making contingency plans.

Sony says it plans to boost color output at San Diego plant from 370,000 of 1976 to 450,000 this year, increase Betamax home VTR sales drive to keep export volume up. Matsushita says its over-all color sales in U.S. should rise 10%-20% this year, with bulk of gain accounted for by U.S. production of Quasar. Major gains for Panasonic are targeted in audio, and company said it might start producing here in 1977. Also due for beefing up are Panasonic automotive audio & calculator businesses.

Pioneer is looking for 20% sales gain in U.S. with help from new U.S. production base. Hitachi, Mitsubishi & Japan Victor are planning on gains in audio, while Toshiba says it's aiming for 10% share of U.S. microwave oven market.

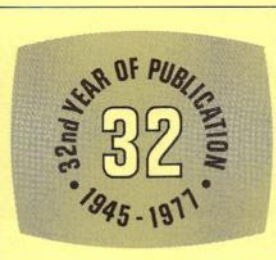
Taiwan govt. electronics production goals for 1977: Color TV sets, 710,000 (up 49.5% from 1976); b&w sets, 3.6 million (up 5.9%); calculators, 3.5 million (up 4.5%); digital watches, 4.05 million (up 60.7%); radios, 14.02 million (up 15.9%); electronic parts & apparatus, \$740 million (up 23.3%). Govt. urged manufacturers to improve quality-control inspection.

Semiconductor production equipment sales worldwide should grow at average 33% annual rate over next 5 years, climbing from estimated \$514 million in 1976 to \$922 million in 1980, top \$1 billion by 1982, according to analysis by Gnostic Concepts for Semiconductor Equipment & Materials Institute.

WEEKLY

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IN THIS ISSUE: Directory of all 40-channel CBs approved by FCC to Jan. 7, listed by brand-name & manufacturer.

JANUARY 24, 1977

VOL. 17, NO. 4

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

'GOALS' GET NAB PRIORITY: Future directions to get board attention in Hawaii. Staff & Radio Vice Chmn. Jones both present goals. Communications Act rewrite 'principles' delineated, gets 'major priority.' Sex & violence study planned. (P. 1)

SPOTLIGHTING RADIO-TV TRENDS: Presentation to NAB board sees radio rising 8.3% yearly to \$4.3 billion in 1985, TV up 10.6% annually to \$13 billion. FM parity with AM seen. Technology assayed. (P. 2)

SCHLOSSER'S SUMMARY: NBC pres. evaluates programs, revenues, 4th network, sex & violence, news trends, who's No. 1. (P. 3)

AGENCIES HEAR PITCH for 4th network. Organizers ask advertisers to devote 5% of prime-time budgets to 'MetroNet.' (P. 3)

FORD FINAL BUDGET would shear OTP of spectrum management authority, turn it over to Commerce Dept.'s OT. FCC gets slight increase. (P. 4)

PTA PROJECT'S IMPACT GROWS: Networks and stations sending representatives to hearings to present industry position. (P. 5)

'GOALS' TO BE NAB PRIORITY: Future directions & priorities—and how to go about them—will be major subject before NAB TV, Radio & Joint boards during 5 days of board & committee meetings in Maui, Hawaii this week. Among major issues will be rewrite of Communications Act—and top issue here, according to NAB members, is length of license—future of TV Code following family viewing decision (Vol. 17:1 p2), future of radio, research into televised sex & violence, increased regulation vs. de-regulation, broadcasters' First Amendment rights and pay cable, just to mention few.

In survey by Research Vp John Dimling, NAB members offered more than 1,200 recommendations and comments—with majority seeing length of licenses, as opposed to stability, as most pressing issue. NAB staff will present proposed short- & long-term goals to board, while Radio Vice Chmn. Donald Jones will present goals of NAB's re-organization effort. Communications Act rewrite "must be a major priority for the broadcast industry," Jones said. "It's a once in a lifetime proposition and we want to make sure free broadcasting is involved from the very beginning."

In preparation for hammering out NAB's position on rewrite, Govt. Relations Dept. prepared "statement of principles" for board action. Staff sees only major defect of Act its infringement on journalistic freedoms, sees as most important principle fact that system is working well under

Consumer Electronics

CB PRIVATE-LABEL contracts show Japanese supplying virtually entire market. Of 297 FCC-approved units, only 16 are U.S.-made. Cybernet is leading OEM with 61 models, 4 brands. (Pp. 7 & 11)

TV YEAR STARTS with strong momentum, Dec. color sales up 33.3%. Color inventories seen not excessive for sales rate. All products export portable-compact phonos increased sales in 1976 over 1975. (P. 7)

RCA VIDEODISC to market by late 1978 if there's potential to cut price to near \$400, expand playing time, offer attractive programs, Griffiths says. RCA eyes video cassette possibilities. (P. 8)

1.3-MILLION QUOTA on imports of complete color sets, just half 1976 total, recommended to ITC by COMPACT. GTE's Konkol says industry needs quota for breathing time. Hearing marked by confusion, inaccuracies. (P. 9)

RCA EARNINGS leaped in last quarter, color TV profits climbing 50% in year. Admiral's quarterly loss increased. Matsushita parent-only sales & earnings up for year. (P. 13)

present Act which needs no basic changes to improve an "already superior" broadcast service. Among other proposed "principles":

(1) No greater political obligations should be placed on broadcasting than other media. (2) Govt. shouldn't be involved in any program decisions, including access. (3) Existing spectrum reserved for TV-radio must be maintained. (4) VHF drop-ins should be prohibited. (5) Local broadcast service is foundation of system, must remain. (6) Program suppliers shouldn't be regulated by law or FCC. (7) License term should be increased to at least 5 years. (8) Advertising of any legal product shouldn't be prohibited by law, and govt. shouldn't interfere in TV-radio ad policies. (9) All-channel radios. (10) Licensees shouldn't be banned from ownership of other media or from programming cable channels. (11) Cable should be regulated as ancillary to broadcasting. (12) Distant signals must be regulated effectively. (13) Congress should direct FCC to adopt rules prohibiting siphoning and diminution of quality & quantity of TV. (14) Cable should be banned by law from altering any broadcast signal except where required by exclusivity or non-duplication rules.

Statement expresses concern that "drastic" revision of Act could seriously impair or destroy present system and urges Congress not to wait the several years (NAB expects rewrite to take) to legislate such items as longer licenses, cable forfeiture and all-channel radio. Staff goals parallel many of legislative principles, with long & short goals interrelated.

Dimling also will report on proposed study of public attitudes about broadcast sex & violence, recommended by Exec. Committee last fall (Vol. 16:40 p2). He says that such study would be "feasible," cost about \$60,000; that earlier studies have been "susceptible to criticism—either because the survey was biased or because the absence of information about respondent's actual viewing behavior made their stated attitudes suspect."

NAB plans 1,500-2,000 interviews, based on Arbitron sample, hopes to show "absolute levels" of approval & disapproval of sex & violence in programming. According to Dimling report to NAB board, phrasing of questions is "critical" and "determining which programs contain violence or sex is fraught with difficulties." He proposes that CBS definition of violence be used, since NCCB now uses same one in its continuing surveys of violence (Vol. 16:51 p5). Dimling also will report to board on \$30,000 future-of-radio study, which also includes much about TV performance (see below).

NAB has 8 committee meetings—unusually high number—scheduled ahead of board sessions, perhaps highlighted by Convention Committee, which will pick 1977 Distinguished Service Award recipient. Among those reported as viable nominees: Scripps-Howard Bcstg. Pres. Jack Howard, Corinthian Chmn. Wrede Petersmeyer, Southern Baptist Radio-TV Commission Pres. Paul Stevens, commentator Paul Harvey, Plough Bcstg. Chmn. (and former NAB radio chmn.) Harold Krelstein, CBS newsman Daniel Schorr and retired broadcasters J. Leonard Reinsch & Stanley Hubbard.

Another major item before board will be approval of \$5.1 million budget. Presentation will be "visual" for first time, presented by Exec. Vp-Gen. Mgr. John Summers. At early Jan. meeting, Exec. Committee ordered budget balanced, placed hiring freeze on new staffers (Vol. 17:2 p2). Also, board will hear telephone report Jan. 25 from TV Dir. James Ebel, representing U.S. commercial broadcasters at WARC convention in Geneva.

SPOTLIGHTING RADIO-TV TRENDS: Radio trend, 1975-85—also touching on TV trend—is covered in presentation for NAB board (above) prepared by Research Vp John Dimling, based on study by consultants Frazier, Gross & Clay. Among forecasts:

(1) Advertising in all media will grow average 8.1% yearly 1975-85, reaching \$61.6 billion. Radio will rise 8.3% a year to \$4.3 billion, TV increasing 10.6% a year, to \$13 billion.

(2) Radio will rise 9.7% a year during 1970's, slowing to 7% in 1980's. Most increase will come from FM, which will achieve parity with AM by mid-80's. Car FM will increase strongly but can "expect competition from the new non-commercial fad—CB radio."

(3) TV should increase 12.8% annually during 1970's, hitting \$8.7 billion in 1980, slow

down somewhat thereafter—nevertheless achieving 173% increase from 1975 in 1985.

(4) In 1985, average radio station will achieve revenues of \$13.70 per person, up 70%, and \$38.92 per household, up 63%.

(5) Radio technology forecast: FM quadrasonic and AM stereo "in general use" by 1985; digitally coded audio libraries will be "practical"; auto FM reception "will be improved significantly"; SCA for new services, such as facsimile, will be "vastly increased"; 40-band CB won't dilute radio audience "to a significant degree," while combination AM-FM-CB will help mobile radio audience; no major improvements in signal processing; automatic transmission "will come into far greater use"; TV developments "probably" will affect AM & FM; 2-way cable TV won't have "technical adverse effect" on radio; satellites will improve audio quality, and most radio interconnection will be by satellite.

SCHLOSSER'S SUMMARY: Highlights of news conference with NBC Pres. Herbert Schlosser:

(1) In last 3 years, NBC has been "a company in transition... Impact of these changes hasn't yet been felt... Every department in the company has a new head."

(2) Fourth network potential? "If you mean duplicating current networks, there aren't enough facilities to be comparable to what we have. Trying to put together a group of stations representing 1/2 of the country and putting on programs occasionally may succeed. It reflects a healthy TV sales environment." NBC revenues should triple in 1975-85.

(3) Programming—"We will have, overlaid on series, a great number of big things—events, major movies, etc. We're going to have many programs that take up an entire evening. A lot more discussions of serious national problems. We'll also see many more interruptions in the schedule. Homes using TV are up so much in the 4th quarter because of special events. If it's a better season, it's not because of series hits, but because there are many more things to see."

(4) Who's on first? "We have a new situation in TV. CBS dominated for 20 years, and that's over. ABC is having a brilliant year. You'll see a much more competitive situation in the next few years. We just won't have one network in front for 10 years."

(5) Sex & violence—"Yes, there is a problem... There's violence in society. There's no upswell in complaints from the public. Police shows are popular, in response to our times. In the 50's & 60's there were 30 westerns; now there are none."

(6) Documentaries—"Is one-hour still viable? Is another format needed? We're working on it. We're looking at new approaches to news... We see too much sameness in network news."

(7) All NBC radio stations are profitable, none for sale.

NRBA has moved from N.Y. to Washington (1705 DeSales St. NW 20036, 202-466-2030) for closer liaison with Congress & FCC. Office is headed by Exec. Vp-Govt. Relations Abe Voron and Exec. Vp-Station Services Alvin King, former station relations dir. of NAB. NRBA also shifted 1977 convention (Oct. 9-13) from Chicago to Hilton Hotel, New Orleans.

AGENCIES HEAR 4TH NETWORK PITCH: Representatives of major U.S. ad agencies were asked last week to devote 5% of their total prime-time TV budgets to proposed "MetroNet," 4th network being pieced together by Metromedia, Ogilvy & Mather and Benton & Bowles. Network is slated to begin operating by Oct. 1977, and if successful would present 5-1/2 hours weekly of prime-time programming, attain 5-6 rating in 45-55% of nation's "multi-network area" cities. Metromedia would be in charge of lining up stations.

Half-hour presentation was made to 75 agency representatives in N.Y. Jan. 21 by Metromedia Exec. Vp Al Kriven, Metromedia TV Vp-Sales Dir. Martin Ozer, and Ogilvy & Mather Senior Vp Howard Eaton. Agencies weren't asked for immediate commitment, but to take proposal back to their offices for "contemplation," according to spokesman, who added that while 5 half-hours of weekday programming were "very firm," Sat.-Sun. programming still was "in the developmental stage only."

Meanwhile, Mobil Oil announced it's considering further non-network distribution of Mobil-sponsored programs following initial success of its "Ten Who Dared" series currently carried in 43 major markets. Vp-Public Affairs Herbert Schmertz said ratings for first segment aired Jan. 13 were "within a few percentage points" of at least one network in N.Y., Boston, San Francisco and Washington.

Proposed acquisition of Viacom by Storer (Vol. 17:3 p3) fell through with a thud when former rejected offer in Jan. 15 board meeting (advanced from Jan. 20). Storer had offered 50% above going market price of Viacom. Viacom Pres. Ralph Baruch said company rejected offer because of "economic aspects" & "potential legal problems." Storer Chmn. Bill Michaels said effort would be dropped, no tender offer to be made. He said Storer was "disappointed and puzzled that the stockholders were not given an opportunity to make a choice" and that "there were no significant legal or administrative difficulties in the transaction..." At week's end, there was speculation that other companies might attempt takeover via tender offer. Viacom issued report to stockholders saying that it expects 1976 earnings to run over \$1 per share, up 20%; that average compound growth in last 5 years was 20%; that 1977 increase will be even greater.

FORD 1978 BUDGET WOULD PARE OTP: President Ford's final proposed budget—covering Oct. 1 1977-Sept. 30 1978—has been submitted to Congress. Though incoming President Carter is expected to make major changes in some areas, most telecommunications agencies probably won't be affected much. Most important shift suggested by Ford involves OTP—for which additional changes almost certainly will be proposed by Carter as he reorganizes new Exec. Office (Vol. 17:1 p1). Also likely to be altered in coming months will be HEW budget, which includes funds for educational broadcasting facilities & programming.

OTP would lose 4 staffers and \$5.5 million in proposed shift of spectrum management function to Commerce Dept.'s OT. Change would require congressional approval (in form of renewed Executive reorganization authority for Carter), represents "essentially the same set-up" as currently exists, according to OTP spokesman. Under previous OT-OTP agreement, spokesman said, most spectrum management funds are spent by OT even though formally assigned to OTP in budget. At stake is actual authority to manage. Carter staffers say they will review OTP-OT relationship early in new Administration, but if Ford proposal is approved, OTP would have \$3 million and 37 employees in fiscal 1978, OT \$7 million and 268 employees.

FCC would get \$59.9 million for 1978 vs. \$57 million for current year, 2,174 staffers, an increase of 26—including 4 for Bcst. Bureau, 12 Common Carrier, 3 Chief Engineer, 3 Field Operations, 4 Safety & Special, none for Cable. FTC budget would rise \$4.9 million to \$59.5 million—\$3.2 million increase for consumer protection, \$1 million

for maintaining competition. Employees would remain unchanged at 1,668.

CPB would receive \$107 million in 1978—increase of \$4 million over 1977 and full amount appropriated by Congress under long-term funding bill. HEW would be allowed to spend \$7 million (vs. \$15 million year earlier) for educational broadcasting facilities and \$7 million (same as year earlier) for educational TV programming (including \$5 million for Children's TV Workshop, \$2 million for others).

