

WEEKLY

Television Digest®

with
consumer
electronics®

32nd YEAR OF PUBLICATION
32
1945-1977

The authoritative service for broadcasting, consumer electronics & allied fields

FEBRUARY 7, 1977

VOL. 17, NO. 6

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FCC ACTS ON RESEARCH, CABLE, CONCENTRATION: Among \$300,000 in research grants made by FCC last week: (1) UHF propagation characteristics along U.S.-Canadian border. (2) Gathering of facts to support UHF Task Force. (3) Minority ownership of stations. (4) CB users survey. Among 3 proposed studies left hanging—for lack of money—was research into economics of small-market TV stations, with stress on impact of cable. Commission has \$100,000 left in research funds; studies not approved (2 were common carrier) would cost \$200,000, and agency plans to seek outside funding from such groups as National Science Foundation.

No contracts have been let for 6 projects approved (2 are common carrier). Elements of UHF Task Force project will include competitive impact of delivery of TV signals by such services as satellite, cable & MDS; allocation sharing; performance of TV receivers & antennas in mountainous areas. Consultants will be used to cover engineering, economics & statistics.

FCC plans minority ownership conference April 25-26, and Comr. Hooks successfully plumped for research into subject—female ownership excluded. Hooks said available figures (mostly from NAB) "reflect an acute under-representation of minority" ownership. Study will be designed to ascertain "exact extent" of minority ownership; "identify those factors which impede or deter such ownership...identify alternative means of enhancing equal ownership op-

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JAN. COLOR SALES only 3.6% short of record 1973, despite weather & energy crises. Year's first 3 months set all-time high for period. (P. 7)

NEW 2-HOUR BETAMAX standard adopted by Zenith, Toshiba & Sanyo. Zenith promises volume marketing in 2nd half, will get at least 5,000 decks monthly from Sony. RCA plans to be in market, too. (P. 7)

1976 COLOR IMPORTS near 3.3 million, including 461,000 chassis; b&w approached 4.5 million. Transceiver imports topped 23 million, led by 11.3 million auto CB imports. (P. 8)

MCA 'HANDS UNCLEAN', Sony says in answer to Universal-Disney home VTR suit, charging 'ulterior purpose' of pre-empting market. (P. 10)

IMPORT IMPACT AID approved for Sylvania Batavia workers by Labor Dept., which opens probe for ex-Admiral employees. (P. 10)

MAGNAVOX IN BLACK in 1976, N. America Philips report indicates. Rockwell says Admiral loss increased in last fiscal year. Hy-Gain sued for \$3.2 million by unhappy investor. (P. 11)

CB RED-INK BATH deepens with addition of \$5.4-million writeoff by Gladding. Japan's Interworld faces credit cutoff, Kiyo bids for rehabilitation. (P. 12)

portunities" for minorities, including availability of federal loans.

In other actions last week, FCC: (1) Adopted new regional ownership concentration rule which allows a "passive" minority stockholder to own up to 10% of stations and/or newspapers which could not be commonly-owned under multiple ownership rules. Under new rule, effective March 18, stockholder would be required to disclaim any intention to exercise control over stations involved, except he would be permitted to vote stock.

Previously, Commission considered such ownership on case-by-case basis. In adopting new standard, agency said "a unified...policy in this area, establishing hard & fast rules, is...preferable to continuing the practice of accepting extensive showings attempting to disprove control, influence or privity."

Commission also said it would prohibit acquisition of a station, or modification of presently-owned station, if either would result in common ownership of 3 stations when any 2 are within 100 miles of a 3rd commonly-owned outlet if there's any overlap of primary contours. For purposes of new rule, AM-FM combinations are treated as one station and all existing ownerships are grandfathered.

(2) Scheduled mid-March day-long conference on federal-state-local problems in cable regulation. Conference first was proposed by Chmn. Wiley at Dec. Western Cable Show (Vol. 16:49 p1), will explore such subjects as relationships among regulatory bodies, franchise renewals & terminations, pole attachments, federal pre-emptions, rate regulation, franchise fees. As presently planned, broadcasters won't be invited to participate.

(3) Waived pay-cable rules to permit HBO to carry March 27 finals of Virginia Slims tennis tournament from Madison Square Garden. CBS carried tournament last 2 years, but 3 networks & PBS turned it down this time and Mizlou was unable to interest stations in special network. FCC said it's "convinced there was not a market for this tournament on conventional TV and thus there was no danger of siphoning." Decision was unanimous, with Wiley, Quello & Washburn concurring.

STANDARD 1" VTR FORMAT PROPOSED: In surprise move at SMPTE Winter TV Conference in San Francisco, ABC & CBS issued white paper proposing design for broadcast-standard 1" non-segmented helical VTR in attempt to break deadlock between Ampex & Sony, which both are pushing mutually incompatible machines introduced at last year's NAB convention (Vol. 16:13 p3). SMPTE responded by setting up 2 working groups to look into standardization of segmented & non-segmented 1" VTRs.

Segmented-VTR standard is pretty well set on Bosch-Fernseh BCN format, now being offered in U.S. by RCA, IVC & Philips, in addition to Bosch. But Ampex & Sony have been clawing each other in attempt to put over their respective systems, either of which could largely replace many uses of more expensive quad machines (as could BCN) if standardized. ABC & CBS stressed proposed standard was merely starting point for discussions—and start discussions it did, both Ampex & Sony assailing it, noting that, for example, its proposed tape speed was higher than that of either system, and that its adoption would throw millions in tooling down the drain.

NBC was conspicuous in its absence from white paper authorship, but its engineers said they would participate in working groups, as will Ampex & Sony. NBC Technical Development Dir. Robert Butler said his network refrained from joining action "on advice of legal counsel." But perhaps significantly, Sony let it be known at week's end that NBC had bought 5 of its new BVH 1000 1" machines, will get 3 more in May—particularly interesting in view of fact that parent RCA is offering BCN segmented recorder. CBS bought 3 prototype BVH 1000s shown at NAB, is scheduled to swap them for production units. Ampex has been delivering its competitive VPR 1 since Dec.

"We're evaluating the situation," said Ampex Audio-Video Systems Vp-Gen. Mgr. Don Klef-famn. "We're willing to sit down and meet with the committee to determine if a compatible format can be established. At this stage, I don't know. There have already been 30,000 [mostly industrial] machines shipped compatible with the VPR 1."

Sony Bcst. Gen. Mgr. David MacDonald was less optimistic. "There's not a hope of a chance... Until everyone is quite clear about who's winning the game, nobody's going to go along with standardization. Our approach is that we have the best format for standardization. We'll cooperate with any manufacturer but we won't make any format change."

ABC-CBS white paper specified among other characteristics, that any standard format must:
 (1) Permit interchange of tape recorder on 1-1/2-head machine (such as Sony's) or single-head (Ampex-type). (2) Have at least 2 extra audio channels. (3) Reproduce all vertical interval lines with same performance as picture. (4) Be capable of production in portable form. (5) Equal or surpass best quad machine performance. (6) Show no banding through at least 10 generations. (7) Incorporate all editing capabilities now in quad machines. (8) Be capable of recognizable, jitter-free pictures in still frame and continuously variable speed range of at least 5 times normal, forward & reverse. (9) Supply broadcast-quality pictures in still-frame, slow motion and up to 2 times normal speed, forward & reverse.

NCTA BOARD AGENDA: NCTA board has choice of 2 budgets when it meets Feb. 13-15 at Sand Piper Bay, Port St. Lucie, Fla.: (1) Balanced, at \$1.5 million. (2) "Full-service," at extra \$150,000. Latter has added projects staff believes worthwhile.

Principal items on agenda: "Bell bill"; FAA interference; "Blue Ribbon" committee recommendations on "limited restructuring" of dues; position on petition for leased-channel rulemaking; pole attachments; by-law amendment to permit chairman to serve a 2nd one-year term consecutive with first; updating Code to deal with X movies.

Election of officers still has no contests. Candidates: Chmn., Daniel Aaron, Comcast; vice chmn., Robert Hughes, CPI; secy., Edward Allen, Western; treas., William Bresnan, Teleprompter.

Luncheon speakers: Feb. 13, Rep. Carney (D-O.); Feb. 14, Rep. Russo (D-Ill.).

Seeking successor to late Engineering Vp Delmer Ports, Pres. Robert Schmidt has advisory committee of James Lahey, Plains TV; Caywood Cooley, Comcast; Nicholas Worth, TeleCable.

"ABC is handling violence responsibly," Vp Alfred Schneider told ANA workshop. "We are developing an incident count and classification system which will relate the incidence of violence in terms of its seriousness; its realism; its relationship in context to humor, to fantasy, to human consequences." He said ABC disagrees with NCCB violence rating system: "We believe it is improper not to make distinctions between those incidents that may cause tension, distress or increased aggressive behavior in audiences, and those that are unlikely to do so. We think it is an error to make no distinction between a comedic aggressive act and a violent criminal one."

Hearing on TV sex & violence and family viewing has been set for March 2 by House Communications Subcommittee. FCC Chmn. Wiley, NAB, networks, Hollywood writers & producers, ex-FCC Gen. Counsel Henry Geller, ACT Pres. Peggy Charren, and George Gerbner have been asked to testify.

Purchase of Kansas City Star and 2 paper companies by Capital Cities for \$125 million has been approved by stockholders. Closing is expected Feb. 19.

NCTA and National Telephone Cooperative Assn. (NTCA) staff have negotiated draft amendment to REA Act that they hope both industries will support in 95th Congress. REA Act currently provides federal low-interest loans or federally-guaranteed loans to telephone companies serving areas with populations under 1,500. Draft would permit rural phone companies to seek low-interest loans to provide cable TV and phone service in areas up to 5,000 population, allow cable firms to seek federal guarantees for loans to bring phone and cable TV service to designated service areas with populations of 5,000-50,000. NTCA will present draft to its 250 members at Feb. 14-18 convention in Houston. Phone assn. asked FCC last Nov. for "general waiver" of Commission's present ban on telephone-cable cross-ownership in rural areas. In comments filed with FCC last week, cable assn. asked for more cautious approach, suggesting that Commission clarify present policies, but continue to grant waivers on case-by-case basis rather than give blanket waiver requested by phone companies.

Objections to OTP revision plan proposed by Carter aides (Vol. 17:5 p3) have been raised by Sens. Hollings (D-S.C.) & Baker (R-Tenn.). In letter to President, they urge that White House telecommunications adviser "be guaranteed autonomy and have direct access to you," rather than report to dir. of White House Office of Science & Technology Policy or Commerce Secy. "Continued & strong leadership" in telecommunications is needed from both Congress & Executive to meet challenges of changing technology, senators wrote. Meanwhile, Carter submitted proposed Executive Branch Reorganization Authority legislation to Congress. Bill provides that any reorganization plan below departmental level would go into effect in 60 days if not vetoed by either House or Senate. House Govt. Operations Committee Chmn. Brooks (D-Tex.) said he wants legislation to require approval of all plans by majority of both houses of Congress.

Rep. Frey (R-Fla.), ranking Republican on House Communications Subcommittee, has filed letter of intent to run for Fla. governor. Fla. primary election isn't until Sept. 1978, but candidate must file letter in order to legally raise and spend funds. Under Fla. law, Frey will be able to remain in House throughout campaign, plans to remain "fully involved" in House Subcommittee's planned Communications Act rewrite, according to aide.

MICROWAVE SAFETY PROBED: Concern is warranted over whether present voluntary standard governing exposure to microwave radiation is adequate, but TV-radio industry and Americans not exposed to occupational levels of microwaves apparently needn't be worried over present levels. That's conclusion of recent research conducted by Environmental Protection Agency. In presentations to be made this week in Washington to govt.'s Electromagnetic Radiation Management Advisory Council (ERMAC), EPA scientists will present preliminary evidence that supposedly "safe" levels of microwave exposure lower body's ability to resist disease and may cause certain type of birth defect. However, they'll note that such levels are likely to be found only in occupational setting and not in general urban environment—even in immediate vicinity of powerful TV or radio transmitter.