Copyright Royalty Tribunal appears in budget for first time following passage of Copyright reform legislation last session. Tribunal would have \$673,000 for 1978, 18 employees.

Though Ford made no mention of regulatory reform in State of the Union message, his staff called for continuing regulatory research & reform in "Issues" book accompanying main budget and in Domestic Council review group's final report submitted to White House Jan. 14. Report states that "an acceptable case for reform [in communications] has not been built," though it commends House Commerce Committee for last year's cable hearings as example of "excellent congressional oversight." Other proposals mentioned by Domestic Council group as worth looking into in future: Substituting single administrator for multi-member regulatory commissions, such as FCC & FTC, which by their "very nature lead to avoidance of ultimate accountability"; "a better balance" between regulation & competition, and to "constantly keep the spotlight of public attention on their [regulatory agencies'] behavior."

"Extraordinary risks" in Moscow Olympic TV coverage dictate joint approach by networks, their attorneys told Justice Dept., seeking removal of antitrust jeopardy. Networks noted: Russia seeks payment of \$50 million for equipment, in addition to payment for broadcast rights, some 2 years before 1980 games—yet games may be changed radically by withdrawal of some countries, perhaps even U.S.; USSR doesn't have equipment or know-how to handle games, so there may be technical failure; there's question whether agreement with Soviets is judicially enforceable; ideological differences could bring "disputes & breakdowns in communication that could jeopardize the success of the entire undertaking." Networks propose joint "Olympic Coverage Service" to handle all coverage, making it available to all U.S. broadcasters on non-exclusive basis and on reasonable terms. Meanwhile, Russian spokesman said USSR is prepared to discuss coverage with networks—but didn't rule out giving final nod to Satra, which has signed "protocol" of "cooperation" regarding telecast of Olympics (Vol. 16:52 p4).

WSB-TV Atlanta provided unusual service for Georgians attending Carter inaugural. Most stayed at Sheraton Park Hotel, and WSB-TV aired its local news each morning through vacant channel on hotel's MATV system. WSB-TV also did its Jan. 18 evening news from WTTG Washington studios live, sent it to N.Y. via AT&T, to Atlanta via satellite.

Canadian CATVs have stopped deleting commercials from U.S. stations—though they haven't been doing much of it—under agreement between U.S. & Canadian govts. Agreement hasn't been announced formally, has leaked. Actually, several months ago, Canadian Radio-TV Commission had put moratorium on its ruling calling for deletion, though Toronto system continued to delete on random basis. It's expected moratorium will continue until Canadians observe impact of their new law prohibiting Canadian advertisers from deducting, as business expense, commercials placed on U.S. stations. This could take 2-3 years. Meanwhile, Canadian Supreme Court on Jan. 26 hears argument on appeal by 3 Buffalo stations from CRTC cable deletion ruling.

Small Business Administration has recently liberalized its policy of loans to CATV to grant them to systems "solely engaged in the passive and contemporaneous retransmission of programs originating elsewhere." NCTA urges further clarification or liberalization to cover systems: (1) In Alaska, Guam and other noncontiguous areas which can't provide "contemporaneous retransmission." (2) With automated services such as time & weather. (3) Which don't originate but are required to provide access to others.

Deadline for reply comments in clear-channel rulemaking has been extended again by FCC; they're now due April 25, latest delay at request of CCBS.

PTA PROJECT'S IMPACT GROWS: National PTA's anti-TV violence offensive is picking up steam, getting more attention from industry leaders. Three public hearings have been completed—in Pittsburgh, Kansas City & Atlanta—and 4th is scheduled for Chicago this week.

Networks and stations ignored PTA's Pittsburgh hearing (Vol. 16:49 p6), leaving industry defense solely to TIO Dir. Roy Danish (who plans to attend all 8).

Now, broadcasters apparently have concluded that better selling job is needed for industry position. CBS-TV Program Standards Vp Van Gordon Sauter now calls PTA campaign "probably the most effective challenge to come down the line on this issue so far... We should realize that we're not dealing with local eccentrics but with well-established organizations that know all the pressure points." He added that network-owned stations in Chicago & L.A. now plan to send representatives to PTA hearings in those cities (Jan. 25 & Feb. 22 respectively), while NBC will send Vp Herminio Traviesas to Chicago, to appear along with representative of independent WFLD-TV Chicago. All 3 Atlanta network affiliates—WAGA-TV, WXIA-TV & WSB-TV—sent executives to last week's Atlanta hearing.

Sauter criticized PTA for beginning project "in such an adversary stance" and Danish, speaking at Atlanta hearing, warned that boycott of advertisers—which PTA has proposed as possible weapon—might "drain the vitality out of TV" by eliminating all controversial programming. Replied PTA PR Dir. Sandra Fink: "We did believe from the beginning that there is too much violence on TV, and we hope that our public hearings will substantiate what we believe to be the public's sentiment. But our hearings are not just a formality. We need to know what the people across the nation are thinking." She added that there's been substantial support among those testifying for advertiser boycotts.

One industry executive strongly in support of PTA campaign is Group W Pres. Donald McGannon, who told Kansas City hearing Jan. 11: "Your image is deservedly one of an unbiased organization, interested in the good of our children and the improvement of the influences upon them. You may hear during these proceedings that there is no hard, empiric evidence linking TV to the increasing levels of violence and youth crime in American life. While the quantitative evidence of cause and effect may not be clear cut—and may never be because of the complexities of researching the subject—I ask you: Can we afford to take this chance?... I believe that the answer must be a resolute 'No!'"

When Carter White House gets around to considering new FCC chmn. in few weeks, prime prospect is expected to be 43-year-old Charles Ferris, veteran staff dir. & gen. counsel of Senate Democratic Policy Committee. Graduate of Boston College Law School, Ferris has been endorsed by slew of Democratic senators for Deputy Atty. Gen., but new Atty. Gen. Griffin Bell is expected to pick his own man. FCC is being eyed for Ferris as 2nd choice.

Views on cable, expressed by FCC Comr. Quello at Ind.-Ill. Cable Assn. meeting: (1) Detailed cable legislation isn't needed; industry needs more time to develop. He's opposed to separation of ownership of hardware & programming. (2) Forfeiture legislation is needed, but only for "bad apples." Commission isn't going to beat industry over head for minor technical violations. (3) If translators are allowed to import distant signals via microwave, FCC should consider non-duplication & exclusivity rules for them. He's also concerned about translator commercial substitution and interference to cable. (4) "I wonder if public interest requires this Commission to determine the order of priority in the showing of film products to the viewing public whether through theaters, TV or cable." (5) Legislation is "only practicable solution" to pole-attachment problem. (6) MATVs shouldn't be regulated by FCC unless "operated for profit by corporations, builders or people other than owners & renters."

ABC Affiliates' Assn. will show "TV Medium at the Crossroads"—anti-pay cable slide-film presentation—to FCC at Jan. 24 en banc meeting. Presentation was prepared by ABC, made available to affiliates for showing to members of Congress within their states, civic clubs, etc. Affiliates' Chmn. John Conomikes, WTAE-TV Pittsburgh, Vice Chmn. William Turner, KCAU-TV Sioux City, Ia., and Joel Cohen, ABC N.Y., will participate. American Telephone Consumers Council also will testify at en banc session. Commission takes up regional concentration of station ownership Jan. 25, will grandfather all existing licensees and propose only "mild" future restrictions, we're told. Consideration of VHF drop-ins (Vol. 17:1 p2) has been postponed until Comr. Lee returns from Geneva Feb. 13.

FCC Chmn. Wiley goes to London Jan. 27-30 for conference on "TV and Its Effects on Public Behavior," sponsored by Ditchley Foundation. Other U.S. participants include ACT Pres. Peggy Charren, Westinghouse Bcstg. Pres. Donald McGannon & ex-CBS Pres. Arthur Taylor. Earlier in week, Wiley will receive Distinguished Service Award from National Religious Bcstrs. Also participating in NRB Jan. 23-26 convention at Washington Hilton: FCC Comrs. Washburn, Hooks & White and Best. Bureau Chief Wallace Johnson.

Secy. of Commerce Juanita Kreps has told Senate Minority Leader Baker (R-Tenn.)—in answer to written questions—that she will be in a position "to resolve many of the differences" between Exec. Office & Commerce Dept. on telecommunications. However, she added, on issue of continuation of OTP (Vol. 17:1 p1): "I have not participated in the transition staff's consideration of reorganization... In the short time available to study the complex policy issues, it has not been possible for me to reach a judgment in favor of a particular option..."

Networks turned down requests from Rosalynn Carter & Reps. Corman (D-Cal.) & Goldwater (R-Cal.) to provide sign-language coverage of Carter inauguration for hearing-impaired viewers. However, PBS presented live "signed" coverage, delayed captioned coverage.

Personals

Donald Durgin, pres. of ad agency McCaffrey & McCall and onetime NBC-TV pres., becomes exec. vp of Dun & Bradstreet Feb. 1 in charge of broadcasting (Corinthian), magazine & book publishing; Corinthian Chmn. **C. Wrede Petersmeyer** retires, will be succeeded by Pres. **Philip Lombardo** as chief exec. with post of chmn. eliminated.

Larry Israel, Washington Post pres., resigns Feb. 1 to pursue "personal interests and projects in TV & related fields"; he's succeeded as pres. by Chmn. **Katharine Graham**.

NAB Chmn. **Wilson Wearn** elected pres. of Multimedia Inc., Columbia, S.C.-based owner of 5 TVs, 12 AM-FMs & newspapers; TvB Chmn. **Walter Bartlett**, WLWT Cincinnati gen. mgr., elected Multimedia Bcstg. pres. & Multimedia Inc. exec. vp, succeeding Wearn, also remains WLWT gen. mgr.

Additions to Carter White House press staff: Deputy Press Secys. **Rex Granum**, ex-Atlanta Constitution, and **Walt Wurfel**, ex-aide to Sen. **Richard Stone** (D-Fla.); Asst. Press Secys. **Walt Duke**, ex-Postal Service (succeeding ex-Time-Life Bcstg. and one-time RTNDA Pres. **Bill Roberts**); **Pat Barrio**, ex-aide to Sen. **Philip Hart** (D-Mich.)

William Moll, KENS-TV San Antonio gen. mgr., also promoted to exec. vp; **Elliot Kleeman**, sales mgr., to vp...KCRA-TV Sacramento names **Patrick Kenney**, ex-WEWS Cleveland, gen. sales mgr.; **Robert Grant** to local sales mgr., succeeding **Harvey Fisher**, now head of sales development.

Robert Wenger, Nielsen vp, named head of N.Y. office, succeeding **George Blechta**, retired...**Ed Youngmark**, ex-TeleRep, joins Blair TV Chicago ABC Sales Team...**Mort Russin** promoted to vp-sales & marketing, Ikegama Electronics.

D. Richard Tonge promoted to vp-finance & planning, CBS-TV, replacing **Louis Rauchenberger**, now CBS vp-controller; **George Shannon** named vp-in-charge, new CBS-TV Production Facilities & Engineering Dept.; **David White** appointed vp-administration; **Joseph Flaherty** becomes vp-engineering & development.

Charles Brown, AT&T vice-chmn. & chief financial officer, appointed pres. & chief operating officer, succeeding **William Lindholm**, who retires April 1; Exec. Vp **William Cashel** replaces Brown...**Larry Darby**, OTP senior economist, resigns effective Feb. 28, plans not announced.

Carol Rubin advanced to ABC Entertainment dramatic program development mgr...**Earle Marsh** appointed nighttime program research mgr., NBC...**Duffy Sasser**, ex-Tele-Studios, joins SIN (Spanish TV Network) as legal & engineering coordinator.

William Attaway joins Group W as management development dir., new post...**William Lincoln** promoted to planning & administration dir., WBBM-TV Chicago...**James Knight** advanced to national sales mgr., WEWS Cleveland...**Marlene Holderbaum** promoted to business affairs dir., WKYC-TV Cleveland.

Brian Pussilano named mgr. of new CBS TV Stations National Sales' Atlanta office: 3400 Peachtree Rd. NE, Atlanta 30326, 404-261-2227...**Donald Barrabee**, ex-Katz TV, **C. Joseph Gavin**, ex-Blair TV, and **Leonard Soglio**, ex-WBTV Charlotte, join TvB N.Y. as mktg. execs.

Alan Shayne, Warner Bros. Theatrical Div. vp-production, appointed Warner Bros. TV Programming pres...**Darrell Clements**, ex-ABC program attorney, named business affairs dir. & resident counsel, National Telefilm Assoc.

Billy Oxley, KCET (ETV) L.A. broadcasting dir., advanced to vp-station mgr. Other KCET promotions: Pres. **James Loper** adds title of chief exec. officer; Vp-Business Affairs **William Lamb** elected senior vp-gen. mgr.; Vp-Programming **Charles Allen** named senior vp-programming; Educational Services Dir. **David Crippens** elected vp-educational services...**F. Lee Morris** advanced to Miss. ETV authority dir...**Bob Reed**, ex-PBS, joins KUED Salt Lake City as gen. mgr...**Bruce Christensen**, KBYU-TV-FM (ETV) Provo, Utah, named pres., Rocky Mountain Bcstg. Network.

Senate committee reforms, scheduled for debate by Senate last week, have been put off until Jan. 26 at earliest—further delaying organization. Leadership promised last Dec. to make no new committee assignments until reform proposals have been dealt with. During Rules Committee markup, which continues this week, following changes have been made: Commerce Committee would gain jurisdiction of Aeronautical & Space Sciences Committee, which would be eliminated; Small Business Committee wouldn't be eliminated or combined with another. Judiciary Committee would be unaffected. Meanwhile, on House side: Commerce Chmn. **Staggers** (D-W.Va.) was re-elected by Democratic caucus 232-21; Rep. **Murphy** (D-N.Y.) was elected chmn. of Merchant Marine & Fisheries Committee, as predicted (Vol. 17:3 p6), leaving vacancy for leader of Commerce Consumer Subcommittee—expected to be sought by Rep. **Eckhardt** (D-Tex.). Commerce Committee Democrats caucus in organizational session Jan. 27.

Cox Bcstg. has proposed to merge Cox Cable into parent company, which already owns 56% of Cable's 3.56 million shares. Bcstg. offered .61 share for each Cable share; with Bcstg. selling recently around \$33, that means about \$20 for each Cable share. Latter has been selling in \$16-\$17 range. Some holders of Cable are objecting, claiming premium is too small. Cable board is to meet "as soon as possible" to consider offer.

FCC inquiry on network practices "will track well with the comprehensive review of the Communications Act planned by the 95th Congress," Rep. **Wirth** (D-Colo.) wrote FCC Chmn. **Wiley**. Wirth urged inquiry last Oct. (Vol. 16:42 p3), calling network programs "loaded with violence, crime and sex, a national disgrace."

Meeker Co. has been appointed rep by WTRF-TV Wheeling & WBOY-TV Clarksburg, W.Va.