Concern over safety of microwave radiation has intensified recently, following revelation that American Embassy in Moscow was being bombarded with low-intensity microwaves—perhaps to alter behavior of Embassy employees—and publication by New Yorker magazine in Dec. of 2-part series on microwaves by Paul Brodeur alleging that govt. ignores hazards of long-term exposure. Largely due to Brodeur's articles, House Communications Subcommittee member Rep. Waxman (D-Cal.) last week wrote FCC Chmn. Wiley requesting that Commission review subject "in light of insistent evidence that microwave radiation poses critical health hazards even at low levels of exposure." Proliferation of TV, radio and other communications systems, Waxman wrote, "raises the most serious questions regarding the health and safety of the American people, and the technological basis of the telecommunications industry."

At heart of problem is fact that no govt. body has ever determined "safe" level for microwave exposure. Sole standard was set at 10 milliwatts per sq. centimeter by voluntary industry board, American National Standards Institute. Yet EPA Experimental Biology Div. of Health Effects Research Lab., in Research Triangle Park, N.C., will report to ERMAC this week preliminary findings that equivalent exposures to microwave radiation (in UHF and microwave oven frequencies) of pregnant rats and mice lower body's ability to fight disease, may cause low incidence of birth defect called "encephalocele"—failure of brain case to close over the brain at birth. However, experimenter in charge of search for possible non-genetic birth defects, Dr. Ezra Berman, states that, pending review of data, he's not prepared to state unequivocally that firm connection exists between microwave exposure and encephalocele.

Good news found by EPA is that, even though 10 mw standard may be too high, nowhere near that level is found in typical city. Following measurements in Boston, Philadelphia, Washington, N.Y., Atlanta, Miami & Chicago, EPA group—operating out of Walter Reed Army Medical Center in Washington—reported finding maximum ambient levels about .01 milliwatts, with median around .00003 mw in TV-FM range of 54-900 MHz.

Even at ground level in "immediate vicinity" of

broadcast transmitter, EPA researchers found, maximum was 4 mw—at small post office on Mt. Wilson, Cal., where transmitters for all L.A. stations are located. (However, if it were found that standard for safe ambient level should be reduced to 1 mw, a "number" of TV stations would have to reduce power, according to OTP Deputy Asst. Dir. Samuel Probst, who coordinates all govt. work in microwave radiation.)

Most hazardous exposures are found in occupational settings, where workers must "get right on top" of microwave-emitting equipment—which may result in exposure substantially higher than 10 mw, according to EPA's Dave Janes. "Through these measurements, we are trying to come to a decision on whether or not we need to set guidelines for safe exposure to microwave radiation," he said.

HOOKS PUSHES BLACK SUCCESSOR: "I am very concerned that there be a black replacement for me here at the FCC...I think that is very important," Comr. Hooks told us in explaining why he sought—and received—White House audience Feb. 2. Hooks met couple hours with Carter aide Hamilton Jordan, made strong pitch for continuation of black Commission seat and expressed concern that blacks aren't among names being mentioned for FCC appointment.

Hooks denied rumor that he had been "pressured" to resign by White House, said that he intends to remain on Commission until he joins NAACP at end of July (Vol. 17:3 p1). Hooks added he was told new Administration has "thought about" FCC and other regulatory agencies, but hasn't focused on them and that new appointments still are several months away.

Charles Ferris, front-runner for appointment as FCC chmn. (Vol. 17:4 p5), said last week that he has "a distinct interest" in post, denied job had been offered to him. Ferris had been gen. counsel of Senate Democratic Policy Committee since 1965, switched last week to office of House Speaker Thomas O'Neill (D-Mass.).

(Note: "I have no knowledge whatsoever of what the President will do about the FCC chairmanship," White House aide Richard Neustadt told us last week. Statement was in response to report quoting Neustadt as saying that Richard Wiley would remain chmn. until end of June [Vol. 17:3 p1].)

NBC did get Moscow Olympics finally—even Russians said so. Network scheduled news conference to offer details Feb. 7, with negotiators back from Moscow. Reportedly, NBC is paying \$80 million for rights, plus \$30-\$40 million more for production, travel, etc. N.Y. Times' Les Brown reports that network expects to make venture pay by scheduling some 150 hours of games vs. 78 by ABC last year.

"Roots" broke all viewing records. Final episode Jan. 30 had 51.1 rating, 71 share, replacing "Gone With the Wind" as highest-rated ever. The 8 episodes averaged 44.9 rating, 66 share. For week ending Jan. 30, it gave ABC over-all 35.5 rating, 52.1 share; CBS had 16.2 & 23.9, NBC 13.2 & 19.4. For season, it brought ABC to 21.9 rating & 34.5 share; both CBS & NBC had 18.7 & 29.5.

'A DAMNED DRASTIC STEP': With active participation of Communications Workers of America (CWA), effort is underway to organize non-management employees (including secretaries) at NAB. Move was started couple weeks ago—when most top NAB staffers were in Hawaii for board meeting (Vol. 17:5 p1)—by attorney Michael Barry of govt. relations dept.

"I am in the process of organizing the non-supervisory personnel at the NAB with the support of the CWA," Barry said; he would not go further. NAB management also was chary about commenting, hiring Philadelphia law firm (with Washington office) Morgan, Lewis & Bockius to handle situation. At Feb. 2 meeting with NAB execs., counsel reportedly told them "just to cool it." Barry refused to talk to his superior, Senior Vp-Govt. Relations Donald Zeifang, when latter wouldn't let conversation be recorded.

"It's a good way to vent our frustrations, but it'll never come to a union," according to NAB middle-level employee who's eligible for union membership. "That's a pretty damned drastic step to take." Others contacted by Barry seemed to agree, although most felt "something good will come of it" through better pension plan and improved health insurance. They noted NAB employees aren't "vested" in pension plan until they've worked 10 years, thought this to be unreasonable. They also claimed NAB hasn't adequately informed them of their rights, as required by law.

"This is a very tough situation," NAB exec. told us. He & others said they'd been warned not to comment because of threat of unfair labor practices charges. In order to have NLRB call election, 30% of eligible NAB employees must sign petition; in election, majority would be required to certify union.

President Carter's "fireside chat" provoked request by Republican National Committee Chmn. Bill Brock for free reply time "as a matter of elementary fairness." CBS Bcst. Group Pres. John Schneider turned down request, stating: "CBS News has concluded that a special broadcast representing other viewpoints is not called for under the CBS presidential reply policy." Other networks hadn't replied at press time. Other White House views: (1) Carter doesn't mind "instant analysis" of his speeches by TV commentators, according to White House Special Asst. Barry Jagoda. (2) White House plans to invite small groups of broadcast news dirs. and newspaper editors to Washington every other week to keep Carter "close to the people." (3) Carter is considering letting pool of reporters sit in on Cabinet meetings. (4) UPI and National Press Photographers Assn. protested White House bar on still photographers during "fireside chat."

"Financial aid for public representation is an idea whose time is now," FTC Chmn. Collier told Senate Administrative Practice & Procedure Subcommittee; panel is considering legislation requiring underwriting of such representation. Collier said FTC has had such program since mandated by 1975 FTC Improvement Act, has received 68 applications for funding, approved \$817,797. By contrast, FCC declined to approve funding, FCC Chmn. Wiley asking Congress for legislation authorizing payments and appropriation to fund them.

CPB CHMN. BENJAMIN RESIGNS: On eve of PBS annual membership meeting in Atlanta Feb. 6-11, CPB Chmn. Robert Benjamin announced he'll resign effective March 9—date of next CPB board meeting—though he'll remain a dir. until successor is picked. In 9-page, single-spaced "statement," Benjamin said he was resigning to "speak up as an individual" rather than as chmn. on problems confronting public broadcasting. He added that he felt it to be "the right thing to do on the eve of a new Administration... The President ought to feel no obligation, however slight, to renominate a director simply because he holds the position of chairman." Benjamin has served much of past 4 years in board seat for which term had expired, but no successor nominated.

Conflict between PBS, CPB and PTV stations has brewed intermittently since public broadcasting's creation, and PBS has been pressuring CPB in recent months to alter partnership agreement to make terms more favorable to PBS & stations. Problem is sure to come up in Atlanta, with most of CPB board also attending. In farewell statement, Benjamin advocated 2-part solution: (1) Congress should resolve differences between CPB & PBS by either "reaffirmation or amendment." (2) In meantime, PBS, CPB & stations should try to negotiate interim peace "to ensure continuing progress."

In chaotic caucus of House Commerce Committee Democrats, Committee leaders caved in to demands of 9 members to serve on 3 subcommittees simultaneously, granted every member all choices listed. As result, Communications Subcommittee swelled to 14 members—double last year's size. Joining Chmn. Van Deerlin (D-Cal.) & Reps. Carney (D-O.), Waxman (D-Cal.), Wirth (D-Colo.), Russo (D-Ill.), Frey (R-Fla.) & Moore (R-La.) were Democrats Markey (Mass.), Luken (O.), Gore (Tenn.) & Mikulski (Md.) and Republicans Moorhead (Cal.) and Marks (Pa.). Investigations Subcommittee Democrats: Moss (chmn., Cal.), Santini (Nev.), Luken, Walgren (Pa.), Gore, Carney, Scheuer (N.Y.), Waxman, Sharp (Ind.), Moffett (Conn.) & Maguire (N.J.). Republicans: Collins (Tex.), Lent (N.Y.), Rinaldo (N.J.), Stockman (Mich.) & Marks. Consumer Protection Democrats: Eckhardt (chmn., Tex.), Scheuer, Carney, Walgren & Krueger (Tex.). Republicans: Broyhill (N.C.) & Rinaldo.

"Too often broadcasters, just before filing to renew their licenses, are confronted for the first time by persons claiming to represent a [local] group or coalition," according to NAB. Thus, Assn. asked FCC to require such "groups" to submit affidavits specifying address, officers, date of formation, purpose, how funded, size & location of membership and whether membership authorized filing of petition to deny. NAB charged many such groups are formed "immediately prior" to renewal time, have mostly "paper" membership, make no effort to contact licensee during license period.

Warner offers pay-cable "Star Channel" in Boston area, starting in Somerville Feb. 1, later adding Chelsea, Everett, Medford, Malden, Winthrop & Melrose. Film channel will run \$7.50. Viacom's "Showtime" will start March 1 in Naples, Fla.

Personals

Sen. **Ernest Hollings** (D-S. C.) speaks at NAB TV convention session March 28 in Washington, radio session March 29; Rep. **Lionel Van Deerlin** (D-Cal.) speaks at radio March 28, TV March 29.

"I am not retired," Hubbard Bcstg. Chmn. **Stanley E. Hubbard** said from his Fla. home in commenting on statement that he's "retired" in report that he'd been nominated for NAB DSA award (Vol. 17:4 p2).

Robert Norvet promoted to CBS-TV Hollywood vp-production facilities... **Judy Price** named West Coast children's programs mgr., ABC Entertainment; **Ronnie Lazar** advanced to ABC organization planning mgr.-personnel... **Ken Horton** appointed West Coast advertising & promotion dir., NBC-TV.

Charles Cappleman promoted to gen. mgr., CBS TV City, Hollywood; **Isadore Miller** advances to children's program dir., CBS N.Y... **Helen Manasian** promoted to mgr., business & trade publicity, NBC... **Richard Jones** named sales service mgr., ABC-TV Spot Sales, new post.