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STATE OF THE INDUSTRY

Here are EIA's final & official statistics for consumer electronics total-market sales to dealers for 1976, with 1975 & 1974 comparisons, and final week of year. (For Dec. breakout, see p. 8):

	1976	1975	% change	1974	Dec. 25-31	1975 week	% change
Total TV.	12,896,127	11,452,900	+12.6	13,770,377	243,338	202,327	+20.3
color	7,700,193	6,485,297	+18.7	7,829,554	143,068	119,803	+19.4
monochrome . . .	5,195,934	4,967,603	+4.6	5,940,823	100,270	82,524	+21.5
Total radio	40,735,148	34,696,020	+17.4	43,720,533	548,609	1,016,336	-46.0
home, portable .	28,290,085	25,456,316	+11.1	32,958,773	328,343	892,514	-63.2
AM-only	9,309,301	7,010,478	+32.8	12,903,291	172,941	313,494	-44.8
FM & FM-AM .	18,980,784	18,445,838	+2.9	20,055,760	155,402	579,020	-73.2
auto	12,445,063	9,239,704	+34.7	10,761,750	220,266	123,822	+77.9
Port.-comp. phono	3,167,488	3,421,465	-7.4	4,428,311	71,523	59,811	+19.6

Color TV 5-week moving average: 1976—181,811; 1975—135,437 (up 33.3%).

CB—WHO MAKES WHAT FOR WHOM: In 40-channel, the Japanese make just about everything for everybody—and that includes a few domestic "producers" heard bragging about U.S.-made 40-channel lines.

By our count, only 16 (6 producers) of the 297 40-channel CBs approved by FCC Sept. 10-Jan. 7 are being made in U.S., remainder coming almost entirely from Japanese factories. (Complete private-label breakdown, compiled from FCC approval list, appears on p. 11.)

Cybernet is far-&-away leading CB OEM (61 models, 14 brands), with Uniden 2nd (30 models, 9 brands) and lesser-known Funai Electric 3rd (13 models, 9 brands). Matsushita, Hitachi, Sanyo & Mitsubishi also have active private-label programs. Matsushita, for example, is producing for RCA, Toyota, Pearce-Simpson & others, in addition to 12 models it makes for Panasonic. Sanyo is making units for Sears, GE, Midland, several others; Hitachi for Sears, J.C. Penney, Radio Shack.

Near-total dependence of leading U.S. brands on Japan is also revealed in FCC list. Examples: Entire 13-model Hy-Gain line is produced by Cybernet; 9-model Cobra line is made by Toshiba & Uniden; 6 of 7 models in SBE line are from Nihon Dengyo; 5 of 6 RCA models are by Cybernet (other by Matsushita).

Based on FCC list, here's what's being made in U.S.: E. F. Johnson (4 models under own name, 4 for GM); Emergency Beacon (1); Hallicrafters (1); Motorola (2); Pathcom (3); Regency (1). Interesting footnote to U.S.-produced market is fact that, while E. F. Johnson is supplying GM with domestically-made units, Johnson Viking 4740 SSB mobile is being supplied by Nihon Dengyo. Who says U.S. manufacturers are "losing" CB market to imports? They never had it.

TV YEAR STARTS WITH STRONG MOMENTUM: Last year's consumer electronics sales-to-dealers figures (above) show all products except portable-table phonos did better than in 1975. Color TV ended year particularly strong, with sales up 33.3% from 1975 in Dec., for biggest monthly gain of year.

In color TV, 1976 stacks up as 4th best year to date—far behind 1973 (9,263,503) & 1972

(8,377,743), but trailing 1974 (7,829,554) by less than 2%. Year's final quarter was 3rd best in history, up 30.3% from last quarter of 1975, with sales at annual rate of 8.36 million. Third-quarter sales were at 7.4-million rate, 2nd quarter 7.7 million, first quarter about 7.16 million. Dec. sales were at rate of 8.25 million.

Color inventories at year's end totaled about 2.03 million at factory plus distributor levels—up about 17% from end of 1975 and down 10.4% from end of Nov.—certainly not unhealthy at current sales pace. Factory inventories of 1,129,000 were up 36.3% from 1975, down 12.5% from month earlier; distributor inventories were down 8% & 0.4% from the 2 periods. Monochrome inventories, at 1,768,000 were 36.8% above end of 1975 and just above equaled figure for end of 1974, probably high enough to be troublesome.

Dec. was bang-up month at retail, our monthly Early Warning Report showing biggest unit gain over year earlier in its history. (To receive our Early Warning Report on color, b&w & stereo retail sales & inventories monthly, contact our Washington office.) EIA figures on Dec. sales to dealers:

Product	Dec. 1976 (5 weeks)	Dec. 1975 (5 weeks)	% change	Dec. 1974 (6 weeks)
Total TV	1,492,701	1,158,165	+28.9	1,332,193
color	909,057	682,184	+33.3	734,427
monochrome	583,644	475,981	+22.6	597,766
Total radio	3,038,125	3,621,575	-16.1	5,722,052
home, portable	1,965,577	2,651,308	-25.9	4,655,807
AM-only	1,085,467	741,723	+46.3	2,022,359
FM & FM-AM	880,110	1,909,585	-53.9	2,633,488
auto.	1,072,546	970,267	+10.5	1,066,245
Port.-comp. phono.	368,137	346,830	+6.1	593,096

GRIFFITHS—RCA V-DISC BY LATE '78, IF—: In most definitive statement on videodisc yet, Pres. Edgar Griffiths said last week sales might start in last-quarter 1978 if RCA sees potential of a player price around \$400 and 2-hour playing time per disc and can solve programming problems. At same time, he confirmed RCA has renewed interest in home videocassette recorder, could enter market by buying OEM decks, eventually making own.

In candid & wide-open news conference to answer questions about company's upbeat financial results for 1976 (see p. 13), Griffiths sprung surprise announcement that if SelectaVision disc system is marketed, it would be year later than most had expected—certainly year later than target some other RCA executives had been indicating informally. "There's no possibility we'll introduce the system in 1977. There never was. We never said there would be. I don't care if competition is ahead of us—the market is so big."

(North American Philips Vp Robert Cavanagh last week reiterated his and Magnavox's statements that initial small-scale regional marketing of Philips/MCA system would start late this year, but "I can't say when we'll be national." He declined to say whether Philips/MCA is also developing longer-play disc.)

Griffiths pointed to comment at last May's annual meeting by then-Pres. Anthony Conrad, who answered question about timetable by saying system could be on market in "time scale of less than 2 years," Griffiths added: "I'll modify that and say instead of midyear it might now be in the 4th quarter."

The 3 criteria for introduction were reported in these pages Jan. 10 (Vol. 17:2 p7). Griffiths said technical problems have all been solved and "we can introduce [player] at \$500 without any trouble." Initially, player would be aimed at \$500-\$600 retail—"we feel \$500 is a good figure—but we must know we can get it down in the area of \$400." He also confirmed our Dec. report that RCA has developed lab model which will play for 2 hours—60 min. per side (Vol. 16:51 p9)—and said company might start with 60-min. disc if it knows it can double playing time later; 2-hour disc might sell for about \$12, he said. "From opening day, we must have a [program] catalog to motivate buying." If RCA can't completely meet the 3 objectives, "it's no-go." But

he seemed to be saying it probably would be "go."

He confirmed our report of last week that RCA—like Zenith & Magnavox—is studying possible entry into videocassette market (Vol. 17:3 p13). "I'm certainly impressed with the inroads that Betamax has made. If it comes down in price, you've got a mass market on your hands. If that's the case, we'll be there." He explained that at \$800, VTR would "just skim the top of the market," but at \$500 "the record-off-the-air feature is tremendously interesting" but no competitor to disc system.

As to color TV, he said RCA's market share is "essentially the same as 1975," even though Japanese brands doubled their share in 1976. He quoted 3rd-quarter Trendex giving Zenith 20.7%, RCA 20.3%, but said he thought for full year difference was 3-4 points, expressed hope RCA would gradually improve share. He forecast long-term shakedown to very few domestic TV manufacturers, with continuing expansion of Japanese into U.S. manufacturing, extremely tough competition. ("We were first in color & b&w and gave the rest of the industry a free ride. That's the kind of thing we can't afford to do.")

For 1977, he predicted 8 million color set sales, depressed prices in first half because "warehouses are loaded with Japanese sets," possibility of 3-4% price increases in 2nd half, at most. "Survival will be directly related to the ability to take cost out of the product, to improve quality and to innovate." RCA Labs, he said, now have "closer orientation to needs of domestic divisions and their marketing needs"—particularly in consumer electronics. RCA's priorities: (1) "Stability & reliability of profit performance." (2) "Technical innovation in consumer electronics."

For Griffith's views on foreign trade, video games & CB, see p. 10.

COMPACT ASKS 1.3-MILLION COLOR QUOTA: Full 50% cut in imports of complete color sets from record 1976 level to just 1.3 million was urged by COMPACT (Committee to Preserve American Color TV) at International Trade Commission hearing on escape-clause (Tariff Schedule Sec. 201) petition in Washington last week.

In addition, COMPACT asked limit of 349,000 imports of semi-finished color sets with picture tubes. Proposal received full support from GTE Consumer Electronics Pres. George Konkol and representatives of labor, though IBEW said it would prefer that restrictions include b&w, all chassis, subassemblies & TV parts as well.

As proposed by COMPACT, complete color imports from Japan would be trimmed from 1976's estimated 2.5 million to 1,006,000, with biggest cut in 19", where Japan would get just 363,000, against more than 1.3 million last year. Taiwan would get allowance of 268,600, slightly more than 1976 total, all other countries allowed to ship just 23,600. This should bring howls from Korea, which provided something over 55,000 last year, and Canada, just launching what it hopes will be industry-saving export-to-U.S. campaign (Vol. 17:2 p10).

COMPACT recommendation allocates finished-set quota by screen size, would allow import of 340,800 12"-&-under (against about 450,000 in 1976), 480,600 in 13"-17" (against 750,000), 477,000 in 18"-&-over (against nearly 1.6 million). Plan permits countries to juggle quotas within size groups, such as shipping all 13" but no 17", but no transfer from one group to another, so a country failing to get enough 13"-17" export orders wouldn't be able to make it up with 19".

There's no question that wording of request was intended to avoid injuring operations of such U.S. firms as Sylvania & RCA, which import tubeless chassis from Mexico, as well as Corning & U.S. tube makers who would supply any Japanese who decide to import chassis and assemble them here to beat quota. It also bars quota-free import of virtually complete sets whose final U.S. assembly would require nothing more than knob or line cord.

Konkol, COMPACT's star witness last week, told ITC that Sylvania TV operation had worst year in history in 1976, losing \$4.7 million more than in 1975. He said that given 5-year quota protection, Sylvania would invest to improve efficiency and cut costs, implement new marketing program, probably raise prices to offset \$10-per portable price depression caused by import competition. But he stated Sylvania wouldn't close down Mexican assembly operation.

Presidential Council on Wage & Price Stability urged ITC to recommend adjustment assistance to industry producers & workers, not trade restrictions, if need for import protection was found. Agency said 1.3-million quota would lead to \$43-per-set price boost, cost consumers \$317 million annually, while hike in duty from current 5% to 15% would raise price by \$28, cost consumers \$221 million. Agency's grasp of industry, however, was made clear when, in response to query, Senior Economist John Morrall said that domestic producers during adjustment period could quit TV business, simply re-enter market later, and in between might start producing radios.

Being one of intense compromise, COMPACT position has created uncertainty in minds of commissioners who must make finding by March 22. By their questions, it's clear Commission is struggling with problem of granting color-only import protection. Quotas are supposed to preserve total industry. COMPACT's unwillingness to support that concept because of special interest of members, and failure of more manufacturers to support petition, is obviously creating confusion.

Throughout long proceeding—hearing dragged on through Jan. 21 and at presstime there was possibility of Sat. session—ignorance of TV business was displayed by non-manufacturer spokesmen for both sides. Hours were wasted debating such mysteries as whether Rockwell or Dutch Philips owns Admiral and why a 19" set in U.S. would be 20" in Japan.

* * * *

"Where's RCA?" and "What's RCA's position?" were frequent questions at ITC hearings, and answers were supplied bluntly by RCA Pres. Edgar Griffiths at press briefing last week (see p. 8). RCA turned down invitation to speak at hearing: "We told [ITC] our position had been explained many times, but we submitted lots of paperwork at their request." As to quotas, he said: "We believe in free trade. If you put on import restrictions, where do you draw the line? If [Japanese] are dumping & pricing unfairly, it's up to the U.S. govt. to find out and take action. I don't think we should join another group dissatisfied with govt. findings. We'll leave that up to Treasury." Putting embargoes or quotas on imports "leads to retaliation...and where you go from there God only knows." RCA must compete with Japan but "can't compete on cost. We must do it on innovation & technical competence." Commenting on charge RCA is getting fat on Japanese royalty payments, Griffiths acknowledged RCA's strong patent position which "we got by substantial investment in research. Now I don't believe anybody at RCA has ever explained this before. We must register patents in Japan or they become public property [there]. We must license all manufacturers [who want them] or the govt. steps in to set a fair price and license itself. We have never given the Japanese technical aid in the manufacture of TV receivers."

Video games are just a "flash," and "I have skepticism on the marketplace ahead," RCA Pres. Edgar Griffiths said last week. "The game & CB markets are not of any great moment—not big businesses or technical breakthroughs...If games fail, it's of no moment to us; we have no great investment." However, he forecast that games will yield to "something a lot more sophisticated"—home video center with tape, disc, interactive devices. "We have a wide range of [viewer-interactive] cassettes we're working on." Such new products as games & CB are handled by Distributor & Special Products because that div. can "move faster than Consumer Electronics."

RCA Service Co. begins newspaper & radio ad program geared to consumer satisfaction, with these commitments: (1) If technician fails to show up on day promised, there's no labor charge. (2) Fair charges. (3) Factory-specified parts. RCA Service employs more than 2,500 technicians at 164 branches.

Now it's Winter CES which may move to Las Vegas—next year. At direction of Show Committee & CEG board, exhibitors are being polled, decision to be announced next week. Date would be 2nd week in Jan., show to be held in Vegas yearly. At least 40,000 sq. ft. would be added to 125,000 used this year, rates would be reduced to \$4 per sq. ft. from \$5.75 and exhibits limited in area & height. If winter Vegas plan is adopted, it's unlikely that 1980 summer show will be held there as planned, but in Chicago June 14-17. This year's WCES registration was record 31,362, up 17% from 1976 show, with actual attendance estimated at 28,000.

Antitrust suit has been filed against Sylvania by trustee in bankruptcy for Griffiths Electronics, charging restraint of trade, attempted monopoly and predatory pricing of replacement picture tubes and gun mounts forced Griffiths to bankruptcy. Suit seeks accounting of damages, estimated at more than \$4 million, asks treble damages. Sylvania said it was studying charges, had no comment.

CB—THE OEM STORY: Following is complete list of all FCC type-accepted 40-channel CBs up to Jan. 7, with separate headings for: (1) Original manufacturer and brands produced; (2) brandname & OEM source. In manufacturer section, number of models

produced under each brandname is listed in parentheses. In brand section, model numbers are given except where single OEM produces all models in line; number of models in line is noted in parentheses.

BY MANUFACTURER

Alps-Motorola

Alpine (2)
Boman (2)
Medallion (1)
Pioneer (2)

Asahi

Asahi (1)

Atlas

Fanon (1)
Courier (1)

Beltec

Craig (1)
Pearce-Simpson (1)

Cybernet

Boman (4)
Colt (1)
Commando (3)
GE (5)
Gemtronics (2)
Delco (2)
Hy-Gain (13)
Kraco (5)
Lafayette (4)
Midland (7)
Penney (2)
P-S (4)
RCA (5)
Truetone (4)

Chiba

Ray Jefferson (1)
Royce (5)

Dalei

Sonico (2)
Kraco (1)

Fukuyama

Fieldmaster (5)

Funai

Automatic Radio (1)
Alaron (1)
Concord (2)
Ray Jefferson (1)
Well (2)

General Corp.

Courier (2)
Fanon (1)
Realistic (1)
Shakespeare (1)

General Research

Realistic (1)

Hitachi

Hitachi (4)
Penney (6)
Realistic (1)
Sears (8)

Interworld Commerce

Pace (3)

Iriichi Tsushin

Kris (2)

Kanda Tsushin

Midland (4)

Kiyo

Granada (1)
Roberts (3)
X-tal (3)

Kobe Kitto

Audiovox (1)

Kocado Engineering

Utac (1)

Kohoku

Kris (1)

Kokusai

Pace (2)

Kyodo

Communications

Sawtron (2)

Mars Radio

Commando (2)
Handic (1)
Convoy (2)
Condor (1)
MRC (4)
SBE (1)

Marantz-Japan

Superscope (3)

Matsushita

Automatic Radio (1)
Boman (2)
Panasonic (12)
P-S (1)
RCA (1)
Toyota (2)

Maxon Electronics

Dak Mark (1)
Maxon (1)

Meisei

Ultra (1)

Meishoh

Bemor (1)
Mectron (3)
Shakespeare (1)
Eversonic (1)
Transonic (2)

Mitsubishi

Kraco (2)
Condor (1)
Sears (1)

Nihon Dengyo

Craig (2)
E. F. Johnson (1)
Pace (3)
SBE (6)

Nippon Electric

Courier (1)
Fanon (2)

Nissin Electric

Gemtronics (2)
Shakespeare (1)
Teaberry (1)

Quentex

Fanon (1)

Sanyo

Channel Master (1)
GE (3)
Midland (1)
Sanyo (1)
Sears (2)
Teaberry (2)

Sharp

Sharp (2)

Shin-Shirasuna

Denki
Ward (3)

Shinto Denki

Beta (1)
Shinto (1)
Kraco (1)

Sonar

Sonar (1)

Sony

Sony (1)

Sun Royal

Robyn (1)

Takasago

Highway (2)

Tele-O-Tech

Vector (1)

TC Electronics

Realistic (1)

Tokai

ITT (1)

Toshiba

Browning (2)
Cobra (2)
Tram Diamond (1)

Toyo Radio

Meriton (1)
Surveyor (1)

Uni Electronics

Standard (2)

Uniden

CBR (2)
Cobra (7)
Courier (4)
Fanon (2)
Midland (1)
President (4)
Realistic (3)
Regency (3)
Teaberry (4)

BY BRAND

Alpine (2)
All models—Alps-Motorola

Asahi (1)

Asahi

Audiovox Corp. (1)

Kobe Kitto

Automatic Radio (2)

CBH-2265—Funai Electric
CBR-2175—Matsushita

B&B Import-Export (Alaron, 1)

Funai Electric

Behar International (Bemor, 1)

Meishoh

Benjamin Electronic (Concord, 2)
Funai

Boman Industries (7)

CBR-9950—Alps-Motorola
CBR-9700, CBR-9940—Matsushita
All others—Cybernet

BY BRAND (Cont'd)

Browning Labs (2)

Toshiba

Channel Master (1)

Sanyo

Colt Communications (1)

Cybernet

Commando Communications (5)

CC-4050, CC-4055—Mars Radio

All others—Cybernet

Craig (3)

L101, L131—Nihon Dengyo

L102—Beltek

Daiel (Sonico, 2)

Daiel

Dynascan (Cobra, 9)

132XLR, 135XLR—Toshiba

All others—Uniden

E.F. Johnson (5)

Viking 4740—Nihon Dengyo

All others—E.F. Johnson

Emergency Beacon (1)

Emergency Beacon

Fanon/Courier (15)

Courier (8)

Renegade 40—Atlas Electronics

Conqueror 40D, Caravelle 40D—General Corp.

Nightrider 40—Nippon Electric

All others—Uniden

Fanon Fanfare (7)

182F—Atlas

880DF—General Corp.

185DF, 190DF—Nippon Electric

125F—Quentex

100F, 350F—Uniden

Fukuyama (Fieldmaster, 5)

Fukuyama

Gemtronics (4)

GTX-44, GTX-55—Cybernet

GTX-5000, GTX-4040—Nissin

GE (8)

3-5801A, 3-5811A, 3-5821A—Sanyo

All others—Cybernet

GM (6)

CBD-20A, CBD-10A—Cybernet

All others—E.F. Johnson

Granada (1)

Kiyo

Hallicrafters (1)

Hallicrafters

Handic—USA (1)

Mars Radio

Hitachi Sales (4)

Hitachi Ltd.

Hy-Gain (13)

Cybernet

I.A. Sales Co. (Utac, 1)

Kocado

ITT (1)

Tokai

J.C. Penney (8)

6214, 6218—Cybernet

All others—Hitachi Ltd.

Ray Jefferson (2)

CB-740—Chiba Communications

CB-840—Funai

Kraco (12)

KCB-4088, KCB-4003,

KCB-4004—Funai

KCB-4075—Daiel

KCB-4005, KCB-4084—

Mitsubishi

KCB-4070—Shinto Denki

All others—Cybernet

Kris (3)

XL-45—Iriichi Tsushin

XL-23A—Kris & Iriichi

XL-50—Kohoku Electric

Kyodo (Sawtron, 2)

Kyodo

Lafayette (4)

Cybernet

M.H. Scott (Dak Mark, 1)

Maxon

Mark Electronics (Condor, 1)

Mitsubishi

Mars Radio (7)

Mars Radio

Maxon (1)

Maxon

Meishoh (Mectron, 3)

Meishoh

Meriton (1)

Toyo Radio

Midland (14)

Medallion 63-240—Alps-Motorola

77-801, 77-854, 77-825,

77-861—Kanda Tsunshin

77-853—Sanyo

77-883—Uniden

All others—Cybernet

Montgomery Ward (3)

Shin-Shirasuna

Motorola (2)

Motorola

Panasonic (12)

7 models—Matsushita

Communications

5 models—Matsushita Electric

Pathcom (Pace, 12)

8340—Funai

CB 143, 145 8015B—Interworld

8041, 8046—Kokusai

CB-166, 1000B 8008—Nihon

All others—Pathcom

Pearce-Simpson (6)

Lion—Beltek

Leopard B.—Matsushita

All others—Cybernet

Pioneer Electronics (2)

Alps-Motorola

President (4)

Uniden

RCA (6)

14T410—Matsushita

All others—Cybernet

Radio Shack (Realistic, 8)

TRC-455—General Corp.

TRC-461—General Research

TRC-468—Hitachi Ltd.

Mini-40, TRC-467—TC Electronics

All others—Uniden

Regency (1)

CB-501—Regency

All others—Uniden

Roberts (3)

Kiyo

Robyn (1)

Sun Royal

Royce (5)

Chiba Communications

Samn (Orbitsonic, 1)

Funai

Sanyo (1)

Sanyo

SBE (7)

SBE-49CB—Mars Radio

All others—Nihon Dengyo

Sears (11)

28-62674—Mitsubishi

TA-4501, 28-62676—Sanyo

All others—Hitachi Ltd.

Shakespeare (3)

840—General Corp.

340—Meishoh

240—Nissin

Sharp (2)

Sharp Corp.

Shinto Denki (2)

Shinto

Sonar Radio (1)

Sonar

Sony (1)

Sony

Standard Communications (2)

Uni Electronics

Superscope (3)

Marantz-Japan

Surveyor (2)

2610—Funai

CB-2600R—Toyo Radio

BY BRAND (Cont'd)
Takasago (Highway, 2)
 Takasago

Teaberry (7)
 4011—Nissin
 4006, 4010—Sanyo
 All others—Uniden

Tokyo Sansei (Eversonic, 1)
 Meishoh

Toyota Motor Sales (3)
 00850-00001—Fujitsu Ten
 00860-00001, 00860-00020—
 Matsushita

Tram/Diamond (1)
 Toshiba

Tran Sonic (2)
 Meishoh

Ultra (1)
 Meisei

Uniden (2)
 Uniden

Vector (1)
 Tele-O-Tech

Well Inc. (2)
 Funai

Western Auto (4)
 Cybernet

X-tal (3)
 Kiyo

RCA NET SOARS: RCA 4th-quarter earnings were highest for any quarter in last 8 years and 1976 sales set record, company said. For year, RCA said, earnings from color TV were up 50% from last year and triple those of 1974, increase attributable in part to modest market-share gain, but mostly to improved quality and production efficiency. Gains for picture tubes & semiconductors, plus closing of U.K. color tube plant, helped Commercial Electronics show \$5-million profit against 1975 loss of \$48.3 million. Earnings highs were reported for RCA Service & RCA Records. NBC, with net up 10%, set sales & earnings records.

Admiral suffered larger losses in quarter to Dec. 31 because of strong foreign competition in color TV, unfavorable changes in foreign exchange rates (primarily in Mexico, it's understood) and special charges associated with consolidating production facilities. Despite this, parent Rockwell reported net from continuing operations rose 39.5% on 13.4% sales gain.

Matsushita reported parent-company-only net of \$140.1 million in year to Nov. 20, up 26%, as sales rose 23% to \$4.44 billion. Company said sales of home electronics & appliances were up 15.2% to \$1.6 billion, with particularly strong gains by audio products & component parts. Company said exports totaled \$1.29 billion, up 56%. For fiscal 1977, Matsushita sees parent-only sales rising just 10.8% to \$4.92 billion.

Regency cut quarterly dividend 50% to 10¢. Company reported 93% drop in earnings for first fiscal quarter (Vol. 16:44 p12).

Sears post-Christmas sale catalog lists 19" color set at \$350 (down \$80), step-up at \$420 (down \$70), 17" at \$320 (down \$50); 25" console at \$530 (down \$50), 2 horizontal consoles with electronic touch-button tuning \$680 (down \$100), 12" b&w at \$98 (down \$20), 19" b&w at \$138 (down \$20). E.F. Johnson 23-channel CB is advertised at half price at \$87.47, Sears SSB 23-channel at \$199.50 (down \$100).

Telcor, distributor for 12 western states, expects 20% increase in its Panasonic business this year, Pres. Harold Haytin told N.Y. security analysts last week. As Panasonic's largest customer, Haytin said Telcor serves 8,000-10,000 outlets, holds \$15-\$25 million in Panasonic inventories.

Ad notes: AT&T, concerned over increasing sales of equipment & services by competitors, is launching \$6-million TV & print campaign to tell businessmen AT&T is still best buy. In works is \$2.5-million consumer-oriented campaign aimed at selling Bell-made decorator phones... **Admiral** has no national consumer ad campaign planned for 1977, will continue with business publications & sponsorship of newspaper ads at dealer level... **Commando Communications** appoints McDonald, Carden, Cherry, Nashville... **Exxon** names Lois Holland Callaway for Quip telephone facsimile transceivers... **Westinghouse** switches \$9 million 2-year corporate campaign to D'Arcy-MacManus & Masius from Ketchum, MacLeod & Grove... **Consumer electronics** industry provided 4 of Advertising Age's top-10 products of 1976. On list were CB, smoke detectors, microwave ovens, TV games... **GE** signs sportscaster Howard Cosell as spokesman for CB line. He'll be featured in campaign, reputed to be GE Audio Dept.'s biggest ever, starting in Feb... **Coleco** appoints Richard & Edwards Inc., N.Y. to \$1-million Telstar TV game account, succeeding Helitzer Adv... **Mattel** names Ogilvy & Mather for electronic football & auto-race games... **Mura** appoints Zakin Co., N.Y... **Bell & Howell** appoints Benton & Bowles for corporate ad campaign... **Recoton** names Gaynor & Ducas.

Videocassette standards battle (continued): Sanyo Pres. Kaoru Iue said in Osaka that he's interested in Sony Betamax system because of its popularity overseas, but Sanyo will continue to manufacture V-Cord II. We've learned that Sanyo & Toshiba, co-developers of V-Cord, are negotiating to sell some aspects of V-Cord technology to both Sony & JVC. Toshiba also appears to be leaning toward Betamax in 2-hour version. Sharp Pres. Akira Saeki said his company won't enter fullscale manufacture & sale of home videocassette system until standards are established, although Sharp is selling limited quantity of VHS decks made for it by JVC. Meanwhile, Richard O'Brion, ex-Sony national sales mgr. for tape video equipment sales, joined JVC Industries (U.S.) as mktg. vp. Company will sell VHS system in U.S. Panasonic plans to introduce home videocassette system in U.S. this year, but hasn't said yet whether it will be VHS or VX-2000 system, both of which have been espoused by parent Matsushita. Melco Sales (Mitsubishi) says it hopes to offer VHS decks here this year. In Japan, Hitachi also has adopted VHS, but its U.S. subsidiary has announced no marketing plans.

WEEKLY Television Digest

with

Consumer Electronics...

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Trade Personals

Masaharu Matsushita named Matsushita chmn., succeeding **Arataro Takahashi**, retiring Feb. 18; **Toshihiko Yamashita** to become pres., succeeding **Matsushita**; at U.S. subsidiary Panasonic, **Prem Rishi** advanced to asst. gen. mgr. for consumer affairs; **William Berg**, ex-service admin. mgr., named Service Div. asst. gen. mgr.; **Francis Tallard** promoted at Consumer Parts Div. from operations mgr. to asst. gen. mgr.; **James Ritcey**, former GE Tube Products Dept. gen. mgr., named gen. mgr. of Semiconductor Products Dept., succeeding **Vp H. David Culley**, now with Anchor Hocking; **Norman Poncar** advanced at Tube Products Dept. to mktg. & operational planning mgr.; **Richard O'Brion** resigns as Sony video products mktg. vp to become JVC Industries mktg. vp.

James Brant, RCA Service Co. industrial relations vp, promoted to corp. operations analysis & business planning staff vp.; **F. Gordon Maxson** advanced at GTE Service to asst. vp-revenues & earnings; **Norman O'Malley** named asst. gen. counsel-patents; **Richard Cahill** appointed asst. gen. counsel-regulatory matters; **Stewart Greenberg** promoted at Yamaha Audio Div. from national sales mgr. to gen. mgr.; **Anthony Sweet** promoted to Monsanto Opto-Electronics Products Group national sales mgr.; **Robert Schweikher** shifts at Monsanto Electronics Div. to opto-electronic devices dir., new post; **David Russell** named electronic materials mktg. dir., replacing Schweikher.