Neil Vander Dussen advanced at RCA Commercial Communications Systems Div. to vp-gen. mgr., succeeding **Andrew Inglis**, now RCA Americom pres. (Vol. 17:5 p6); **J. Edgar Hill** promoted at Bcst. Systems from mktg. vp to vp-gen. mgr., succeeding **Vander Dussen**.

Rex Bradley, ex-NCTA chmn. & Telecable pres. since 1968, retires, will become consultant to Cable Satellite Access Entity; **Richard Roberts**, Telecable vp-operations, named pres.-chief exec. officer, succeeding **Bradley**... **James McKenna**, ex-Service Bureau Co., appointed Arbitron TV meter operations dir... **Alice Hayes**, ex-NAB employment clearing house coordinator, joins Md. U. as dir. of experimental learning.

Wayne Godsey, ex-Newsweek Bcstg. Service, named news dir., WTMJ-TV-AM & WTKI(FM) Milwaukee... **Jack West**, ex-KBHK-TV San Francisco, named sales mgr., WKBD-TV Detroit... **Carol-Lynne Namiotka**, ex-Philadelphia Bulletin, appointed promotion mgr., WKBS-TV Philadelphia... **Larry Ocker** advanced to engineering dir., WTTW Chicago.

Donald Baker, Justice Dept. asst. atty. gen. for antitrust, will be retained for indefinite period by Atty. Gen. **Griffin Bell**... **Scott Crampton**, ex-asst. atty. gen. in charge of tax div., becomes partner in Washington law firm Hamel, Park, McCabe & Saunders; **Larry Mitchell** & **Charles Sliter** named assoc.

Carl Albert, ex-House Speaker (D-Okla.), becomes of counsel to Cohn & Marks, Washington law firm... **Lee Simowitz**, attorney adviser to FTC Chmn. **Calvin Collier**, resigns to join Morison, Murphy, Abrams & Haddock, Washington law firm.

Rudy Murillo, administrative asst. to House Communications Subcommittee Chmn. **Van Deerlin** (D-Cal.), resigns in Sept. to practice law in Galway, Ireland; **Sigmund Smith**, House Commerce Consumer Subcommittee staff dir., retires.

Bill Leonard, CBS Washington vp, addresses Feb. 28 FCBA luncheon, Washington... **Thomas Swafford**, NAB senior vp-public affairs, and Dr. **David Pearl**, NIMH chief of behavioral sciences, are panelists at IRTS Feb. 18 luncheon, Americana Hotel, N.Y.; topic is "what's fit to view and who says so?"

Barry Telman, ex-Private Channel Club, Miami, appointed sales & technical dir., Wometco subsidiary BTVision, programmer of prospective over-the-air pay TV WBTB-TV, Newark... **Dan Roady** promoted to engineering dir., CMX Systems... **Alex Horwitz** advanced to American International TV national syndication sales mgr.

Peter Gannon promoted to mgr., Warner Cable's Nashua, N.H. System... **Peter Palmer**, ex-MTM Enterprises, appointed Vidtronics sales dir... **Ken Gunter**, UA-Columbia exec. vp, named chmn., NCTA Communications Act Rewrite Committee Technical Subcommittee.

Defeated Hawaiian congressional candidate and aide to another have complained to FCC that news of campaign on KGMB-TV-AM Honolulu—then owned by winning candidate Rep. Cecil Heftel (D)—was slanted in favor of Heftel. Commission dismissed complaint of candidate **Kathy Hoshijo** as without merit; she has hired lawyer to pursue claim. Campaign aide **Alf Pratt**, who worked for candidate **Fred Rohlfing**, also has complained to Honolulu Media Council, charging that coverage by KGMB-TV-AM was "more than favorable to Mr. Heftel and less than fair to his political opponents." He also charged Heftel "used his own station to promote his own name as part of public service announcements." Sale of TV to Lee Enterprises has been approved by FCC.

"Lobbyists please sign here," states small placard next to guest book placed at entrance to office of Communications Subcommittee's Rep. **Wirth** (D-Colo.). Next to it is 2nd guest book with placard which reads, "All other guests please sign here." Small card placed near books explains: "The purpose of having a separate lobbyist book is to remove some of the secrecy surrounding lobbying and therefore to make our government more open to the public at every level."

Cable appeals, in D.C. Circuit: (1) Against FCC's action Nov. 19, staying March 31, 1977, deadline regarding compliance with franchising standards; by **Lois Brown**, Pa. citizens' cable groups, Atlanta branch of NAACP. (2) Against Commission's denial of petitions by **Henry Geller** & NAB, which had asked FCC to revert to cable rules outlined in 1971 letter of intent to Congress; by **Geller**.

CBS won right to televise hearings of Ill. Commerce Commission, following suit it filed last Aug. Judge urged Commission to work out rules for coverage, and agency recently agreed to do so.

Cable earth-station application: **Valdez**, Alaska, KCCS TV Cable; licenses—**El Centro**, Cal., Micro-Cable; **Wheeling**, **Wheeling Antenna Co.** (For details, see CATV Addenda.)

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Jan. 21 (3rd week of 1977):

	Jan. 15-21	1976 week	% change	Jan. 1-14 (2 weeks)	1977 to date	1976 to date	% change
Total TV.	279,904	214,263	+30.6	413,598	693,502	570,239	+21.6
color	171,218	130,532	+31.2	266,909	438,127	342,714	+27.8
monochrome . . .	108,686	83,731	+29.8	146,689	255,375	227,525	+12.2
Total radio	688,497	733,191	-6.1	1,012,401	1,700,898	1,605,537	+5.9
home, portable .	440,100	480,661	-8.4	489,316	929,416	910,804	+2.0
AM-only	150,224	121,252	+23.9	261,296	411,520	188,868	+117.9
FM & FM-AM .	289,876	359,409	-19.3	228,020	517,896	721,936	-28.3
auto	248,397	252,530	-1.6	523,085	771,482	694,733	+11.0

Color TV 5-week moving average: 1976-77—148,459; 1975-76—119,518 (up 24.2%).

NEAR-RECORD COLOR SALES IN JAN.: Despite energy shortages, blizzards & sub-zero temperatures in East, color TV sales to dealers last month were 2nd highest for any Jan. in history, at 605,244 falling only 3.6% short of record set in 1973. Sales in month's first 3 weeks, up 27.8% from 1976, set all-time high for similar period of any year in history.

Month's final week, with sales of 167,117 up 8.8% from same 1976 week, apparently began to reflect cold wave which gripped East. Full month's sales were 21.9% above Jan. 1976 and represented annual rate of about 9 million. Effect of winter crisis on TV manufacturers so far has been spotty, with retail sales and deliveries to dealers undoubtedly hurt in storm areas. Some manufacturers had to cut back production in energy crisis and couple of plants were shut for short periods by weather conditions or hampered by inability of employees to get to work, but there was agreement that it was nothing that couldn't be made up. RCA, for example, said it suffered no more than 15% production loss, was back up to schedule by week's end.

ZENITH, TOSHIBA, SANYO ADOPT BETAMAX II: Last week the dam broke. America's No. 1 TV manufacturer embraced videocassette recorder, promised to enter market "in volume" this fall, and, along with 2 major Japanese TV makers, adopted new 2-hour Sony format which suddenly becomes odds-on favorite as de facto standard.

Stunning development appears to have blunted stop-Betamax drive, and assures that home VTR will get major mass-market test in U.S. Zenith announced it would adopt Sony technique, initially buy decks from Sony. Toshiba, Sanyo & Sony jointly announced "new" videocassette system known as "Beta format," which all 3 will produce & sell. First units are scheduled for marketing this April in Japan, later this year in U.S.

New system is 2-hour version of Betamax described here last Aug. (Vol. 16:35 p9), with double the recording-playing time of current Betamax, using same cassette containing 492 ft. of 1/2" tape—but said to have been improved in resolution by application of some techniques used in Sanyo-Toshiba V-Cord II. New machine has limited compatibility with existing Betamax—it has 1- & 2-hour switch so it can play back tapes recorded on current machine, but today's machine won't be able to play tapes made in 2-hour mode on new version. Doubling of playing time was achieved by halving track width (to 29.2 micrometers) & tape speed (to 0.785 ips), adding circuitry which retains 250-line color resolution and 45-dB color signal-to-noise ratio. Change cuts tape costs in half—from \$16 to \$8 per hour in U.S. Also believed to be in works at Sony is eventual 3-hour machine using same cassette—but this could be 5 years off.

Other U.S. manufacturers are certain to enter VTR field. RCA Consumer Electronics Vp-Gen. Mgr. Roy Pollack told us his company is "targeting" for videocassette recorder in 2nd half of year. It will buy from Japan, but standard hasn't yet been decided. RCA team is understood to be scheduled to visit Japan this week. Magnavox Consumer Electronics Pres. Alfred Di Scipio says his firm has talked with Sony, is keeping options open, could enter market on short notice. Says GTE Consumer Electronics Pres. George Konkol: "We certainly intend to commit ourselves in the near future." Sanyo & Toshiba are both suppliers to Sears, which expressed enthusiasm for video recording as early as 1972 when it entered ill-fated Cartrivision venture.

Status of JVC's "stop-Betamax" machine—VHS—is now up in air. JVC's parent Matsushita, Japan's (and world's) No. 1 TV maker, recently embraced this format in "interest of standardization" while continuing to make incompatible VX-2000 (sold in U.S. by Quasar). But now with Toshiba (Japan's No. 2) & Sanyo committed to new Sony system, with some others expected to join—not to mention America's No. 1—situation has reversed almost overnight.

Zenith has "rights to market & produce" recorders based on Sony's azimuth-recording principle. Firm date hasn't been set for start of sales, but Zenith expects to show unit at spring convention, offer it in fall. It will have decks as well as several combination VTR-color TV consoles, to be marketed through regular dealers, along with Sony-built b&w cameras, microphones & cassettes. No prices were quoted, but they'll be "competitive." It's understood Zenith initially will buy at least 5,000 decks monthly from Sony, could increase to nearly 10,000.

Sony will introduce new 2-hour deck on Japanese market in April at about \$970, more than \$100 higher than current lowest-priced Betamax deck with tuner. As result of Zenith deal, Sony hopes to expand capacity of its Koda plant to 30,000 units monthly by year's end. One-hour machine is expected to be continued for industrial-institutional market, but production probably will be shifted to another plant.

Coup won't be accomplished without wrench for Sony itself—existing one-hour machines are lame ducks from now on, those in use can't practically be modified to 2-hour format and planned cassette changer to ease transition isn't in sight. Sony America will introduce new format at this spring's convention for marketing about same time as Zenith.

Sanyo & Toshiba also plan to introduce Beta-format VTRs in U.S. this year, in time for 2nd-half sales. Sanyo's non-compatible V-Cord II has been withdrawn from U.S. consumer market, will be offered only to industrial-institutional dealers. (Two weeks ago we forecast upcoming deal with Sony by Sanyo & Toshiba on 2-hour Betamax and reported that Sharp, which now sells JVC-made VHS decks in Japan, also could switch [Vol. 17:4 p13]).

RCA's videocassette deck will be "the best systems solution we can see in terms of cost-effectiveness & playing time," Pollack told us—his comments coming 2 weeks after Pres. Edgar Griffiths revealed RCA was seriously considering videocassette market (Vol. 17:4 p7). Strong interest by Magnavox & Zenith was reported week earlier (Vol. 17:3 p13).

Quasar, now selling Matsushita-developed VX-2000 system in U.S., sees Zenith decision helping its marketing. Said Sales-Mktg. Vp Alex Stone: "We're delighted. This will help build a consumer market." Does he feel Quasar is now pushing non-standard machine? "There is no one system. There are still too many people with too many systems to effect any standard."

Apparent inconsistency of Zenith's legal battle against import competition and its alliance with Sony is certain to be pointed out—but this doesn't stand scrutiny. Zenith has always excepted Sony from its charges. In Jan. 27 PBS telecast, for example (Vol. 17:5 p7), Chmn.-Pres. John Nevin called Sony "a company that has done an extraordinary job of establishing for its products a reputation for quality and for performance... that I think is deserved, and it's [what] I think the world is really seeking when you talk about free [and] fair trade."

1976 COLOR IMPORTS AT 3.3 MILLION: Color TV importers ended 1976 just as they began it, tripling results of same 1975 month to nail down a record quarter, Commerce Dept. totals show. Also up sharply for month & full year were imports of b&w TV & transceivers.

Total Dec. TV imports of 749,200 were double those of Dec. 1975, setting new record, as

color jumped 212.4% to 328,800—an increase topped only by 220% leap in Jan. 1976—while b&w rose 56.3% to 420,300 for 2nd-best Dec. ever. For full year, TV imports totaled 7.78 million, up 85.7%, with color up 171.3% to 3,295,000, b&w up 50.7% to 4.48 million.

In 4th quarter, more than 2.6 million TVs were imported, a record for any quarter, and up 110.2% from preceding year. Color rose 181.7% to 1.26 million, while b&w was up 70% to 1.36 million, falling just 2.7% short of record 1.4 million in closing 1971 quarter.

Year was record-breaker for TV imports. Total TV: (1) 6 record months. (2) All-time monthly high. (3) All-time high for any quarter. Color TV: (1) 12 consecutive monthly records. (2) 4 consecutive record quarters. (3) All-time highs for any month, quarter, year. B&w TV: (1) 4th largest year. (2) 2nd highest quarter. (3) 2 record months.

Full-year color total includes imports of 461,400 unfinished sets—303,100 from Mexico, 151,800 from Japan. There were 155,600 unfinished b&w—5,000 from Japan, 123,000 from Taiwan. Commerce didn't start reporting unfinished sets until July, before which they were included with complete sets or classed as parts, so totals are understated, we estimate, by 50% or more.

Japan accounted for 377,700 sets in Dec., up 140.6%, with color at 239,900 (up 164.9%), b&w at 137,800 (up 107.4%). Taiwan was source of 264,700 TVs (up 39.6%), with color at 23,900 (up 111.2%), b&w at 240,700 (up 35%). Korea supplied 50,500 (up 86.1%), color at 5,000 (up 57.3%), b&w at 45,500 (up 89.9%). Singapore became TV source in Nov. with 1,350 color sets, 1,380 more in Dec.

Totals for full year by country: Japan 4.1 million (up 143.5%), color 2.68 million (up 156.9%), b&w 1.4 million (up 121.7%); Taiwan 2.87 million (up 27.9%), color 238,200 (up 66%), b&w 2.63 million (up 25.3%); Korea 487,500 (up 102.4%), color 55,400 (up 151.6%), b&w 432,100 (up 97.5%).

Transceiver import slowdown of Nov. extended into Dec., though 2.3-million total was up 88.5% from same 1975 month, bringing 12-month figure to 23.1 million, up 161.8%. Month's import of CB automotive units rose 47% to 825,200, for full year total of 11.3 million (up 355.6%). Results for month & year for other transceiver types: Automotive except CB, 15,200 (down 72.1%), 1.4 million (up 218.1%); hand-held, 1.24 million (up 204.9%), 7.57 million (up 82.1%); other, including base-station & non-automotive mobile, 241,600 (up 15.4%), 2.77 million (up 59.9%).

* * * *

Japan's booming color exports to U.S. were among topics discussed by Vice President Mondale & Prime Minister Fukuda in Tokyo last week. Both expressed concern over impact imports are having on TV industry here, but there was apparently no talk about equitable solution to problem. Recent spate of ITC investigations into U.S. industry requests for import restrictions and charges of unfair import competition, mainly affecting Japan, are straining international relations. State Dept. recently held high-level briefing session for Administration officials concerned with foreign affairs to outline problems being created. State placed special emphasis on trade chaos that will result if Zenith succeeds in Customs Court suit to force assessment of countervailing duties by Treasury on imports from countries which rebate domestic excise taxes to exporters. Zenith brought suit last April after Treasury refused to levy 15% extra duty on imports of Japanese color (Vol. 16:16 p7).

Sony won't buy Westinghouse picture tube plant, Westinghouse informed IBEW local in Elmira, N. Y. area last week. Confirming decision, Sony America Pres. Harvey Schein told us company decided move wouldn't be practical at this time. Westinghouse officials indicated they had offers from liquidators & others who wanted to purchase equipment, but said they were holding out in hopes of selling facility to another customer as complete operating picture tube plant. There currently are no prospective buyers.

Distribution notes: RCA appoints R.W. Tully Co. for Hawaii, succeeding HOH Corp., which is leaving business. Tully is headed by ex-Foote, Cone & Belding Chmn. Richard Tully... Sharp appoints Mid-State Distributing for Ia.

Ad notes: Motorola Auto Products assigns all ads to N.W. Ayer, which had been handling CB, replacing Draper Daniels Inc... Litton will spend \$15 million on microwave oven ads this year, up 70%.

MCA 'HANDS UNCLEAR'—SONY: MCA subsidiary Universal Pictures, one of plaintiffs (with Walt Disney Productions) in copyright suit against Sony & others (Vol. 16:46 p7 et seq.), has "ulterior purpose" of pre-empting market in audio-visual playback machines because of MCA's involvement in videodisc system, Sony charged in L.A. federal court last week.

"Unclean-hands" charge was one of 9 answers filed by Sony for itself and ad agency Doyle Dane Bernbach in response to charge that they induce infringements of movie copyrights by promoting & selling Betamax home videocassette recorders. Sony dealers named as co-defendants filed identical answers. Answer also accused Universal of violating antitrust laws by "utilizing the common ownership & control of software & hardware in an attempt to restrain competition in, and to monopolize, the market in audio-visual playback machines."

Sony answer denied all charges and made these additional defenses: (1) Complaint doesn't state any claim on which relief can be granted. (2) Plaintiffs have caused their own movies to be televised over public airwaves, and use of home VTRs by viewers for private use is "fair use" of copyrighted material. (3) Home recording of radio broadcasts has long been common practice not prohibited by copyright law. Video recorders have been sold for more than 10 years and plaintiffs know recording off air has become common practice, so they "must be deemed to have consented" to practice. (4) Right of people to receive & record in privacy of homes for non-commercial use is protected by First Amendment. (5) VTRs expand TV audiences and govt. action to prevent their sale would violate Constitution. (6) VTRs are used for many purposes other than recording movies and restraint of their sale would violate First Amendment & due-process clause of 5th.

Three-year warranty on parts & labor is being offered by Electrohome, Canada's only independent color TV producer—longest of type in N. America (Toshiba Canada has 30-month coverage). It's outboarded to retailers, all of whom are buying, according to Electrohome Pres. John Pollock, who told us extended warranties seem to be coming thing in Canada's sluggish market. Commenting on Canada's decision to provide duty rebate on TV imports by local manufacturers (Vol. 17:2 p10), Pollock said "it's a band-aid to bridge the gap" during anticipated industry shakedown period, stated his company was now concentrating on expanding "other aspects of our business." He indicated Electrohome is planning to enter home VTR field, would probably source units from same unidentified Japanese producer from which company will buy all its portable color requirement this year.

Dielektrol I is new biodegradable dielectric fluid developed by GE to replace pollution-causing PCBs in capacitors. GE said fluid is comparable to PCBs in price, though its flammability requires more care be taken with capacitor housing construction. GE will offer production licenses to other companies.

IMPORT AID: Labor Dept. (LD) approved import adjustment assistance for some 600 workers who lost jobs when Sylvania closed Batavia, N.Y. color TV plant last year, opened new case for workers at Admiral's Harvard, Ill. color plant.

LD said output of Batavia plant dropped 52% in 1975, was halted last Dec. Employment was cut 24% in 1975, was increased 14% through Oct. last year, then reduced by 90%. Some knob & circuit-board work & warehousing remains at Batavia, but everything else has been transferred to plants in Juarez, Mexico & Smithfield, N.C. LD reported more than 50% of Sylvania customers interviewed said they were switching to imported sets because of lower pricing & higher quality.

LD also cleared aid for former workers at RCA's receiving tube plant in Harrison, N.J. and warehouse in Edison, N.J., and for workers who lost jobs when Piher closed Woburn, Mass. carbon resistor plant and returned production to Spain. In RCA case, LD said it found increased imports were important factor in decision to quit receiving-tube business. LD also opened new cases for workers at International Electronics' Electro Motive capacitor plant in Florence, S.C. and Burroughs' Piscataway, N.J. computer memory facility.

Japanese labs will perform type-acceptance & certification tests on CB equipment as soon as system can be put in operation, under agreement between FCC & MITI. System should reduce time & cost of needed approval for Japanese producers, significantly lower workload at FCC lab. Designated test labs will, initially at least, be run by JMI & Kansai Electronic Industry Development Center. System will be policed by manufacturers' CB Transceiver Export Council. While membership isn't compulsory, manufacturers who join council won't have to submit samples to FCC. Commission will issue equipment authorizations to manufacturers or importers based on technical data supplied by Japanese testing labs.

Treasury is revoking 1970 ruling that Japanese-made TV & radio tuners are being dumped in U.S., freeing exporters there of need to make reports to Customs on their U.S. vs. Japan pricing. Agency said it found Alps, supplier of 83% of such exports, and Waller, with 6% share, haven't exported at unfairly low prices for at least last 2 years and have made written assurances they won't do so in future. Treasury previously accepted similar assurances from Matsushita, JVC, Toshiba, Sanyo & Sony, which, with addition of Alps & Waller, covers about 96% of all tuner exports to U.S. As virtually entire Japanese industry is in compliance with regulations, Treasury said, tuners are no longer likely to be dumped here.

Winter CES moves to Las Vegas in 1978 for Jan. 5-8 stand. EIA Consumer Electronics Group Staff Vp Jack Wayman said poll of 122 exhibitors showed overwhelming support for shift from Chicago, and exhibitors will find their total show cost cut by about 50%. April Las Vegas debut of audio-only Audex has been delayed until 1978, organizer Charles Snitow announced. Event failed to get industry support.

MAGNAVOX IN BLACK: Magnavox turned substantial profit last year, according to year-end statement of parent N. American Philips, which shows reserve of \$6.19 million for preferred dividend to U.S. Philips Trust. Size of dividend, based primarily on Magnavox earnings, indicates Magnavox made about \$12 million in 1976, against \$2 million loss in 1975. NAP reported net for year (see financial table) up 84.9% on 20% sales rise.

Hy-Gain is being sued for \$3.2 million by unhappy institutional investor, company says in annual report. Unidentified investor sold warrants (to buy 180,000 Hy-Gain shares at 83¢ each) back to company in July 1975 for \$281,000 (\$1.56 per share), now claims it wasn't given important information, seeks to collect \$16.67 per share to which Hy-Gain stock rose last year.

Admiral sales in year to Sept. 30 were \$504 million, up from \$503 million, while operating loss rose to \$23.5 million from \$22.5 million, according to annual report of parent, Rockwell International. Rockwell's Microelectronic Div. (calculators & ICs) posted \$15.5-million loss, down from \$20.3 million in 1975, as sales slipped to \$139 million from \$140 million.

Lloyd's reported 83.5% profit jump in quarter to Dec. 31, on 17.4% sales gain (see financial table). For 9 months, sales were up only 7.7% but net rose 34.5%.

Telcor, Panasonic's West Coast distributor, approved 3-for-2 stock split, said it would retain 7-1/2¢ quarterly dividend on new shares.