Paul Gupta, ex-Fairchild, joins Raytheon Semiconductor Div. as discrete production operations dir.; **William Nicholson**, ex-Data Transmission, named American Microsystems communication products strategy mgr.; **Dave House** advanced at

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
Andrea Radio			
1976-year to Dec. 31	1,978,590	117,299	.23
1975-year to Dec. 31	2,368,952	222,615	.44
1976-qtr. to Dec. 31	572,782	43,154	.08
1975-qtr. to Dec. 31	510,566	15,558	.03
Globe-Union			
1976-qtr. to Dec. 31	100,990,000	6,130,000	1.93 ^a
1975-qtr. to Dec. 31	77,504,000	3,373,000	1.06 ^a
Hitachi ^b			
1976-6 mo. to Sept. 30	3,709,900,000	119,900,000	--
1975-6 mo. to Sept. 30	3,049,900,000	55,700,000	--
Lee Enterprises			
1976-qtr. to Dec. 31	20,271,000	2,960,000	.59 ^a
1975-qtr. to Dec. 31	17,581,000	2,292,000	.46 ^a
RCA			
1976-year to Dec. 31	5,400,000,000	177,400,000	2.30
1975-year to Dec. 31	4,800,000,000	110,000,000	1.40
1976-qtr. to Dec. 31	1,500,000,000	56,000,000	.73
1975-qtr. to Dec. 31	1,400,000,000	33,400,000	.43
Rockwell International			
1976-qtr. to Dec. 31	1,348,300,000	29,300,000	.85
1975-qtr. to Dec. 31 ^c	1,188,400,000	22,800,000	.65
Rollins			
1976-6 mo. to Dec. 31	120,312,468	9,435,728	.70
1975-6 mo. to Dec. 31	105,772,279	8,349,415	.62
1976-qtr. to Dec. 31	60,148,769	5,040,508	.37
1975-qtr. to Dec. 31	53,849,368	4,506,458	.33
Scientific-Atlanta			
1976-6 mo. to Dec. 31	23,848,000	1,211,000	.73
1975-6 mo. to Dec. 31	20,375,000	809,000	.59
1976-qtr. to Dec. 31	12,708,000	667,000	.40
1975-qtr. to Dec. 31	11,183,000	456,000	.33
Taft Bcstg.			
1976-9 mo. to Dec. 31	88,808,813	13,346,719	3.28
1975-9 mo. to Dec. 31	77,274,645	9,557,726	2.37
1976-qtr. to Dec. 31	22,588,900	3,421,022	.84
1975-qtr. to Dec. 31	18,264,520	2,543,998	.63
Tandy			
1976-6 mo. to Dec. 31	500,373,000	43,374,000	2.45
1975-6 mo. to Dec. 31	373,590,000	34,493,000	1.91
1976-qtr. to Dec. 31	306,315,000	28,318,000	1.62
1975-qtr. to Dec. 31	234,270,000	23,610,000	1.31
Wells, Rich, Greene			
1976-year to Oct. 31	30,651,014	1,202,324	2.73
1975-year to Oct. 31	28,200,559	1,007,728	2.17

Notes: ^aAdjusted. ^bAt yen's current rate. ^cRestated.

Intel to MPU components mktg. mgr., succeeding **Dale Williams**, resigned.

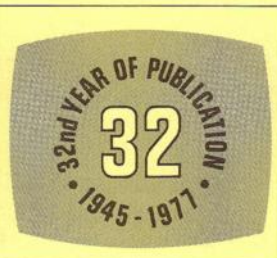
Ernest Shrenzel, one-time Motorola, resigns as AIC Photo Japan mfg. operations dir. to join Rockwell as Far East operations dir.; **T.A. Campobasso**, former Collins International sales & service vp, promoted to pres. of Electronics International Operations, new unit of Rockwell Electronics Operations; **Michael Cohn** resigns as Sony creative services dir. to join GAF in mkt. services post.

Correction: **Stanley Hamitz** has been promoted at Panasonic to TV Div. asst. gen. mgr. His new title was stated incorrectly last week. **Sankyo** 40-channel CBs introduced at CES were incorrectly identified as Sanyo units in our report last week.

WEEKLY

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JANUARY 31, 1977

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 5

Broadcast

NAB TV CODE PLANS TOUGHER 'advisory' program guidelines which networks have agreed to follow. Study of public attitudes on sex & violence dropped. Board adopts long-range and short-term goals. Krelstein to get DSA. (P. 1)

OTP'S UNCERTAIN FUTURE: Office would be dismantled, functions transferred to Office of Science & Technology Policy and OMB under 'most attractive' plan of White House staff. Van Deerlin says plan meets his concerns. (P. 3)

CABLE ACQUISITION FEVER: Reports of more interest in Viacom. Cox Bcstg. reasoning in Cox Cable offer. RKO offering \$10 each for minority shares of Cablecom. (P. 5)

'WASTELAND STILL VAST': Fogarty says lack of 'real programming alternatives' is major TV problem, states networks 'sell audiences to advertisers,' stresses goal of UHF parity. (P. 5)

'ROOTS' PHENOMENON: ABC achieves extraordinary results by taking extraordinary risk. Ratings among highest ever. (P. 6)

Consumer Electronics

RECORD COLOR SALES to dealers reported by EIA for first 2 weeks of 1977, but declines are expected as result of severe winter weather. (P. 7)

NAB CODE PLANS 'ADVISORY' GUIDES: Fulfilling expectations, future of NAB TV Code in light of L.A. Dist. Court Judge Warren Ferguson's decision on family viewing (FV) dominated last week's NAB Board meetings in Maui, Hawaii. After couple hours debate, TV Board adopted resolution saying it "reaffirms its support for a strong TV Code, including revised and strengthened advisory program guidelines with the limits in its authority."

Key word is "advisory" since Court ruled Code strictures on FV can't be mandatory. NAB Gen. Counsel Erwin Krasnow said board's action is "fully consistent" with Ferguson's decision. "Under the approach to self-regulation approved by the board," he added, "the TV Code... would endeavor to formulate more specific guidelines on programming with increased input from all segments of the broadcasting industry, the creative community and the public. Each Code subscriber, rather than the Code, would exercise its independent judgment as to the implementation of the new guidelines."

There were many varying opinions in Maui last week as to just what the board's action will

SENATE PROBE POSSIBLE into legality of Japanese 'orderly-export' agreements; Kennedy presses JD for explanation. Japanese blame market changes, automation—not imports—for U.S. TV industry's woes. (P. 7)

VIDEODISC PREDICTIONS by Navy-supervised panel: Players in more than 5% of U.S. homes by 1986, 'periodicals' outselling movies. (P. 9)

CB TVI STUDY by Sylvania urges 100-db harmonic suppression limit for transmitters, redesign of TV front ends to minimize Ch. 2 interference. (P. 9)

KOREAN EXPORTS of electronics boomed in 1976. Shipments jumped 66.6% from 1975 to \$870 million, end-products leading growth parade. (P. 9)

GE TV BUSINESS in black, contributed to sales & profit improvement. Corning & Major report profit & sales increases; Advent, Regency down. (P. 10)

1976 CONSUMER ELECTRONICS sales-to-dealer figures at-a-glance. (P. 10)

CANADA'S COLOR MARKET jumped 45% at new-supply level in first 9 months last year. Domestic factory output up, but sales were off, as imports increased market share. (P. 11)

JAPAN FAILURES in CB & game field continue; latest company in trouble is CB-supplier Kiyo. Inter-world problems affect Pace line. Systek fights back with new Mitsubishi game. (P. 11)

mean—and Peter Kenney, NBC's rep on board, abstained because he said he didn't understand what result would be. However, NAB believes it has firm commitment from all 3 networks to abide by upcoming program guidelines that will be stricter on matters of sex & violence than existing. Code's Program & Time Standards Subcommittee meets this week with several Hollywood producers individually, plans later sessions with PTA, NCCB, other groups. Board twice reaffirmed Exec. Committee decision to appeal FV decision, with Dirs. David Scribner, Forest Amsden and Ben Laird dissenting. Exec. Vp John Summers assured board that individual members won't be liable for personal damages in appeal.

All in all, last week's meetings in Maui—where weather and beaches were beautiful—went smoothly. There was little of the bickering and disagreements that often occur in board sessions. This led Chmn. Wilson Wearn to observe there was "a bit of a contrast" with meetings year ago in Key Biscayne (Vol. 16:4 p1). There was generous praise of staff preparation and presentation, compared with general criticisms year ago.

Board adopted long-range and short-term objectives for 1977. Among long-range: Represent industry in Washington; assist stations and networks "in their efforts to serve their audiences"; help public to understand "the operation of free broadcasting" and its importance; achieve "full First Amendment freedom for the broadcast media"; eliminate laws which discriminate against broadcasting. Over 2 dozen short-term goals flow from these.

One controversial subject—proposal that NAB commission study of public attitudes towards televised sex & violence—didn't surface. Chief sponsor, TV Chmn. Robert Gordon, said study no longer is needed in light of plans for stricter program guidelines in Code.

Fiscal 1977 budget (starting April 1) of \$5,137,500 was approved which projects \$144 surplus. This compares with deficit of \$262,147 for current year. Sources of income include \$2.2 million from TV dues, \$1.6 million from radio dues and projected net income of \$533,000 from March convention (net from 1976 convention in Chicago was \$559,509).

Included in new budget is \$5,000 increase for NAB Pres. Wasilewski, who has option of accepting it in salary, deferred income or whatever. Current salary is \$95,000. In addition, he receives use of new Lincoln every 2 years, \$15,000 deferred income annually, payment of \$5,000 insurance premium and "reasonable expenses." Among other top NAB exec. salaries after April 1 (raises in parentheses):

Exec. Vp-Gen. Mgr. John Summers, \$69,600 (\$4,600); Senior Vp-Govt. Relations Donald Zeifang, \$63,200 (\$3,800); Senior Vp-Station Services James Hulbert, \$59,400 (\$3,900); newly-appointed Senior Vp-Public Affairs Thomas Swafford, \$55,000 (Vol. 17:2 p2); retiring Code Dir. Stockton Helffrich, \$49,970 (\$3,000); Gen. Counsel Erwin Krasnow, \$49,200 (\$3,200); Govt. Relations Vp Roy Elson, \$49,000 (\$2,000); Legislative Counsel David Markey, \$42,000 (\$3,000); Research Vp John Dimling, \$41,700 (\$2,700); RIO Dir.-Radio Vp Charles Jones, \$41,200 (\$2,700); Govt. Relations Vp William Carlisle, \$41,000 (\$2,000); Secy.-Treas. John Kinzer, \$40,500 (\$2,700); Media Relations Dir. Robert Resor, \$38,500 (\$2,500); Engineering Vp George Bartlett, \$37,800 (\$2,500); new Code Dir. Jerome Lansner, \$35,895 (\$2,500); Vp Harold Niven, \$35,300 (\$2,300).

In other actions, board: (1) Added 3rd board session annually, with TV and radio boards meeting separately next Sept. in Washington. (2) Added brokers, consultants, govt. agencies and ad agencies as new categories of associate members. (3) Told staff to come up with recommended changes in radio dues structure for June board meeting in Williamsburg, Va. (4) Approved 1978 fall conference sites. (5) Selected Dorado Beach Hotel, Puerto Rico, for Jan. 22-29, 1978 meeting. (6) Permitted all employees to own stock in non-publicly-held stations. Liberalization currently applies only to Wayne Cornils, ex-board member and now dir. of station relations, who owns 20% of KFXD-AM-FM Nampa, Ida. (7) Denied Mutual's request for 2nd board seat for Mutual Black Network. (8) Approved high-level Airlie House conference next June on all facets of communications. (9) Voted to reimburse expenses for dirs. attending board meetings, based on tourist airfare instead of first class.

Plough Bcstg. Chmn. Harold Krelstein will receive NAB's DSA Award at opening ceremonies during Washington convention. Runners-up to Krelstein, who also is immediate past radio chmn.,

were retired broadcaster Stanley Hubbard, and Wrede Petersmeyer, who retires Feb. 1 as Corinthian chmn. Added to program in Washington were Eric Sevareid, Lee Loevinger, and Kenneth Cox on First Amendment, and 5 former FCC chairmen.

Convention itself is moving toward 5-day format in 1978 or 1979. It'll feature 2 days radio, one day joint TV-radio, then 2 days TV. Radio board has added program conference, concurrent with 1978 convention in Las Vegas, by dropping similar session planned next fall in either L.A. or Chicago.

As expected, TV Board had long go-around on role and future of TIO and whether it should be brought directly under NAB umbrella. TIO Dir. Roy Danish reportedly made "very persuasive argument" for keeping TIO in N.Y. and autonomous from NAB. Board never voted on proposal to form committee to study situation, instead told Danish to work closely with Thomas Swafford, new NAB senior vp-public affairs. "We'll coordinate, dovetail and keep in close touch with each other," Swafford said.

TV Board also: (1) Revoked, effective April 1, requirement that all NAB TV members subscribe to Code. (2) Told staff to work out new dues structure for Code and NAB membership that won't increase dues for any station. (3) Extended terms of current Code dirs. by year; future appointments will be for 3 years first term, 2 years 2nd. (4) Gave Hundred-Plus TV Committee permission to file comments opposing FCC's network inquiry (Vol. 17:3 p2), stressed that comments won't reflect position of NAB. (5) Approved 3rd children's TV seminar in late 1977 or early 1978.

Radio board approved first 14 inductees into new NAB Radio Hall of Fame, including: Fred Allen, Amos 'n' Andy, Edwin Armstrong, Gene Autry, Jack Benny, Milton Cross, Herbert Hoover, Bob Hope, Ted Husing, Graham MacNamee, Edward R. Murrow, William Paley, David Sarnoff, Lowell Thomas. Radio board also affirmed Code Board decision not to permit contraceptive advertising and resolved to make "real effort" to induce record companies to supply transcripts of song lyrics.

Fact that 6 NAB dirs. don't subscribe to Radio Code was brought up by Radio Code Chmn. Robert Harder; situation was discussed but no action was taken. With 3 dissents, board voted to ask FCC not to count 2 min. of network commercial in news (for which stations receive no compensation) as commercial time. Radio dirs. also voted to back expansion of AM band from 106 to 127 channels at 1979 WARC Conference. They also authorized formation of "medium-market" radio committee to help stations in markets 15,000-500,000.

OTP'S UNCERTAIN FUTURE: Dismantling of OTP—and transfer of its policymaking function to White House Office of Science & Technology Policy, its spectrum management and govt. communications functions to OMB—currently is favorite option of White House staffers working in communications area. In briefings last week with key congressional offices and with OTP staffers, Carter White House aides said that, though no final recommendations have been made, option of eliminating OTP and dividing its policy and management functions between 2 other parts of President's Executive Office "seems most attractive at the present time."

For recommendations to become final, several barriers remain. OMB office charged with Executive reorganization must approve transition group's recommendation, but hasn't even been staffed yet—though its director will be Harrison Wellford, former chief legislative aide to late Sen. Hart (D-Mich.) and one-time Naderite (Vol. 16:46 p1). Meanwhile, Congress must grant Carter renewed Executive Reorganization Authority. Finally, Carter himself must approve. "It may turn out this way, but we just don't know yet," stated Richard Neustadt, deputy special asst. to the President, stressing that plan is anything but set in concrete.

Office of Science & Technology Policy was created in 1976 to advise President "on the utilization of science and technology in addressing important national problems," according to 1978 budget description. Telecommunications would be handled by asst. dir., 9 professionals, with additional 8-9 staffers in OMB—4-5 for spectrum management, 4 for govt. communications plus secretarial, etc. (OTP currently has 41 slots). However, Neustadt warned, estimates of staffing levels are "purely speculative" at this point. Other options among 6 prepared by Carter staff

are retaining OTP in present form but with smaller staff, assigning OTP functions to Executive Dept. such as Commerce, and following Ford recommendations in 1978 budget (Vol. 17:4 p4). (Note: Ford recommendation that spectrum management authority be transferred to Commerce Dept. OT was "a mistake," according to outgoing OTP Dir. Thomas House. "Even the Budget Office makes mistakes," he told us.)