Superscope declared 25¢ quarterly dividend, its first, said it planned to continue payouts.

RCA & Poland have signed \$7-million agreement covering sale of equipment, solid-state technology, knowhow & non-exclusive patent licenses covering silicon transistors & thyristors for use in color TV sets. Deal is subject to financing by Export-Import Bank and U.S. export-license approval. Earlier, RCA had received \$71-million Polish contract for establishing picture-tube plant (Vol. 16:17 p9), Corning contracted to build \$50-million glass plant there (Vol. 16:18 p11) and France's Thomson-Brandt signed \$2-million pact to supply color TV production equipment & knowhow.

Recall of some 4,200 Teletone-brand toy phonos made by Electronic Creations, Mt. Vernon, N.Y., was ordered by Consumer Product Safety Commission, which said tests showed case may split open, creating electrical hazard. Agency also noted line cord is not properly secured and is shorter than minimum 5 ft. Unit carries UL listing, retails for about \$21.

Components sales may be up but profit pressures continue. International Electronics has halted output of 66%-owned Ebarson Taiwan capacitor venture, which IE says lost \$100,000 in 1975, was in red last year. Airco has opened talks regarding sale of resistor subsidiary, Airco Electronics, to RCL Electronics unit of AMF.

Trade Personals

Walter Goodman, Harman International senior vp, advanced to chmn.; **Herbert Paige**, finance vp & treas., to pres., taking posts now held by **Sidney Harman**, named Undersecy. of Commerce... **Horst Heisrath** promoted from Sylvania gen. audio product mgr. to mkt. planning & development mgr. of GTE Consumer Electronics Products Business... **Fred Bauer** promoted to RCA financial planning staff vp; **George Black** advanced to industrial relations staff vp.

Allen Novick, TEAC mktg. dir., named vp; **Joseph Pershec**, ex-Empire, named national sales mgr. for TEAC audio line; **Jorge Montero** advanced from International Dept. dir. to national sales mgr. for Special Products Group... **John Wright** joins Automatic Radio of Canada as national sales mgr... **Bruce Pollack**, ex-BSR, joins Sharp Professional Products Dept. as sales administrator... **Herbert Allen**, ex-Corning, joins Advent as eastern mgr. for projection TV; **Joseph Greeson**, ex-Zenith, named midwestern mgr... **Herbert Schulke** resigns as IEEE exec. dir. & gen. mgr. for "personal reasons."

Wilfred Corrigan, Fairchild Camera pres., adds post of chmn. May 6, following retirement of **Roswell Gilpatric**... **Martin Cooper** appointed gen. mgr. of new Motorola Communications Systems Operations Div... **Ray Dowling** shifts from Raytheon to new subsidiary Switchcraft as exec. vp... **Rolfe Trevisan** advanced at GTE from Electronic Components Group senior counsel to gen. counsel for Electrical Equipment Products Business... **Sam Petok** advanced at Rockwell International to PR staff vp.

Daniel del Frate, ex-Rockwell, joins ITT Semiconductors as mktg. vp; **Erich Burlefinger**, ex-Sigmetics, named technical dir.; **Jerry Bellis** advanced to operations dir. for new Discrete Products Group... **Roy Thiels** shifts at National Semiconductor from European technical dir. to MOS-LSI operations dir., succeeding **Robert Lloyd**, resigned to form new microprocessor systems development firm... **Wilkie Wong**, ex-American Optical, joins General Instrument Microelectronics Group as S.E. Asia sales mgr. (excluding Taiwan), assuming former responsibilities of **Jerry Coan**, who continues as Far East sales dir... **J.T. Lawson**, ex-GTE, named pres. of EMI Technology... **Mike Govorko**, ex-Wallachs Music City, one-time MGA & Magnavox, now national sales mgr. for VOR Industries, maker of record care products.

Werner Zieler, Siemens vp, named pres. of U.S. subsidiary, succeeding **Otto Dax**, now vice chmn... **Robert Freischlag**, ex-Motorola Semiconductor Asia/Pacific mktg. dir., joins Fujitsu (U.S.) as mktg. dir... **Gene Cabot** resigns as Solitron national sales mgr. to join N.Y.-N.J. rep Mktg. East Industries as regional sales mgr.

Obituary

R. Kenyon Kilbon, 60, retired RCA editorial services staff vp, died Feb. 2 at Hartford (Conn.) Hospital. Wife, 2 children survive.

WEEKLY Television Digest

with
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

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Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & CATV Addenda*, *CATV Atlas* and other special publications

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CB BLUES: Financial problems continue to plague U.S. & foreign CB marketers. Latest to report trouble is Gladding, which said loss on liquidation of hundreds of thousands of 23-channel CBs may have erased \$5.4-million profit firm posted in first 9 months of fiscal 1976. Company is holding up report for year to Sept. 30 and quarter to Dec. 31, while it completes evaluation. Gladding said it also was seeking "necessary modifications" of current lending agreements.

In Japan, Interworld checks totaling about \$1.7 million were rejected by Mitsui Bank, which reportedly is holding up further credit for company which has amassed some \$6.5 million in debts. Interworld is blaming poor cash flow caused by Pace's delay in ordering 40-channel CBs. Meanwhile, bankrupt Kiyo (Vol. 17:5 p11) has chance for survival. Tokyo court has scheduled Feb. 28 start of hearings at which Kiyo's creditors & suppliers will present rehabilitation recommendations.

RCA Canada has started field modification program for 12,000 hybrid 21" color sets built & sold in Canada about 5 years ago. Field reports & tests indicated instant-on switch could become unreliable after several years' use and could lead to potential fire hazards. RCA said there had been no reports of personal injuries, but warned owners to turn off instant-on switch pending modification.

GE agreed to broad FTC consent order prohibiting it from making any unsubstantiated ad claims for TV, stereo equipment or major appliances. Order is similar to one signed by Matsushita last month (Vol. 17:1 p10), stemmed from FTC probe of GE claim its color sets were easy to service. Extension of order to cover wide range of GE products is reflection of new FTC policy against issuing narrow, easy-to-circumvent orders.

Financial Reports of TV-Electronics Companies

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

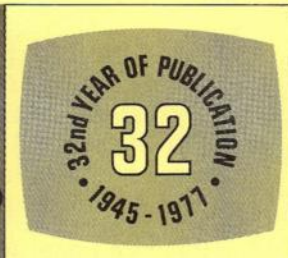
Company & Period	Revenues	Net Earnings	Per Share
AT&T			
1976-year to Dec. 31	32,815,582,000	3,829,151,000	6.05
1975-year to Dec. 31	28,957,241,000	3,147,722,000	5.13
Audiotronics			
1976-6 mo. to Dec. 31	6,542,000	422,000	.51
1975-6 mo. to Dec. 31	5,354,000	304,000	.36
1976-qtr. to Dec. 31	3,256,000	172,000	.21
1975-qtr. to Dec. 31	2,577,000	134,000	.16
Avnet			
1976-6 mo. to Dec. 31	347,702,000	17,923,000	1.26
1976-6 mo. to Jan. 2	292,934,000	15,958,000	1.16
1976-qtr. to Dec. 31	172,929,000	8,470,000	.62
1976-qtr. to Jan. 2	150,066,000	8,093,000	.59
Bowmar Instrument			
1976-qtr. to Dec. 31	2,750,000	109,000 ^a	.05
1975-qtr. to Dec. 31 ^b	3,800,000	505,000 ^a	.25
Capital Cities Communications			
1976-year to Dec. 31	212,167,000	35,620,000	4.60
1975-year to Dec. 31	174,886,000	25,402,000	3.28
1976-qtr. to Dec. 31	58,292,000	10,382,000	1.35
1975-qtr. to Dec. 31	49,492,000	7,935,000	1.02
Cox Bcstg.			
1976-year to Dec. 31	130,090,000 ^c	19,759,000	3.36
1975-year to Dec. 31	110,246,000 ^c	14,304,000	2.45
1976-qtr. to Dec. 31	35,067,000 ^c	5,596,000	.95
1975-qtr. to Dec. 31	30,459,000 ^c	4,395,000	.75
LIN Bcstg.			
1976-year to Dec. 31	37,943,000 ^d	6,106,000	2.36
1975-year to Dec. 31	31,347,000 ^d	4,210,000 ^a	1.77
1976-qtr. to Dec. 31	11,231,000 ^d	2,111,000	.80
1975-qtr. to Dec. 31	8,664,000 ^d	1,607,000	.67
Lloyd's Electronics			
1976-9 mo. to Dec. 31	86,747,000	2,229,000	1.18
1975-9 mo. to Dec. 31	80,537,000	1,657,000 ^a	.88
1976-qtr. to Dec. 31	40,398,000	1,562,000	.83
1975-qtr. to Dec. 31	34,409,000	851,000 ^a	.45
Multimedia			
1976-year to Dec. 31	79,134,000	9,958,000	2.27
1975-year to Dec. 31	57,629,000	6,945,000	1.58
1976-qtr. to Dec. 31	23,116,000	3,134,000	.71
1975-qtr. to Dec. 31	16,646,000	2,221,000	.50
North American Philips			
1976-year to Dec. 31 ^b	1,723,627,000	60,190,000 ^a	4.71
1975-year to Dec. 31	1,431,897,000	32,556,000 ^a	2.80
1976-qtr. to Dec. 31 ^b	448,932,000	20,767,000 ^a	1.62
1975-qtr. to Dec. 31 ^b	398,070,000	14,585,000 ^a	1.16
Starr Bcstg.			
1976-6 mo. to Dec. 31 ^b	16,022,720	570,945	.41
1975-6 mo. to Dec. 31 ^b	14,616,491	(33,932)	--
1976-qtr. to Dec. 31 ^b	8,955,918	353,262	.24
1975-qtr. to Dec. 31 ^b	8,167,522	358,426	.29
Texas Instruments			
1976-year to Dec. 31	1,658,607,000	97,420,000	4.25
1975-year to Dec. 31	1,367,621,000	62,142,000	2.71
1976-qtr. to Dec. 31	470,906,000	29,305,000	1.28
1975-qtr. to Dec. 31	390,942,000	20,783,000	.91
Texscan			
1976-6 mo. to Oct. 31	3,125,212	135,246 ^a	.17
1975-6 mo. to Oct. 31	2,056,943	(45,363)	--
1976-qtr. to Oct. 31	2,063,628	126,793 ^a	.16
1975-qtr. to Oct. 31	1,096,334	(40,451)	--
20th Century-Fox			
1976-year to Dec. 25	355,038,000	10,702,000	1.41
1975-year to Dec. 27	342,730,000	22,680,000 ^a	3.00
1976-qtr. to Dec. 25	95,252,000	5,604,000	.74
1975-qtr. to Dec. 27	83,580,000	3,763,000	.50

Notes: ^aIncludes special credit. ^bRestated. ^cFrom operations. ^dFrom continuing operations.

WEEKLY

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FEBRUARY 14, 1977

VOL. 17, NO. 7

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NATPE—MORE THAN PROGRAMS: Govt. regulation, equal employment, news consultants, network-affiliate relations rate high on agenda. Boyer calls for program dirs. to 'reassert themselves' in news. Silverman likely 'person of year'; Van Deerlin, 5 commissioners, to participate. (P. 1)

WARNER 2-WAY PLANS for Columbus, O. include per-program charging, special interest shows, opinion polling, interactive games, etc. (P. 2)

SENATE SETS 'TOTAL REVIEW' of Communications Act, seeks assistance from Office of Technology Assessment. Senate Commerce Committee members announced. (P. 3)

FCC'S 'AUSTERE' BUDGET gets easy going-over by House Appropriations Subcommittee. Wiley wants to avoid regulation of TV violence, hopes for role in Communications Act rewrite. (P. 4)

NAB UNION EFFORT gets mixed reports on possible success. CWA to answer questions Feb. 15. Carnahan files unfair labor charges at NLRB. (P. 4)

SENATE REPORT RATES AGENCIES: Govt. Operations Committee calls for greater care in selection of members, better conflict-of-interest rules. Survey of lawyers, et al., ranks 8 agencies. (P. 6)

NATPE—NO LONGER JUST FOR PROGRAMMERS: Communications Act rewrite; news consultants; equal employment; network-affiliate relations—these are major issues, along with programming, of course, on agenda for this week's NATPE convention in Miami Beach. Some 600 program dirs. will be far outnumbered by gen. mgrs., owners, foreign broadcasters, govt. officials, network execs., lobbyists, trade assns., rep firms, ad agencies, advertisers, security analysts, a bevy of actors and over 4 dozen publications. There'll be 127 (count 'em) hospitality suites.

This is to say that NATPE has gone far afield from its 1964 beginning with 71 program dirs. (no press, or any of the other types mentioned above) attending first conference in N.Y. This week, over 2,200 are expected at the Fontainebleau Hotel, compared with 1,870 year ago in San Francisco. There'll be 5 FCC commissioners at NATPE—causing Chmn. Wiley to postpone scheduled Feb. 16 meeting because he is only one who planned to leave Miami Beach early (he'll be in Hartford Feb. 15 for PTA meeting on violence). As consequence, there'll be no FCC meeting this week.

While Feb. 14 communications rewrite panel has big govt. & industry names (see below), NATPE Pres. Philip Boyer, program vp of ABC-owned TV stations, may have set tone for sessions when he called on his colleagues to "reassert themselves" into news. He noted, in Feb.

Consumer Electronics

CB SALES still hinge on 23-channel bargains, with 40s off to slow start. Suppliers say 23s should clear pipelines by spring, estimate current 23 inventories at 1.6-1.7 million. (P. 9)

IMPORTS TOOK HALF of total 1976 TV market—35% of color, 73% of b&w, our analysis of trade & govt. data shows. Soaring Japanese color exports in Dec. indicate U.S. import boom continued in Jan. (P. 10)

LINEAR AMP BAN, amateur equipment type-acceptance rules proposed by FCC in effort to reduce interference problems. (P. 11)

JAN. COLOR SALES to dealers just 22,500 short of record, despite weather & energy woes. Feb. starts with near-record week. (P. 11)

HOME VTR STANDARD race narrowed to 2 systems. Beta & VHS could coexist if RCA chooses to back latter against Zenith-Sony alliance. (P. 12)

GTE LOSSES from consumer electronics cut last year. E. F. Johnson writes off \$3.3 million in CB. Motorola, Capehart profits up. (P. 13)

GAME-CABLE MARRIAGE closer with new Warner 2-way project. (P. 2) Game inventor Baer says one-way cable-game interaction is now feasible, based on Boston & Akron experiments. (P. 13)

P.D. Cue (NATPE publication), that there's now "great separation" between program dir. & news dept. "The program director, who used to be in charge of news... may now find himself on the outside. There could be many reasons for this, but none valid enough to exclude the one member of the station management staff who has experience in program production," Boyer said. He suggested weather & sports graphics as "the first point of re-entry into [news] areas that program director has abrogated."

Rewrite panel will feature presentations by ex-FCC Chmn. Dean Burch, WLBT Jackson, Miss. Gen. Mgr. William Dilday, Group W Pres. Donald McGannon, CBS Washington Vp Bill Leonard; responses by House Communications Subcommittee Chmn. Van Deerlin (D-Cal.), his Chief Counsel Harry Shooshan, NAB Pres. Vincent Wasilewski, Kaiser Bcstg. Pres. Donald Curran, Post-Newsweek Stations Pres. Joel Chaseman, PBS Pres. Lawrence Grossman, syndicator Ben Berry, Teleprompter Pres. Russell Karp and any of 5 commissioners expected to be in audience who want to speak up.

Burch will tell Congress to keep its hands off programming, saying "it would be a terrible thing." McGannon says: "I'm in favor of a total rewrite," placing all communications (govt., military, commercial, etc.) under new Dept. of Telecommunications. Leonard will ask if Communications Act has "served us so badly that we should 'can it' and start all over again..."

"Does this mean I'm advocating the status quo? Hell no! It does mean that we should be in no hurry to re-invent the wheel. Particularly, when that wheel has and does serve us well... I want to enhance, not diminish, the free commercial system of broadcasting..."

Dilday feels biggest problem facing broadcasters and public is FCC and its lack of ability "to enforce its own rules." A black, he'll call for more licensee stability and length of 5 years, as long as public interest groups aren't precluded from seeking revocation at any time. In response, Wasilewski will stress "statement of principles" recently adopted by NAB board for inclusion in rewrite of Communications Act (Vol. 17:4 p1). "They are a set of principles which we will work hard to advance during the months & years ahead," he says.

At Feb. 14 lunch, Wiley will ignore family viewing, talk about network inquiry (Vol. 17:3 p2). Other commissioners—Quello, Washburn, Fogarty, White—will be asked to comment. Wiley also was scheduled to be quizzed by press in live telecast Feb. 13 on WCKT Miami.

ABC Entertainment Pres. Fred Silverman speaks at Feb. 15 lunch, is also expected to receive NATPE "person of the year" award. MCA's Sid Sheinberg is keynoter. Unlike RTNDA—which was criticized by its members for not leaving afternoons free during Dec. convention in Miami Beach (Vol. 16:51 p4)—NATPE's only afternoon programming is Feb. 14 concurrent meetings of network affiliates, independents & PBS stations.

WARNER'S COLUMBUS 2-WAY PLANS: Warner Cable appears to be giving 2-way operation real college try in Columbus, O., starting late this year. Though Chmn. Gustave Hauser won't disclose any dollar figures, he says service will be offered to 100,000 homes by then. System now has 27,500 subscribers, passes 80,000 homes, charges \$7.50 for basic service.

System will use small (7x6x2") 5-button terminal made by Pioneer of Japan, price not divulged. "It won't be \$1,500," Hauser said. Some 30 channels of service will be offered, "including special interest & local programming." Terminal will permit subscribers to "select programs, play interactive games, take tests, instantly register their opinion, and actually participate at home in TV programs & events." Per-program pay-cable operation is "a major purpose," Hauser said. In addition, programs can be directed at specific subscribers—pharmacists, doctors, et al. "We won't have X-rated movies," he said.

Warner has franchise for only part of Columbus. Hauser said there have been no discussions with other operators in area, but service to them "is a possibility." Warner plans to expand to its other systems, assuming Columbus is successful. "It's not for the little system of 500 or 1,000," Hauser said. "This is big-city stuff."

Warner expects strong increase in number of subscribers, due to 2-way, but doesn't disclose projections. Hauser said it hasn't been decided whether or how much to charge for termi-

nal installation. For originations, he said, system has "a major studio complex, with quads, 3/4-in., cameras—full-fledged origination."

Two-way "interactive" games are different from one-way, Hauser said. (For one-way cable activity, see p. 13). "We see people participating in game shows, schools competing against other schools, communities against others, etc." Warner recently bought big video-game maker Atari.

Warner has line-up of experienced managers for project. Exec. Vp Spencer Harrison (ex-Warner Bros. & CBS) heads development group. Lawrence Hilford, just arrived from Viacom, heads new-business activity. Programming specialists include Michael Dann (ex-CBS & NBC), Harlan Kleiman (ex-HBO), Vivian Horner (ex-Children's TV Workshop). Technical specialists are James Fischer (ex-Bell Labs, ITT & Western Union) & Peter Alden (ex-ITT & Western Union).

SENATE'S 'TOTAL REVIEW': Jumping into communications void existing on Senate side since retirement of Communications Chmn. Pastore (D-R.I.); Commerce Chmn. Magnuson and Sen. Hollings (D-S.C.) plan "a total review" of 1934 Communications Act this Congress. In letter to Sen. Kennedy (D-Mass.) seeking assistance of Congress' Office of Technology Assessment (OTA), senators state that Communications Subcommittee will examine "benefits and problems [new technologies] may present to our society," seek appropriate federal role.

As result of senators' letter, OTA last week agreed to conduct preliminary study of role it can play in development of federal policy. Due to OTA Chmn. Kennedy's interest in computers and information policy, proposal covers those areas as well as telecommunications. Estimated at \$75,000, study will cover satellites, fiber optics, spectrum use, international, and technological, economic & social trends.

Not wishing to be upstaged, House Communications Subcommittee's Chmn. Van Deerlin (D-Cal.) and Ranking Republican Frey (Fla.) subsequently wrote Kennedy that OTA involvement is good idea, asked to be included in deliberations.

Following completion of Senate Committee reform package Feb. 4—which resulted in Commerce's loss of jurisdiction over energy matters and gain of jurisdiction over science & technology, Senate finally got around to organizing itself. Commerce Committee will have 16 members—vs. over 20 last year. Democrats include Magnuson—re-elected chmn. by secret vote of 46-2—Cannon (Nev.), Long (La.), Hollings (S.C.), Inouye (Hawaii), Stevenson (Ill.), Ford (Ky.), Durkin (N.H.), Zorinsky (Neb.) & Melcher (Mont.). Republicans are Pearson (Kan.), Griffin (Mich.), Stevens (Alaska), Goldwater (Ariz.) & Schmitt (N.M.). Leaving Committee were former Communications Ranking Republican Baker (Tenn.) & Weicker (Conn.). Subcommittees haven't been formed yet.

Meanwhile, Senate conservative Republicans succeeded in stacking Judiciary Committee with 5 hard-line conservatives—ranking member Thurmond (S.C.), Scott (Va.), Laxalt (Nev.), Hatch (Utah) & Wallop (Wyo.)—and only one liberal—Mathias (Md.). More liberal Democratic side includes Chmn. Eastland (Miss.)—re-elected 44-4—McClellan (Ark.), Kennedy (Mass.), Bayh (Ind.), Byrd (W. Va.), Abou-

rezk (S.D.), Allen (Ala.), Biden (Del.), Metzenbaum (O.), DeConcini (Ariz.) & Culver (Ia.).

House Commerce Committee okayed budgets for first session, sent them to Administration Committee. Reflecting doubling of membership week earlier, as well as intent to take on many consultants for Communications Act rewrite, Communications Subcommittee almost doubled last year's budget. Of total \$498,000, \$256,000 would go for permanent staff of 10 (additions including engineering asst. and staff asst., see p. 8), \$200,000 for consultants, remainder for travel & miscellaneous. Among first session activities, Subcommittee plans extensive review of FCC budget & functions, cooperation with OMB on telecommunications funding, and review of any telecommunications reorganization proposed by Carter Administration.

Oversight & Investigations Subcommittee requested \$952,500 vs. \$730,000 year earlier. Of total, \$787,500 would go for 22 professionals, 9 clerical. Subcommittee said it plans to emphasize studies of FCC, ICC, EPA & NRC.

Consumer Protection Subcommittee budget is \$399,645 (vs. \$240,750 year before), with staff of 8 professionals, 2 support, 3 clerical. During first session, Subcommittee will consider "substantial amendments" to FTC and SEC act authorizations. Full Commerce Committee budget rose only moderately to \$752,000 vs. \$708,000 last year. Increase is almost entirely due to pay raise for professionals.

Further cable research isn't likely to help much in formulating govt. de-regulation policy, according to report to OTP by 6 Stanford U. economists. All had studied cable before, were contracted to make current study in response to request for analysis by Paul MacAvoy of Domestic Council. Following summarizes their attitude as well as any quote: "Even in the case of regulated industries, the burden of proof has not always been put on proponents of innovation. So far as we know, proponents of TV were not compelled to establish that social benefits exceeded costs in the early post-war period... If the FCC had in 1946 adopted the burden of proof proposed by MacAvoy, the cable TV problem would not be with us today, for we would still be without TV."