"Not much will happen before summer or fall," it was predicted last week by Houser, who resigned effective Jan. 28 to enter private law practice (see p. 6); Chief Scientist William Thaler has been designated acting dir. Houser added: "There's a fair amount of support in Washington, including Congress, for keeping OTP as it is." This includes FCC Comrs. Wiley, Washburn & Fogarty, he said. On other hand, OTP always has had 2 problems, he said: (1) The White House doesn't understand telecommunications. "I surely hope that Carter's staff educates him on this. Telecommunications is the fastest-growing industry in the country—particularly the combination of data processing and communications." (2) "OTP has always been too big for the White House."

Immediately following briefing of OTP staff by Neustadt last week, OTP congressional liaison Carolyn Tillotson toured congressional offices to drum up support for retaining OTP as is, but met with mixed reaction. House Communications Subcommittee Chmn. Van Deerlin (D-Cal.), who repeatedly has made strong case for retaining OTP, told us his concerns have been met satisfactorily by proposed White House plan, because it would retain OTP functions in President's Executive Office and make one person primarily responsible for White House telecommunications policymaking. Van Deerlin added that he also had no problem understanding White House's desire to reduce staff. (Harry Shooshan, Subcommittee's chief counsel, later told FCBA seminar it's "ironic" that Carter called for strong Administration support for communications reform in June 1976 during campaign, now plans to de-emphasize telecommunications by weakening Executive Branch structure.)

On Senate side, since committees still haven't been organized formally, Communications Subcommittee remains without members or chmn.; until organization, Sen. Hollings (D-S.C.) plans to remain silent on communications issues, according to aide.

Meanwhile, regarding FCC chairmanship, "nothing will be done" in near future "since there will be no vacancies there until summer," Neustadt told us, confirming that tentative decision has been made to keep Republican Richard Wiley as chmn. until his term expires in June (Vol. 17:3 p1).

Politicking for NAB leadership spot usually starts with winter board meeting, and last week was no exception. Races for vice-chmn. of TV and radio boards are overcrowded. Currently unopposed for NAB chmn., Donald Thurston; also unopposed are TV Vice-Chmn. Kathryn Broman and Radio Vice-Chmn. Donald Jones, who are seeking to become TV and radio chmn., respectively. Crowded field of about half dozen may seek radio 2nd spot, including Len Hensel, William Sims, William O'Shaughnessy, Robert McKune & Virginia Wetter. Probable candidates for TV vice-chmn. include Robert McConnell, Thomas Bolger & Robert Bengtson.

NPR & CPB seek proposals for satellite system to serve estimated 203 public radio stations. Total construction cost is expected to be around \$10.2 million, but project has been broken into 3 parts to enable as many as 3 different contractors to perform required work. CPB Project Dir. William Houser said more than 25 firms have expressed interest. CPB expects to award contract by July 15, have system operational by Dec. 31, 1979. It's expected that about 75% of stations will share 10-meter earth stations with TV while balance will use 4.5-meter units.

FCC Chmn. Wiley, acting like a man who expects to be in charge for a while, has put together calendar for all of Feb. Among broadcast-related issues: Feb. 2—Consent agenda, including research contracts of OPP. Feb. 3—Regular agenda, regional concentration in broadcasting. Feb. 8—House Appropriations hearing. Feb. 9—Cable definition, PBS earth stations, consent agenda. Feb. 10—Regular agenda, fee refunds, wireless microphones, comparative renewal policy. Feb. 16—Consent & regular agenda, budget, cable radio rulemaking. Feb. 23—Consent agenda. Feb. 24—VHF drop-ins. Feb. 28—En banc meeting.

Moscow Olympics (cont'd): CBS pulled out of all efforts to get TV rights. It withdrew from 3-network pooling pitch to Justice Dept. (Vol. 17:4 p4), said it won't pursue rights on "unilateral basis" either. ABC then said that it considered appeal to JD "no longer applicable"; that it would "review all courses of action open." NBC said it "believes that the national interest reasons and other grounds...are just as valid now as they were when the letter [to JD] was submitted. We hope to have the opportunity to pursue the course proposed in the submission to Justice Dept., despite the CBS withdrawal."

CABLE ACQUISITION FEVER: Cable companies seem on verge of becoming glamor stocks again. Storer, though unsuccessful in bid to acquire Viacom for 50% more than market price (Vol. 17:4 p3), evidently opened lot of eyes to cable potential.

There were reports last week that several other companies were making passes at Viacom—and at prices higher than the \$15 per share Storer offered. Among those reportedly involved were Chicago Tribune and Time Inc. Here's what principals of foregoing had to say:

Ralph Baruch, Viacom Pres.: "There's all kinds of interest. We had them before Storer; we've had them since Storer. It's part of the business. But we've had no meetings whatsoever. We have friends in the industry who've said 'Let us know if you want to do anything, if you want to talk to us'. I remind you that we told our staff that we have a great future as an independent company."

Gerald Levin, pres. of Home Box Office (Time Inc. subsidiary): "There's nothing to the rumor that we're making a pass at Viacom. Time Inc. is a very strong company and we're always looking at a lot of things, but there's nothing to the Viacom story."

William Clark, PR dir., Tribune Corp.: "We have a policy of saying nothing one way or the other about possible acquisitions."

Last week, a stockholder holding 300 Viacom shares started class-action suit against company for refusing Storer offer.

Meanwhile, Cox Cable board plans mid-Feb. meeting to consider Cox Bcstg. offer of .61 Bcstg. share for each Cable share (Vol. 17:4 p6). Since Bcstg. already owns 56% of Cable, we asked Bcstg. Pres. Clifford Kirtland why there could be any problem in getting Cable's agreement—Bcstg. has 7 of 10 dirs. on Cable board. Said Kirtland: "We will pay close attention to the views of the outside directors. They've enlisted investment counsel to advise them on the offer."

Why does Bcstg. want to absorb Cable? Said Kirtland: "We have long recognized cable TV has a tremendous potential. I believe we can more fully participate in the expansion of cable. It's good business. It would add about a million shares of Bcstg. to be issued. This would put a lot more of our stock in the market. We have 5.9 million shares outstanding, over half of which is held by the Cox family. Bcstg. has handsome profits & cash flow. We know of no better way to invest it than in expanding cable."

"From the Cable side, they would become part of a company with a much broader capital base. They could expand faster. Their stockholders would get into a much more diversified company. Also, for the first time, they'd be in a company that has dividends." Incidentally, he said Cox move was in works before Storer offer to Viacom.

RKO General began similar move last week. Holding 76% of Cablecom-General's 2,540,000 outstanding shares, it announced intention to tender offer of \$10 for each share in other 24%. Stock was selling at 6-3/8 Jan. 27, went to 10 next day. No details were announced; they're expected shortly.

'WASTELAND' STILL VAST—FOGARTY: Major challenge facing TV industry isn't sex or violence but "improving the variety and quality of program fare so that viewers are offered real programming alternatives," FCC Comr. Fogarty told S.C. Bcstrs. Assn. in Columbia last week. "I find on most evenings that commercial TV offers no real alternatives."

Though there are quality programs, they're exception, Fogarty stated. "The 'vast wasteland' described by former FCC Chmn. Newton Minow in 1961 is no less vast today and, in my judgment, there is still all too much waste." He said problem is due to notion that networks are in business to "sell audiences to advertisers" rather than to provide programs to audiences.

His solution is not to involve FCC in programming but to "maximize the opportunities for access to TV [by developing] a competitive TV programming marketplace." Two steps in right direction, he said, are to examine role of networks to ensure that local licensee's programming judgment isn't limited, and to work toward UHF parity with VHF.

House Commerce Committee held organizational meeting last week, re-electing Rep. Van Deerlin (D-Cal.) Communications Subcommittee chmn by 28-1 vote, Rep. Moss (D-Cal.) Investigations Subcommittee chmn. by 29-0. Despite surprise challenge by higher-ranking—and more conservative—Rep. Satterfield (R-Va.), Rep. Eckhardt (D-Tex.) was elected chmn. of Consumer Protection Subcommittee by 22-5 vote with one abstention; Satterfield was rejected 12-17. Committee also adopted several rules changes, including: (1) Moss proposal enabling both full committee or any subcommittee to issue subpoenas if authorized by majority of members, and allowing full Committee chmn. to issue subpoenas while House is in recess. (2) Van Deerlin proposal delegating to chmn. & ranking minority member of either full committee or subcommittee authority to hire consultants or organizations to advise committee or perform studies. Subcommittee assignments will be made early this week; communications has one vacancy, may expand. Meanwhile, Senate committees still haven't organized, as Rules Committee last week put finishing touches on committee reform proposal which goes to Senate floor Jan. 31.

Copyright Office has issued proposed interim rules for cable systems to register for payments under compulsory license granted them by last year's Copyright Law revisions. Rules would require system operators to furnish Office with name & address of system operator and stations carried. Future rulemakings will determine other information needed by Office. Comments are due Feb. 18, replies March 4. Deadline for system registration is April 18.

ABC-TV Affiliates offered slide presentation to FCC en banc meeting last week, stressing potential dangers of cable, particularly to smaller stations. Comr. Quello asked most questions, dubious about cable impact, noting that stations had fine year in 1976 despite cable growth. Affiliates plan to make same presentation to members of Congress.

Personals

Simon Lazarus, Carter transition team coordinator for communications policy, named to White House policy staff (Domestic Council), duties including communications policy & regulatory reform; **Barry Jagoda**, transition coordinator for OTP, appointed special asst. to the President for media & public affairs; **Richard Neustadt** appointed deputy to Jagoda.

Thomas Houser, who has resigned as OTP dir. (see p. 4), opens law practice, 2029 Connecticut Ave. NW, Washington 20008 (202-667-0200); acting dir. is OTP Chief Scientist **William Thaler**; Houser's special asst., **Joseph Ryan**, was scheduled to leave for Paris Jan. 29, detailed for 6 months to Organization for Economic Cooperation & Development as consultant on transborder data flow, information transfer & electronic fund transfer.

Andrew Inglis, RCA Commercial Communications Systems Div. vp-gen. mgr., elected RCA Americom pres., succeeding **Philip Schneider**, who assumes new post of Americom exec. vp-operations & engineering... **E. Hal Hough**, ex-CBS-TV Stations Div., named CBS-TV vp-program services, N.Y.; **Lee Currllin**, ex-CBS-TV, named CBS-TV Stations Div. vp-programming.

Marvin Korman, one-time Columbia Pictures Industries vp-corp. affairs and ex-vp-gen. mgr., Alan Wolsky & Friends, joins NBC-TV as vp-advertising & promotion... **J.A. Ted Baer**, ex-Arrow, Silverman & Parcher, N.Y. law firm, named negotiator, CBS-TV Business Affairs, N.Y.

Lady Bird Johnson receives Southern Baptist Radio & TV Commission's Distinguished Communications Medal at Feb. 17 Abe Lincoln Awards ceremony, Ft. Worth... **Susan Meisel**, ex-NBC owned stations, appointed research mgr., Blair TV ABC Station Div. sales unit, N.Y.

Raymond Coleman promoted to gen. sales mgr., WBEN-TV Buffalo... **Betty Robertson** elected Cosmos Bcstg. controller, remains personnel administration dir... **Bill Rice** named news dir., KJEO Fresno.

'ROOTS' PHENOMENON: ABC's extraordinary ratings risk in scheduling 12 hours of "Roots" in 8 days is producing extraordinary results. First 4 episodes ranked among top 10 all-time leaders in homes delivery—ranking 3rd, 5th, 6th & 9th. On Jan. 25, for example, it produced 44.8 rating, 68 share.

Print media acknowledged enormous impact of series—with interviews, analyses, etc. Critics were generally favorable, but not unanimous.

Concern that series might provoke racial clashes (Vol. 17:3 p6) seemed unfounded. Sole exception last week, apparently, was fist fights between black & white students at Hot Springs, Ark. high school—with 3 students injured slightly. Classes were dismissed at 1 p.m.

Series' success had network executives wondering whether other topics may warrant similar treatment.

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with
Consumer Electronics...

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"A number of questions" concerning FCC's notice of inquiry on network practices (Vol. 17:3 p2) have been posed by Communications Subcommittee Chmn. Van Deerlin (D-Cal.) in letter to FCC Chmn. Wiley. Among them: (1) "How long will it be before the Commission can be expected to act in this matter?" (2) Who will serve on FCC's "special staff" for inquiry? What are their qualifications? Will inquiry slow down other FCC business? Will there be independent research "or will the economists, lawyers, and others merely digest and analyze the comments and other information filed in connection with the inquiry?" (3) What is Office of Network Study currently doing? (4) Will ad industry role be studied as part of network inquiry? (5) How does current proposed study differ from earlier ones? Which of 1955-57 Barrow Report's 8 recommendations have been adopted by FCC? (6) What will be effect of inquiry on Justice Dept. antitrust suit against networks? Wiley hadn't completed response at week end, told us he'd be naming staffers for inquiry, answering Van Deerlin's queries soon.

"Cable Cold Line" has been established by NCTA to help schools closed down by gas shortages to set up emergency classroom service via cable systems. NCTA notified education officials of 17 midwestern and New England states that it would act as clearing-house to help coordinate emergency classroom programming via cable access channels, asked school districts to call 202-457-COLD for assistance. It's understood idea originated with Thomas McKnight, legal asst. to FCC Comr. Washburn.

WRDU-TV (Channel 28) Raleigh-Durham is being purchased by Durham Life Bcstg., which owns WPPF(AM) & WQDR(FM), for about \$3.5 million. Durham Life is seeking waiver of FCC rules prohibiting radio acquisition of TV in same market.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for 1977's first 2 weeks, through Jan. 14
(Note--Portable/table phonograph statistics are no longer released by EIA effective Jan. 1977):

	Jan. 1-14	1976 (2 weeks)	% change	Dec. 25-31
Total TV.	413,598	355,976	+16.2	243,338
color	266,909	212,182	+25.8	143,068
monochrome	146,689	143,794	+2.0	100,270
Total radio	1,012,401	872,346	+16.1	548,609
home, portable	489,316	430,143	+13.8	328,343
AM-only	261,296	67,616	+286.4	172,941
FM & FM-AM	228,020	362,527	-37.1	155,402
auto	523,085	442,203	+18.3	220,266

Color TV 5-week moving average: 1976-77—162,966; 1975-76—121,636 (up 34.0%).

COLOR SALES SET RECORD IN FIRST 2 WEEKS: A midwinter day's dream—if you project color TV sales to dealers for year's first couple weeks, you get these results for 1977: Sales close to 10 million units, an all-time record.

Year opened with a roar, sales for first 2 weeks totaling 266,909, up 25.8% from year earlier—best starting weeks in history, up 6% from previous record of 251,965 in 1973. End of dream: Nationwide spell of record-breaking bad weather and accompanying energy shortage probably will push final Jan. week sales way down, severely affect retail sales and Feb. figures.

There are already reports of problems in delivery to retailers in many areas, and there's fear that soaring residential fuel bills will cut into Feb. consumer purchases. Last week, some TV manufacturers were forced to shut down various facilities because of weather. Admiral's Harvard, Ill. TV plant was closed all day Jan. 28, as was Magnavox's Ft. Wayne hq. RCA's Indianapolis & Bloomington plants closed noon same day. Sylvania's Batavia, N.Y. hq closed early 2 days in last 2 weeks.

SEN. KENNEDY PROBING JAPAN ANTITRUST ISSUE: In role as chmn. of Judiciary Administrative Practices Subcommittee, Sen. Edward Kennedy (D-Mass.) has started preliminary inquiry into whether Japanese TV manufacturers violated U.S. antitrust laws when they entered into orderly export marketing ("check price") agreements.

Kennedy's interest was revealed by Zenith Chmn. John Nevin during debate with EIA-Japan attorney H. William Tanaka Jan. 27 on PBS's MacNeil-Lehrer report. "With respect to the price-fixing agreements," he said, "I'm now confident that we're going to get the kind of action we'd like. We're aware now that Sen. Edward Kennedy...has expressed both concern & interest in these agreements, and I think that we'll begin to get the kind of congressional look at the failure of the Justice Dept. to deal with these agreements [Zenith wants]...I would hope that we would get the same kind of investigation of the Treasury's handling of dumping."

Spokesman for Kennedy told us Senator sent letter to Antitrust Div. Chief Donald Baker stating that on strength of documents in his possession he felt there had been antitrust violation, and asking Justice Dept. to review situation, explain why no action was taken. Need for full investigation, we were told, will depend largely on JD's reply.

Main document, it's understood, is copy of 1966 agreement by 21 Japanese TV manufac-

turers, which (with modifications) continued for about 7 years. It established TV Export Council operating out of EIA-Japan offices which set minimum permissible TV export-to-U.S. pricing & quality standards. It also required that TV producers list their U.S. customers, and gave Council right to refuse manufacturers permission to sell new customers if such sales were considered likely to disrupt market here. Such export agreements are legal in Japan.

Document was among exhibits presented by COMPACT witnesses pressing case for TV import quotas at International Trade Commission hearings in Chicago & Washington (Vol. 17:3 p11; 17:4 p9). Related document, obtained by Zenith from Magnavox, is 1970 letter from Nippon Electric Co. (then a TV supplier to Magnavox) expressing concern over Zenith complaints to Treasury that such U.S. companies as Magnavox, Western Auto, Sears, Montgomery Ward & J.C. Penney were receiving kickbacks from Japanese TV suppliers, in effect buying sets at less than check prices.

Last 2 days of ITC hearing in Washington, which ran until 10:30 p.m., Jan. 21 & 22, heard principally foreign manufacturers. Japanese case purported to show that domestic TV industry's depressed state resulted from shift in consumer demand away from consoles toward smaller-screen color, effects of increased automation, technology changes and recession. Backed with testimony from economists, attorneys argued that import share of color market hadn't significantly changed in 1971-75 period. Doubling of imports to 3.3-million level in 1976, they contended, reflected increased purchases by private-brand mass marketers here plus replacement of inventories depleted by unexpected rise in demand at end of 1975. Such conditions aren't likely to recur, so no import restrictions are needed, they stated.

In support, Tanaka introduced table showing that half of 1.27-million increase in Japan's color exports to U.S. in first 10 months last year went to mass merchandisers here who buy direct from Japanese factories (total doesn't include branded set sales to such stores by Japanese importers here). In that period, he noted, direct exports accounted for 42% of 2.14 million sets exported, compared with 32.5% of 1.06 million in all of 1975. Previous high, table indicated, was 34.2% of 1.22 million exported in 1971. Need for foreign sources for private-brand TV was stressed by American Retail Federation which warned that restricting imports would reduce competition, result in higher consumer prices.

Pursuing special interests were representatives of Taiwan & Korea. Both argued that Japan was responsible for any import injury to U.S. producers, urged they be excluded from restrictions. Noting that most sets from Taiwan were made in U.S.-owned factories there, attorney Myron Solter cautioned that any limits placed on his clients could only work to benefit of Japanese. Hearing ended as it began, with witness from Zenith on stand. Karl Horn, senior vp for engineering & research, gave testimony intended to refute contentions that U.S. industry was technologically behind Japan's, and incidentally gave Commissioners and attorneys for both sides an apparently badly needed education in what's involved in making color receiver.

List of CB producers taking licenses on patents Bristol Electronics claims to own covering PLL circuitry will be released in next 2 weeks, Vp Saul Cohen said. Firm sent letter to selected CB distributors last year notifying them that PLL technology is covered in patent granted Bristol in 1971. Since then, Cohen says, number of manufacturers—mostly Japanese OEMs—have indicated willingness to sign. Bristol will enter 40-channel market under own name at PC '77, starting with 2 models (\$199 & \$249), eventually offering 6 units including base station.

Distribution Notes: Quasar is expected to establish factory branch in San Francisco to replace Golden West Sales... **E.A. Holsten Inc.,** Richmond (Quasar, Soundesign) names Robert A. Holsten pres., succeeding E.A. Holsten, who becomes chmn.; Gerald Nitz is senior v.p., Quasar sales.

Motorola & Matsushita last week wrapped up 3 years of negotiations & arbitration over final details of Matsushita's 1974 purchase of Motorola's Consumer Products Div. (now Quasar). Motorola will adjust books to show additional \$6.3-million after-tax loss from discontinued CPD. This will be offset partially by \$3.8-million disposition of CPD's listed \$108 million in assets (not all of which were acquired by Matsushita), after establishing reserve for legal expenses expected by Motorola as a defendant in Zenith's \$900-million antitrust suit against Japanese TV exporters. Motorola said it will include \$2.5 million non-recurring loss in 1976 results.

Sony-Eveready, Japanese joint venture formed in 1975 by Sony & Union Carbide, is building alkaline battery plant for miniature batteries used in watches & cameras, will supplement output with imports from U.S.

VIDEODISC PREDICTIONS: By 1986, more than 5% of American homes will own videodisc systems, but standardization probably still won't have been achieved. Standardization will result from "market-place elimination," rather than govt. or international pressure or negotiation among manufacturers. If there are 2 systems, the less expensive one will be used in homes, the more expensive in institutions.

These are some areas of agreement by panel of 92 individuals considered knowledgeable in field, participating in complex forecasting project by Navy Personnel R&D Center (NPRDC), using "Delphi" technique, which consisted of 4 rounds of mail balloting.

As result of survey, NPRDC concluded that both optical & capacitance systems should be available for training use by 1986, and that sales of systems for other than instructional use should be high enough to warrant "immediate investigation of using videodisc technology for increasing instructional productivity and reducing instructional costs." It recommended that Navy help develop optical systems, since they're "more suited to Navy training requirements," increase R&D investments in audio-visual instruction and look into various potential videodisc uses.

Although there was no clear consensus on majority of topics, these are some areas on which consensus was reached: (1) Videodisc periodicals will merge motion, still, print & non-print media. Motion picture reissues will be less important than videodisc periodicals. (2) Film & broadcast producers will place greater restrictions on videodisc rights. Publishers will produce directly for videodiscs. (3) Videodisc systems will incorporate random access to 10^{15} - 10^{17} -bit memories, disc changers, CW & solid-state lasers, flat electronic displays & large-screen displays. (4) If VTRs & videodisc players and programs for both are available, people interested in instruction, training & other non-entertainment uses will be more inclined to buy videodisc system when its price is 1/3 that of videotape system. (5) Educational uses of videodisc will probably lag behind disc availability, probably at least partially due to initial focus by manufacturers on entertainment market.

JVC's 1/2" videocassette recorder will be sold on industrial-institutional market here by JVC Industries, which demonstrated it in private suite at NAVA convention. Called Video Home System (VHS) in Japan, it's labeled HR 3300 by JVC, whose Mktg. Vp Richard O'Brien told us price & availability will be announced "some time this year." Also at NAVA: (1) Akai America showed compact 1/2" b&w VTR with camera & monitor at \$1,400-\$1,850. (2) Sony demonstrated industrial Betamax (Vol. 16:50 p9), announced 13 producers & distributors will have programming in Betamax format, with total of 4,000 titles. Time-Life Video will release 600, it said. Others are Advanced Systems, American Cable Network, Cinema Concepts, Great Plains, Home Cinema Service, Magnetic Video, Public TV Library, Pyramid Films, Sports World Cinema, Video Communicators.

SYLVANIA TVI STUDY: CB-TV interference problem could be virtually eliminated if: (1) Harmonic suppression limit of 100 dB on CB transmitters is made mandatory. (2) CB transmitters have high degree of shielding. (3) TV front ends are redesigned to reject interference on Ch. 2. Those are conclusions of Sylvania technical paper presented at IEEE Fall Conference. Paper "whitewashes" neither industry, Advanced Technology Senior Staff Consultant C. Bailey Neal said, but simply calls problem "as it is."

Conclusions are based on minimum 100-ft. separation of CB & TV, distance requiring transmitter harmonic-suppression level of 82-118 dB to permit acceptable TV reception on harmonically related TV channels. Study says that FCC 49-dB standard governing all CBs type-accepted before Sept. 10 would result in interference on all harmonically related channels, regardless of how much 27-MHz rejection is built into TV set. Though 100-dB level proposed by FCC would solve most interference problems, TV tuners are substantially more prone to development of 2nd-harmonic (Ch. 2) interference than to development of higher-order harmonics. To eliminate problem, study recommends design of front ends to maintain acceptable spurious-to-desired signal ratio at tuner output with 27-MHz one-volt RMS at 75 ohms applied to input on Ch. 2.

"CB interference to TV reception, whether caused by transmitter harmonics or TV tuner-generated harmonics, was not of sufficient magnitude to be an evident problem until the recent explosive growth in CB usage," Neal said, adding that it's unfair to allege that set makers are guilty of "poor TV receiver design." Neal said proposal of 100-dB level made to FCC last year by EIA was largely result of work done by Sylvania.

KOREA'S BOOM YEAR: South Korea's electronics exports in 1976 hit \$970 million, up 66.7% from 1975 and 36.6% ahead of \$710 million goal set for year, according to Korean Traders Assn., which said that surprising growth in export demand was so great that in some areas industry could fill only 20-30% of orders.

Part of reason for sharp increase in value, KTA said, was switch in emphasis from parts to finished-goods exports. Through Oct., exports of finished goods rose 109%, while parts shipments were up 84%. For that period, KTA reported, complete products accounted for 44.4% of exports, up from 40% in same 1975 months.

Top export item for Korea was stereo receiver, with shipments up 111.2% to \$80.6 million, followed by tape recorders, which rose 82.9% to \$73.8 million. KTA predicts receiver shipments this year rising 24% to \$100 million, sees recorders at \$90 million, up 22%. In parts, ICs & discrete semiconductors led growth parade.

EIA has discontinued weekly release of portable-compact phono figures. It still compiles weekly data on compact & component and console phonos, for release to subscribing companies only. In 1975, it discontinued release of console phono figures after non-members attacked their accuracy.

GE SALES, NET UP: Reporting improved sales & earnings for 4th quarter & full-year 1976, GE Chmn. Reginald Jones told reporters last week: "Higher sales and continued expense control resulted in substantially higher earnings in the consumer category for 1976 than for 1975 or any other year... A modest increase in sales of housewares & audio products was accompanied by a good increase in margins. TV receiver operations shared in the general 1976 improvement."

In answer to question, Vice Chmn. W. D. Dance said: "It's hard to say how many [TV] manufacturers will weather the storm, but they'll probably dwindle in numbers. We've put a substantial amount of money in the TV business... Our VIR sets were in scarce supply all fall. We're very satisfied—we gained share in consoles, held our own in portables. I think we're here to stay, and the Japanese are here to stay." He indicated GE's TV business was profitable last year.

Corning reported record 1976 earnings on 20% sales gain, attributed improvement to cost-reduction program, pick-up in economy, noted strong demand last year for electronic components, forecast continued, but lesser, gains for this year.

Regency reported earnings down some 95% in fiscal 2nd quarter & half on respective sales declines of 31% & 27%. Company said it took \$2-million writedown on 23-channel CB inventory.

Advent said sharp decline in 9-month earnings was caused, in part, by high production start-up, selling & ad costs for new video projection system.

Major reported doubling of fiscal 3rd-quarter net, showed fourfold profit jump for 9 months, forecast fiscal 1976 sales of \$38-\$40 million, up from \$25 million last year. Company said name change to Emerson Radio should be completed next month.

Advent will sell 20,000 projection TV systems this year, with total market hitting 35,000, Pres. Pierre Lammond told N. Y. security analysts. Sales last year were 15,000, Advent accounting for 5,000, he said. Other comments by Lammond & Chmn. Peter Sprague: (1) Current production rate of \$2,500 VideoBeam 750-40 units per day—will be stepped up in May-June, model becoming available in 30 markets by fall. (2) Firm has had difficulties developing new resilient non-Ektalite screen, will have one on market within 6 months. (3) Only major disappointment of 750 is negative impact on sales of \$4,000 Model 1000A. (4) "Exciting" new projection products are in works, no details available. (5) Second source for 750 chassis, in addition to Electrohme, has been lined up. (6) Company will introduce 4 "significant" new audio products in June, including high-performance car speaker line.

Foreign investment in Taiwan's electronics industry last year was \$72 million, nearly triple that of 1975, accounted for 51% of \$141 million foreigners invested in Taiwan industries in 1976. In 1975, foreign investments totaled \$118.2 million, with \$24.7 million, or 21%, earmarked for electronics, Economic Affairs Ministry reports.

1976 AT-A-GLANCE: Here are EIA's official monthly figures for total-market sales to dealers of selected consumer electronic products in 1976 with 1975 comparisons:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1976	1975	1976	1975	1976	1975
January	834,034	685,979	496,314	401,029	337,720	284,950
February	878,800	745,645	522,378	407,332	356,422	338,313
March (5 weeks)	1,049,940	987,436	592,876	549,905	457,064	437,531
April	719,329	766,879	418,133	420,511	301,196	346,368
May	782,932	781,169	473,932	411,800	309,000	339,369
June (5 weeks)	1,171,454	1,088,101	690,027	617,937	481,272	470,170
July	900,613	842,972	527,841	441,540	372,772	401,432
August	927,049	913,332	571,771	507,707	355,278	406,225
Sept. (5 weeks)	1,389,916	1,262,749	861,063	745,119	528,853	517,630
October	1,341,110	1,145,337	809,255	646,981	531,855	498,356
November	1,408,249	1,074,530	827,546	623,252	580,703	451,278
Dec. (5 weeks)	1,492,701	1,158,165	909,057	682,184	583,644	475,981
TOTAL	12,896,127	11,452,900	7,700,193	6,485,297	5,195,934	4,967,603

PORTABLE-COMPACT PHONO SALES TO DEALERS

Month	1976	1975	Month	1976	1975
January	196,047	155,126	August	257,984	285,476
February	179,168	216,082	Sept. (5 weeks)	487,929	356,405
March (5 weeks)	191,269	301,387	October	379,182	317,232
April	138,441	267,876	November	311,000	330,704
May	174,994	239,089	Dec. (5 weeks)	368,137	346,830
June (5 weeks)	270,928	369,071	TOTAL	3,167,488	3,421,465
July	212,409	236,187			

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1976	1975	1976	1975	1976	1975
January	1,346,222	1,010,727	1,049,892	681,423	947,762	573,025
February	1,293,401	1,235,855	1,059,770	859,946	979,091	586,025
March (5 weeks)	2,387,630	1,658,254	1,834,349	1,116,598	1,113,886	774,318
April	1,203,090	1,286,434	853,981	867,921	898,620	755,638
May	1,304,133	1,225,318	965,004	880,654	1,035,460	651,592
June (5 weeks)	2,798,827	3,532,106	2,413,659	2,575,170	1,158,913	766,384
July	3,115,443	3,080,414	2,198,815	2,310,037	780,216	564,015
August	2,856,302	2,788,605	1,869,737	2,067,547	1,027,489	690,057
Sept. (5 weeks)	3,487,868	2,235,435	2,025,515	1,700,163	1,349,264	1,027,325
October	3,957,110	2,300,993	2,391,755	1,704,787	1,039,794	952,834
November	2,574,482	2,450,867	1,438,197	1,772,007	1,042,020	928,224
Dec. (5 weeks)	1,965,577	2,651,308	880,110	1,909,585	1,072,546	970,267
TOTAL	28,290,085	25,456,316	18,980,784	18,445,838	12,445,061	9,239,704

* Includes table, clock & portable.