FCC'S 'AUSTERE' BUDGET: Despite "significant working increases in almost every one of its programs," FCC's proposed budget increase for fiscal 1978 of \$2.9 million and 26 staffers is "austere," Chmn. Wiley told House Appropriations Subcommittee last week. House panel apparently agreed, grilling Wiley for only 1-1/2 hours—distinct contrast with day-long ritual of recent years. Members complimented Wiley on budget presentation and on his tenure as chmn., and Acting Subcommittee Chmn. Early (D-Mass.) privately remarked that Wiley's reappointment would be good idea. FCC won't attempt to regulate TV violence: In wake of court decision on family viewing, FCC will do nothing in this area but pursue appeal, Wiley said. When asked by Rep. Burke (D-Cal.) whether court decision meant that FCC's licensing procedure would now be appropriate area for attack on programming, Wiley said he has "very great reservations on that." Lauding anti-TV violence campaigns of AMA & PTA, he commented: "It's always been my view that the private sector—in bringing its pressure to bear on the broadcasters—would always be the ultimate answer to this problem...I question whether there could be a possibility of Commission action through the licensing procedure."

Cost of Commission's inquiry on TV network practices (Vol. 17:3 p2) can't yet be determined, Wiley said. He is assembling "relatively small, expert staff," will return to Congress in couple months with request to "reprogram" additional 6-7 staffers. But so far "this is very much a fact-finding mission," he said. Only after fact-finding has been completed "will we determine what needs to be done next."

Wiley said recent court decisions throwing out fee schedule (Vol. 16:51 p1) convinced him that "we cannot construct a fee system which will meet the court's standard," and that without congressional guidance, Commission doesn't intend to try again. He said FCC lacks ability to allocate costs according to court's wishes, hasn't yet been able "in any fee proceeding to this point, to quantify the value our action confers upon the payor." He said FCC will begin inquiry soon to determine how to make refunds, noting that Commission collected 11 million fees totaling \$163 million. Discussion of fee rulemaking by FCC, scheduled Feb. 10, was postponed.

Had Wiley had much input yet in House Communications Subcommittee's planned rewrite of Communications Act? "No," he answered tersely, "but I'm hopeful that we will be able to actively participate in the future."

In confidential budget document submitted to Congress, FCC noted: (1) Bcst. Bureau increases are for more AM/FM authorizations and EEO enforcement. Other goals include completion of clear channel inquiry by this spring, presentation of 4-channel FM stereo proposal to Commission during 1977, 1979 WARC preparations, conferences with Canadians on pre-release of American TV programs, section-by-section review of all broadcast regulations. (2) Office of Network Study will review prime-time-access rule. (3) In cable, Commission will try to cut backlog, computerize & expand data base.

NAB UNION (CONT'D): Efforts of NAB non-management employees to organize under CWA received mixed reviews last week. Feb. 10 meeting at Bcstrs. Club attended by 15-20, mostly secys., was described as "disappointing," "a nothing." On other hand, strong supporter of effort led by Mike Barry of govt. relations dept. (Vol. 17:6 p5), said movement is "snowballing...we're gaining tremendous support."

By week's end, move didn't have necessary 30% of eligible employees to call NLRB election. Another meeting is planned Feb. 15, with union official on hand to answer questions. Washington attorney James Falco of Cook, Henderson & Saxbe has been retained to assist in attempt to organize. Major complaints of dissidents revolve around compensation (NAB secy. salaries range \$8,000-\$15,000), pension rights, health & maternity benefits.

On another front, Virginia Carnahan of Radio Information Office filed unfair labor practices charges against NAB at NLRB, and alleged sex discrimination in filing at EEOC. She's been at NAB year, charged Assn. threatened to fire her because of union activities, according to NLRB official. Carnahan reportedly had been scheduled to leave Jan. 31 under "mutual agreement" reached in Nov.; her salary is \$12,000 and she didn't get raise this year. Last summer, Gloria Doby of NAB accounting dept. filed sex & race (she's black) discrimination suit; it's still pending in D.C. Human Relations Commission.

NCTA faces similar case, filed last summer by Carol Seeger, formerly of govt. relations dept. and now working at U.S. Copyright Office. She alleged pay discrimination (because she's female), is amending complaint in D.C. Dist. Court to also allege a pattern of discrimination against women at NCTA.

FCC "should & must" adopt percentage guidelines for measuring licensee's past service in comparative hearings, 3 citizens' groups told Commission last week in seeking reconsideration of "clarification" of WESH-TV Daytona Beach renewal (Vol. 17:2 p5). Citizens Communications Center, National Black Media Coalition & NCCB said FCC's handling of case is "confused & subjective," leaves agency with "no firm standards" for comparative consideration. Also, they said, agency used "erroneous concepts" in treatment of diversification.

NCTA and National Telephone Cooperative Assn. (NCTA) continue to negotiate amendment to REA Act providing low-interest or federally-backed loans for cable & phone service in rural areas. Groups haven't yet come to agreement (Vol. 17:6 p3). Following NTCA annual meeting and NCTA board meeting—both of which take place this week—staffs will renew effort.

"Ask President Carter" will be phone-in show on CBS Radio 2-4 p.m. March 5. Live broadcast will originate from White House, with Walter Cronkite as moderator. CBS had offered time for unique exchange before Carter's inauguration.

Cal. & Ariz. CATV associations conduct annual Washington conference March 21-23, Mayflower Hotel.

'BEYOND ENG': ENG techniques—use of portable VTRs & miniature cameras—are now being extended far beyond news gathering. At same time, an even more profound revolution—digital TV—is being felt in broadcasting. These 2 topics, expected to dominate technical sessions & exhibits at NAB convention, received extensive airing at recent heavily-attended SMPTE Winter TV Conference in San Francisco (Vol. 17:6 p2).

Trend to electronic photography at expense of film is irreversible, CBS Engineering & Development Vp-Gen. Mgr. Joseph Flaherty stated. In newsgathering, he said, ratio of tape to film was 70/30 in 1976, reversing ratio of 1973. He foresaw increasing use of ENG gear at local level for documentaries, community-oriented programming and low-budget commercials. At national level, he forecast heavy use in documentaries, on-location commercials and entertainment programs shot in field. He said that, subject to IATSE approval, CBS would provide Sony 1" VTRs to production houses for editing & transfer of CBS programs for distribution.

Digital TV techniques—now being used in telecasting for time-base correction, frame synchronization, still-picture storage & standards conversion—will rapidly expand its uses, according to consensus of speakers. Program Chmn. Joseph Roizen, Telegen, forecast that eventually "the only analog devices left will be the people telling the computers what to do." He noted that 4 European countries now have on-screen digital teletext services utilizing vertical interval. Swedish Telecommunications' Uno Nilsson called results of electronic documentary experiments disappointing from picture-quality standpoint.

System Resources' Gene Leonard pointed to burgeoning video game field and said that for first time a consumer-oriented device is spawning low-cost components (digital ICs) which are directly transferrable to broadcast industry. Tektronix's Charles Rhodes announced new analog-to-digital decoder at half price of previous models—now about \$1,200. Around this unit, Tektronix has put together video signal-testing system that can be used to verify proper performance of every device in video chain, with automatic printout in accordance with FCC logging requirements.

* * * *

Sony last week clarified stand on ABC-CBS proposal for compatible 1" broadcast VTR standards (Vol. 17:6 p2). "We're cooperating with the 2 SMPTE committees," said spokesman, "and we're in a dialog with the networks. We're tuned in on trying to come up with an approach [to compatibility]. Our people will get together with users and SMPTE and see what is wanted, and our omega machine will be retrofitted to meet any new interchangeability standards." In meantime, he said, Sony is following its sales plan, marketing recorder as it exists today, will show production model at NAB.

TV-radio correspondents' banquet is March 3, Washington Hilton, entertainment by singer Helen Reddy. White House correspondents' banquet at same hotel is April 30. President Carter is expected to attend both.

Cable definition was discussed again by FCC last week, and indications are final decision probably will provide that: (1) All systems under 500 subscribers will be relieved from most regulations. However, it's expected Commission will require that such systems respond to technical complaints, making certain that at least a minimum quality is provided and that interference is minimized; that they submit basic data to Commission each year; that they carry all local signals. Commission is likely to start rulemaking to explore whether restrictions should also be eased on systems in 500-1,000 range. MATV wasn't discussed, but sentiment is still generally against applying regulations to apartment buildings. There was no further discussion of defining systems on head-end, rather than community, basis. Likelihood remains that head-end basis will be adopted, with burden still on systems to prove that spill-over of imported signals into new areas is in public interest, through waiver application.

Add to March 28 "First Amendment Confrontation," to be moderated by CBS's Eric Sevareid, at NAB convention: Retired Sen. Pastore (D-R.I.), ex-chmn. of Communications Subcommittee; Sen. Proxmire (D-Wis.); FCC Comr. Washburn; ex-Comr. Nicholas Johnson, now NCCB chmn. Announced earlier were ex-Comrs. Lee Loevinger & Kenneth Cox (Vol. 17:5 p3). Earlybird panel on TV ascertainment and negotiations with local groups includes National Black Media Coalition Chmn. Pluria Marshall; Citizens Communication Center attorney Nolan Bowie; NOW's Kathy Bonk. FCC EEO Dir. Lionel Monagas will moderate. Similar panel for radio features activist lawyers Al Chambliss (New Orleans) & Garnell Stamps (Lynchburg).

KBSC-TV (Ch. 52) L.A. plans to start soliciting pay subscribers March 1, will begin toll programming April 1, according to Pres. Jerry Perenchio, of programmer National Subscription TV. He said station already has acquired rights to first-run movies, also will feature sports & special events on pay. Since buying station from Kaiser Bcstg. last year, NST has spent \$2.5 million for new tower, transmitter, studio, increased power to 5 megawatts. Subscribers will be charged \$25 deposit on Oak decoder, \$24.95 installation, \$17 monthly.

FCC deferred to May 1, from March 1, deadline for cable CAC filings by systems which hadn't filed previously. Acting on petition by CATA, Commission declined to exempt systems under 1,000 from filing; CATA had noted that FCC might eliminate or reduce regulation of such systems in its re-definition proceeding. Commission said it didn't want to pre-judge latter proceeding.

Rep. Heftel (D-Hawaii) lent his own campaign \$507,000, 90% of amount he used to get elected. He spent more than double (\$211,029) that of GOP opponent, State Sen. Fred Rohlifing, won by 6,200 votes. Rohlifing aide has charged that Heftel slanted campaign news coverage to favor Democrat on TV-radio stations Heftel then owned (Vol. 17:6 p6).

NBC affiliate KPLC-TV Lake Charles, La. names Katz rep.

SENATE REPORT RATES AGENCIES: First 2 volumes of massive Senate study finds large percentage of regulatory agency members are inept, rife with conflicts-of-interest, poorly supervised by Congress.

Approved unanimously by Committee on Govt. Operations under Sen. Ribicoff (D-Conn.), reports call for changes including: (1) Greater care in selection & confirmation of agency members. (2) Strict rules & restrictions covering their financial holdings & employment before & after service on agencies. (3) Single supervisor in White House in charge of recruiting appointees. (4) Eliminating White House clearance of top staff members.

Reports include responses of agency chairmen to questions regarding conflicts of interest. FCC Chmn. Wiley said he opposes excluding appointees with background in industry, noting Comr. Quello's "expertise & background has been of value to other members..." Wiley also opposed proposals to prohibit ex-members from practicing before Commission for 2 years, saying it would discourage recruitment of well-qualified members.