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

CB Scene: Motorola is entering in-dash 40-channel CB market with FM-AM-8-track combination unit. Though described as "test product," with no price or delivery dates, it's clear firm intends ambitious program in growing in-dash market. Unit was shown at last week's National Automobile Dealers Assn. (NADA) Show, will be featured at PC '77 Feb. 15-17... **CPSC** will propose rule covering installation instructions & labeling of CB antennas in effort to minimize danger of electrocution and other injuries associated with base-station antennas (Vol. 16:50 p10). Staff is also studying possibility of product standards for antennas, may take look at hazards posed by other types of antennas... **FCC cautions** that only cosmetic changes may be made to type-accepted & certified 40-channel CB transmitters & receivers without written approval from Lab Div. All circuit, layout, assembly, construction & accessory changes must be reported... **Jan. license** applications probably will hit record one million units, FCC spokesman says, adding that figure isn't necessarily indication of new market boom but could be result of Christmas purchases and suspension of \$4 CB license fee... **By end of Jan.,** FCC had approved 300-325 40-channel units, rejection rate holding at about 50-50.

CANADA'S 9 MONTHS: Canada's total TV market topped one million in first 9 months last year, but imports, rather than domestic production, set growth pace, Statistics Canada figures show.

Total of 1.05 million TVs were produced or imported in Canada in Jan.-Sept., up 63.3% from same 1975 period, with color up 45% to 689,000, b&w up solid 116.1% to 356,800. Total Canadian TV output in period rose 18.2%, as color production rose 18.6%, b&w 15.9%. But imports for period were just double, with color up 73.5%, b&w 145.4%. As result, imports accounted for 67.8% of new TV supply, up from 55.6% in same year-earlier months. In color, imports provided 57.5% of new sets, up from 48.1%, while monochrome share rose from 77.4% to 87.9%.

Despite production increases, Canadian TV factory sales were down. Producers there reported sales of 312,500 TV, off 10.1%, as color sales slipped 6.4% to 276,100 & b&w slid 32.7% to 36,300. For importers in Canada, as in U.S., sharpest gains in color came in 19"-&-over sizes, which rose 89% to 254,600, Japan supplying 158,000 (up 154.8%). In b&w, 17"-&-under imports jumped 122.3% to 265,000, while 19"-&-over sizes leaped sixfold to 43,400.

CANADIAN PRODUCTION

	9 Months 1976	9 Months 1975
Total TV	335,817	284,040
color	292,503	246,655
monochrome	43,314	37,385
Radio-phonograph . .	69,481	43,894

CANADIAN IMPORTS

Total TV	710,162	356,368
color	396,637	228,606
monochrome	313,525	127,762
Total radio	2,789,936	2,783,734
home	1,846,498	1,185,407
automobile	943,438	1,598,327
Total phonograph . .	639,073	384,393
radio-phonograph .	520,232	341,954
phono-only	118,841	42,439

JAPAN'S ILLS: Volatile U.S. CB & video game market continue to take toll on Japanese OEMs, latest being Kiyo, which filed for reorganization under Japan's bankruptcy laws in Tokyo last week. Firm listed debts of \$16 million, said problems are primarily result of overestimating 40-channel and game demand. U.S. 40-channel customers include Granada (Fried Trading), Roberts (Dyn), and X-tal (Far Eastern Research). Also undergoing financial reorganization is Interworld, Pathcom OEM supplier. Pathcom was forced to pare initial 40-channel line from 19 to 13 units, expects Interworld to resume 40-channel production within 90 days.

Major game supplier Systek remains in receiver-ship after financial failure last year (Vol. 16:43 p11), but is moving ahead with U.S. marketing plans for cartridge-based unit developed jointly with Mitsubishi. Color unit (ST400) is being offered to U.S. importers and Systek projects monthly sales of 100,000, including 4 ball-&-paddle games introduced last April.

Trade Personals

Motoo Shinjo, former Toshiba U.K. pres. & one-time Toshiba America OEM Div. head, named pres. of Toshiba America, succeeding **Yoshihiro Nagatake**, returning to parent company in Japan; **Stanley Friedman**, former Sharp national service mgr., shifts to same post with Toshiba America, succeeding **R. Yamauchi**, now Service Div. gen. mgr. . . **Thomas Shepherd**, ex-Sylvania Commercial Electronics, now vp-gen. mgr., Sylvania Canada Entertainment Products Div., succeeding **Bernard Pollock**, resigned. . . **Russell Bridgeman**, former Warwick asst. secy., assumes same post with new Sanyo Mfg. Corp.

Edward Adis, Sony national accounts sales mgr., adds sales responsibility for national direct accounts. . . **Keith Bennett** promoted at Quasar Canada from Ontario Div. gen. mgr. to distribution dir. . . **Maynard McGhay**, ex-Wilcox Electronics & Motorola, joins Midland International as engineering mgr. . . **Joseph Siegel** advanced at RCA from labor relations corp. staff vp to Service Div. industrial relations vp, succeeding **James Brant**, now corp. operations analysis & business planning staff vp.

Richard Hultine advanced at Fisher from special projects mgr. to audio product national sales mgr. . . **Harry Sanneman**, ex-Arvin private-label acct. mgr., joins phono producer Interstate Industries in similar post. . . **James Poling** advanced at GTE Service from compensation services mgr. to domestic compensation dir. . . **Archie Purvis** joins MCA Disco-Vision as industrial mktg. mgr.

Vladimir Zworykin (RCA) and late **Lee de Forest** among 5 new members selected for induction into National Inventors Hall of Fame. . . **Robert Platt**, one-time Magnavox chmn., now Lone Star Cement vice chmn., elected to U.S. Industries board.

Richard Genis upped at Amphenol from Canadian operations dir. to corp. business development vp, responsible for all marketing in North America. . . **Nobuhiro Arimoto** promoted at Sanyo (U.S.) from vp-international to senior vp responsible for Home Appliance & Office Equipment Divs. . . **Chushichi Inoue** appointed Seiko Time mdsg. vp; **Ian Erlandsen** named sales administration mgr. . . **Charles Smaltz**, ex-Fairchild, joins National Semiconductor as consumer linear products mktg. mgr.; **John Robertson**, ex-Texas Instruments, joins as mktg. mgr. for advanced linear products. . . **Wayne Larson**, Switchcraft Paxton, Ill. plant gen. mgr., adds same responsibility for new Sullivan, Ill. facility.

William Corrigan joins Oak Industries Components Group as vp-controller, succeeding **William Guerra**, now corporate controller. . . **Robert Meinicke** shifts at Bourns from corporate staff operations vp to Component Operations vp-gen. mgr. . . **Robert Gorshe**, ex-Union Carbide, joins ITT Components as mid-western sales mgr.

Zenith moves hq to 1000 Milwaukee Ave., Glenview, Ill. 60025. All engineering, marketing & administrative staffs will be transferred. New phone: 312-391-7000.

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
Advent			
1976-9 mo. to Dec. 25	20,519,572	843,172 ^a	.33
1975-9 mo. to Dec. 26	17,569,965	(380,426)	--
1976-qtr. to Dec. 25	7,968,000	124,078 ^a	.05
1975-qtr. to Dec. 26	6,888,000	612,611	.30
American TV & Communications			
1976-6 mo. to Dec. 31	24,898,078	2,714,689	.74
1975-6 mo. to Dec. 31	19,739,296	1,734,519	.45
1976-qtr. to Dec. 31	13,009,962	1,437,644	.39
1975-qtr. to Dec. 31	10,130,132	920,874	.24
Canadian Cablesystems			
1976-qtr. to Nov. 30	--	1,556,000	.39
1975-qtr. to Nov. 30	--	1,675,000	.42
Combined Communications			
1976-year to Dec. 31	211,539,000	16,318,000 ^a	2.65
1975-year to Dec. 31	151,035,000	7,662,000	1.57
1976-qtr. to Dec. 31	57,605,000	6,456,000 ^a	1.04
1975-qtr. to Dec. 31	50,694,000	3,004,000	.54
Communications Properties			
1976-year to Oct. 31	22,790,000	1,599,000	.33
1975-year to Oct. 31	17,598,000	(954,000)	--
Corning Glass Works			
1977-year to Jan. 2	1,025,905,000	83,713,000	4.74
1975-year to Dec. 28	938,959,000	31,137,000	1.76
1977-qtr. to Jan. 2	242,517,000	19,384,000	1.10
1975-qtr. to Dec. 28	216,746,000	13,705,000	.77
Cox Cable			
1976-year to Dec. 31	37,845,501	3,714,423	1.04
1975-year to Dec. 31	29,307,442	2,849,801	.80
Fairchild Camera & Instrument			
1977-year to Jan. 2	443,221,000 ^b	12,456,000	2.27
1975-year to Dec. 28	291,542,000 ^b	13,073,000 ^a	2.45
1977-qtr. to Jan. 2	118,687,000 ^b	5,158,000	.94
1975-qtr. to Dec. 28	81,368,000 ^b	1,165,000	.21
GE			
1976-year to Dec. 31 ^c	15,700,000,000	930,000,000	4.12
1975-year to Dec. 31 ^c	14,100,000,000	688,000,000	3.07
1976-qtr. to Dec. 31 ^c	4,520,000,000	292,000,000	1.29
1975-qtr. to Dec. 31 ^c	3,960,000,000	252,000,000	1.12
International Rectifier			
1977-27 wk. to Jan. 2	41,143,000	252,000	.10
1975-26 wk. to Dec. 28 ^d	28,313,000	12,864,000 ^a	4.63
1977-13 wk. to Jan. 2	20,911,000	202,000	.08
1975-13 wk. to Dec. 28 ^d	15,609,000	(523,000)	--
Koss			
1976-6 mo. to Dec. 31	9,201,121	269,730	.16
1975-6 mo. to Dec. 31	9,843,675	706,557	.42
1976-qtr. to Dec. 31	5,052,700	182,235	.11
1975-qtr. to Dec. 31	5,347,539	362,043	.22
Major Electronics			
1976-9 mo. to Dec. 31	32,928,000	1,482,000	1.57
1975-9 mo. to Dec. 31	19,479,000	399,000 ^a	.49 ^e
1976-qtr. to Dec. 31	15,871,000	806,000	.89
1975-qtr. to Dec. 31	9,833,000	394,000 ^a	.48 ^e
Meredith			
1976-6 mo. to Dec. 31	114,691,000	6,818,000 ^a	2.22
1975-6 mo. to Dec. 31	87,081,000	7,972,000 ^a	2.61
1976-qtr. to Dec. 31	58,889,000	3,227,000 ^a	1.05
1975-qtr. to Dec. 31	46,633,000	2,738,000 ^a	.89
3M			
1976-year to Dec. 31 ^c	3,514,000,000	338,500,000	2.94
1975-year to Dec. 31 ^c	3,127,000,000	264,500,000	2.31
1976-qtr. to Dec. 31 ^c	875,400,000	88,900,000	.77
1975-qtr. to Dec. 31 ^c	780,800,000	54,600,000	.48
Owens-Illinois			
1976-year to Dec. 31	2,571,709,000	178,336,000 ^a	11.58
1975-year to Dec. 31	2,273,173,000	87,336,000	6.02

Company & Period	Revenues	Net Earnings	Per Share
Owens-Illinois (continued)			
1976-qtr. to Dec. 31	632,783,000	86,610,000 ^a	5.67
1975-qtr. to Dec. 31	607,352,000	22,563,000	1.56
Pemcor			
1976-9 mo. to Dec. 31	88,179,303	3,200,084	1.54
1975-9 mo. to Dec. 31	67,547,379	1,251,398	.60 ^e
1976-qtr. to Dec. 31	33,113,609	1,648,877	.79
1975-qtr. to Dec. 31	26,010,862	709,479	.34 ^e
Raytheon			
1976-year to Dec. 31	2,462,770,000	85,242,000	5.58
1975-year to Dec. 31	2,245,445,000	70,973,000	4.69
1976-qtr. to Dec. 31	687,405,000	21,241,000	1.39
1975-qtr. to Dec. 31	595,196,000	16,809,000	1.11
Regency Electronics			
1976-6 mo. to Dec. 31	18,574,895	235,680	.09
1975-6 mo. to Dec. 31	25,602,088	4,381,594	1.66
1976-qtr. to Dec. 31	10,445,170	104,951	.04
1975-qtr. to Dec. 31	15,070,807	2,592,529	.98
Scripps-Howard Bcstg.			
1976-year to Dec. 31	47,419,000	11,230,000	4.34
1975-year to Dec. 31	38,316,000	8,369,000	3.23
1976-qtr. to Dec. 31	13,878,000	3,621,000	1.40
1975-qtr. to Dec. 31	11,636,000	2,961,000	1.14
Technical Operations			
1977-qtr. to Jan. 1	24,784,000	102,000 ^a	.07
1975-qtr. to Dec. 27	22,795,000	46,000	.03
Tokyo Shibaura Electric^f			
1976-6 mo. to Sept. 30	2,309,200,000	9,700,000	--
1975-6 mo. to Sept. 30	2,155,400,000	(17,800,000)	--
United Cable TV			
1976-6 mo. to Nov. 30	8,570,000	(113,000)	--
1975-6 mo. to Nov. 30	7,295,000	(2,922,000)	--
1976-qtr. to Nov. 30	4,308,000	(26,000)	--
1975-qtr. to Nov. 30	3,673,000	(2,392,000)	--

Notes: ^aIncludes special credit. ^bSales. ^cPreliminary. ^dRestated. ^eAdjusted. ^fAt yen's current rate.

Appeals court in Philadelphia upheld lower court's 1975 ruling invalidating Zenith negative-matrix (Chromacolor) pictube-tube patent (Vol. 15:46 p8). Suit had been brought by Toshiba, which maintained no royalties were payable on its Blackstripe negative-matrix slot-mask tube, but Judge threw out entire Zenith patent as "obvious." Zenith had been receiving 40¢-per-tube royalty on negative-matrix tubes imported into this country in TV sets & separately, with Hitachi, Matsushita & Mitsubishi as licensees, royalties from Japan estimated at \$800,000 per year. RCA has color patent exchange with Zenith. Other U.S. tube companies are understood to have been withholding payments pending outcome of suit. Zenith says it won't appeal case further.

FCC form 740 needn't be filed with Customs Service with importation of discrete electrical parts including resistors, capacitors, semiconductors, etc. or of partial subassemblies, FCC stated. Form 740 must be filed only for importation of devices subject to FCC regulation, including subassemblies so close to completion that they require only minor attachments to be ready for marketing. FCC also announced that only one copy of form 740 can be used to cover group of different devices imported under one entry number provided that addendum has details of individual devices included in group.

Magnavox extends Annual Sale to Feb. 21 from original Feb. 14 expiration because of bad weather across country.