One report includes survey of lawyers, administrative law judges and members of Administrative Conference, getting their opinions of agency member performance. Of 8 agencies covered, SEC ranks highest in most categories. For example, respondents would favor reappointment of 70.62% (average) of SEC members; FCC ranks 3rd, with 51.2%, FTC lowest, with 35.6%. Of SEC members, 75% are ranked "effective"; FCC is 2nd with 55.5%; FTC lowest, with 40.8%.

FCC is ranked highest in "confidence in relationship with staff," rating 3.4 (with 1 highest rating); FTC & FPC are lowest with 4.3. FCC is lowest in "confidence in technical knowledge," with figure of 5; SEC is best with 3; FTC has 4.9. CAB is worst in "undue delay"; FCC is next worst; FTC is by far best.

Other ratings cover responsiveness to needs of industry, consumers, President, Congress; preparing for hearings; independence; competency; comparisons with previous agencies. (Foregoing are found in 568-page Vol. I, GPO, \$4.90.) Vol. II, 272 pages, \$2.70, takes Congress to task for poor job of oversight of agencies, suggests ways to improve.

Toledo TV stations have been bouncing back & forth in top 50 markets—under prime-time access rule (PTAR)—asked FCC to do something about it. Toledo will go back into top 50—based on Nov. Arbitron rankings—under PTAR in Sept. after being out last 2 years. Other markets which have been in & out include Salt Lake City (re-entering this fall), Greensboro-Winston Salem-High Point, Orlando, Syracuse, Wilkes Barre-Scranton, Little Rock, San Diego & Norfolk. While FCC refused Toledo stations' request to exempt them from returning to top 50, it began rulemaking: (1) Starting in Sept. 1980, to base top 50 on Arbitron ranking issued 34 months before (Nov. 1977). (2) For 1978-80 seasons, rankings also would be based on 1977 rankings. Comments are due April 1, replies May 2.

"The New Majority" is slogan of Canadian Cable TV Assn., which reports that more than half country's 6 million homes will be hooked to cable this year. CCTA Chmn. Phillip Lind & Pres. Michael Hind-Smith, in Washington recently, said a prime effort is to improve relations with broadcasters. Non-duplication protection has been great success, they said. Where Canadian stations generally offered U.S. network shows before U.S. telecasts, they're going in for simultaneous presentation, receiving protection on cable systems. In Toronto, according to CCTA, practice has increased stations' daytime audiences 85%, nighttime 60%. CCTA is pushing hard for pay cable, not yet approved by govt. Biggest opposition is from cultural groups which fear pay cable will increase "Americanization" of TV. Curiously, theater owners haven't said much. Canadian Radio-TV Commission will conduct hearings on pay cable in late May. Cable industry seeks to encourage adoption of pay cable by offering to contribute 15% of pay-cable gross to a program-production fund. One of industry's greatest problems is govt. move to add provincial & municipal regulation; currently, all regulation is federal—including franchising & rates.

Radio stations have been advised not to sign extensions of ASCAP licenses, which expire Feb. 28. ASCAP is seeking 16% raise (to 2% of all revenues), which would cost industry additional \$3.5 million annually. At Feb. 3 meeting, All-Industry Radio Music License Committee rejected proposal, made counter offer which would lower radio fees; another session is planned early March. Committee Chmn. Elliott Sanger said stations needn't sign extension because they'll have right to play ASCAP music after contracts expire. Dispute is expected to be settled by U.S. Dist. Court in N.Y.

Arbitron Nov. 1976 survey reports: (1) UHF households total 65.5 million, up 2 million in a year, reaching 90% of all TV homes. (2) Multi-set homes number 33 million, up 1.1 million. (3) Color-TV homes total 54.3 million, a 3 million increase. (4) Cable-served households total 10.5 million, up 1 million. (5) Total TV households reached 71.5 million, a one-million increase. Market-by-market report on foregoing, Arbitron TV Census, is available from all Arbitron offices.

"Power Brokers" titles article in March Penthouse magazine by Charles Lipsen, former NCTA and AFL-CIO lobbyist, assisted by Newsweek writer Stephan Leshner. Excerpted from forthcoming book "Vested Interests," article stresses Lipsen's services to members of Congress in matters of sex, drunkenness, etc.

Failure to provide non-duplication to KMVT (ABC affiliate) Twin Falls, Ida. has caused FCC to issue cease & desist order against CATV system there, owned by Magic Valley Cable Vision. KMVT alleged more than 450 instances of duplication.

NBC has reached out-of-court settlement with women's group, agreeing to pay \$2 million in back pay. Network also promised "goals & timetables" for increased employment & promotion of women.

PBS MEETING—'PEACE & LOVE': Unexpectedly, PBS annual meeting in Atlanta turned out to be quiet get-together at which stations, PBS & CPB decided to give partnership another try. "It was all peace and love," commented participant. Instead of expected strongly-worded resolutions supporting PBS in fight with CPB, member stations passed resolutions praising retiring CPB Chmn. Robert Benjamin (Vol. 17:6 p5) and reaffirming partnership.

In closed-circuit TV address from PBS' Washington studios, House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) told meeting that system's preoccupation with CPB-PBS relationship "has caused us to lose sight of the issues... The House Communications Subcommittee is prepared to do its share... Let's not duck them any longer."

Meeting got contrary advice from retired Senate Communications Chmn. Pastore (D-R.I.). He said PBS & CPB shouldn't take their problems to Congress, should instead work out differences themselves. Later, he met privately with PBS officials, told them in even stronger terms that PTV will suffer in Congress if it seeks legislative solution.

In other actions: (1) Members approved new 52-member board—combination of former board of governors and board of mgrs. However, on new board, "lay" representatives will continue to outnumber station mgrs. by over 2-to-1. (2) Chmn. Ralph Rogers appointed ad hoc committee to oppose FCC policy allowing unlimited imports of distant PTV signals by cable systems. (3) Board asked producers to avoid obscenity & violence.

CBS sales last year exceed \$2 billion for first time as company set records in revenue and earnings for 5th straight year (see financial table). Net income for year of \$164 million (income before taxes was \$330.7 million) was up 33%, and 4th-quarter results also set records. Bcst. Group sales exceeded \$1 billion, also for first time, with both radio & TV operations setting new highs in revenue & income. Broadcast contributed \$215.2 million pre-tax income, compared with \$115.5 million for other 3 groups (records, CBS/Columbia, publishing) combined... **Post-Newsweek** stations reported 1976 revenue of \$53.3 million, up from \$43 million in 1975, operating income of \$15.7 million, nearly double previous year's \$8.3 million.

At request of Worldvision, FCC extended deadline (from Feb. 14 to March 14) for reply comments to Worldvision's petition seeking to prohibit TV stations from syndicating programs domestically. Commission also granted Meredith request extending deadline for comments in CATV exclusivity rules from Feb. 14 to March 1, replies April 1.

Cox Bcstg. buys WWSH(FM) Philadelphia from United Artists for \$4.2 million... **Golden West Bcstg.** has purchased WCAR-AM-FM Detroit for \$5.5 million; Hy Levinson, principal owner of WCAR, will join Golden West as consultant.

Gulf Life Holding Co. will buy Rahall Communications, owner of WLCY-TV Tampa & 6 radio stations, in exchange of stock.

"The time has come" for broadcasters, sponsors & agencies to voluntarily reduce amount of commercial time in TV programs with large children's audiences, FCC Comr. Washburn told Miami U. conference Feb. 11. He noted prime-time and Sat.-Sun. mornings are limited to 9-1/2 min. per hour under NAB TV Code, Mon.-Fri. non-prime time to 12 min. in programs designed for kids (16 min. in other shows). NABB Dir. John Dalessio argued that all of TV programming is "immoral & unscrupulous," said for each "Roots" there are "12 shows like SWAT"—that some stations re-run such shows in afternoons to attract children. N.Y. Times TV Editor Les Brown charged networks are more interested in profits than service to public. ABC's Squire Rushnell said there have been many voluntary improvements in children's TV in recent years.

NBC confirmed that Moscow Olympics will cost it about \$100 million—\$72,366,667 to Russia (\$50 million for production facilities, \$22,366,667 for U.S. rights), plus \$12,633,333 to International Olympic Committee, plus \$12-\$15 million for talent, transportation, housing, etc. Payments will be in 18 installments over 3-1/2 years. NBC Pres. Herbert Schlosser said costs would have run \$100 million if event were held in London or Paris. Of 150 hours telecast, 65 will be prime time. It's understood that West German Lothar Bock, who helped NBC in negotiations, receives \$1 million for effort, and NBC is to buy several programs from him. Schlosser said no commitment of any sort was sought or given regarding NBC coverage of Russian life outside Olympics. Satra Corp., which claims it had the rights, is suing NBC for \$275 million.

CPB Pres. Henry Loomis appeared before both House & Senate Appropriations Subcommittee last week to request \$160 million for public broadcasting in fiscal 1980. Ford Administration had recommended \$115 million. Loomis received cordial reception from House subcommittee, but not from Senate subcommittee. Sole member attending latter hearing, Sen. Brooke (R-Mass.), repeatedly attacked CPB & stations' EEO record, said Committee wouldn't approve funds until CPB submits report on agency's minority employment practices.

Metz & Jarvis, cable consultants, acquire interest in their first system—Fairless Hills, Pa., 3,150 subscribers, price undisclosed. They're principals in Oxford Valley Cablevision, buying from Bucks County Cable TV Inc. Elmer Metz is pres.

TV network affiliates' conventions, all at Century Plaza Hotel, L.A.: ABC—May 9-12; NBC—May 15-18; CBS—May 24-25.

Tribune Co. (Chicago) earned record \$42 million in 1976, up 37% from 1975's \$30.7 million, attributed to strength in newspaper & broadcast divs.

Microwave Assoc. plans to acquire Digital Communications Corp. in stock transaction valued at more than \$3 million.

AML distributor for Canada, named by Hughes, is Micro-Sat (Mark Beggs), Pickering, Ont.

Personals

Edwin Vane, ABC Entertainment vp & national program dir., adds responsibility for coordinating all prime-time current series activities with Pres. **Fred Silverman**; **Lewis Erlicht**, ex-vp-gen. mgr., WLS-TV Chicago, promoted to vp-programs, east coast, new post; **Sug Villa** appointed feature films & late-night series mgr.

Joseph Flaherty, CBS-TV vp-engineering & development, advanced to vp-gen. mgr.; **Edward Denault** promoted to gen. mgr., CBS Studio Center, Hollywood; **Gail Trell**, ex-WCBS-TV N.Y. sales dir., named vp-sales, CBS TV Stations Div.; **John Purcell**, ex-Gannett senior vp-finance & business operations, appointed pres., CBS Publishing Group, succeeding **John Backe**, now CBS pres.

ABC-TV sales development dept. promotions: **Joel Cohen** to sales development dir.; **Allen Hirschman** to special projects dir., & **Irving Zimmerman** to production & traffic coordinator, new post.

James Ring promoted to children's program sales mgr., NBC-TV... **Ellen Ehrlick**, CBS office of social research, promoted to dir. of information services, CBS News, succeeding **George Hoover**, now NBC vp-press & publicity (Vol. 17:3 p7)... **Winifred Rowe**, ex-NBC-TV, joins ABC News as administration dir.

Frank Lloyd, exec. dir., Citizens Communications Center, named consultant to OTP with specific responsibility for developing Administration position on public broadcasting; **Luis Aragon** joins Citizens as staff attorney.

Harry Plotkin, Washington attorney, named a dir. of Viacom... **Frank Drendel**, Comm/Scope, announces candidacy for NCTA alternate dir. for associate members... **Richard Wartell**, NAB govt. relations dept., named regional mgr. for midwest (Kansas City hq), succeeding **George Dorrington**, who joins Cedar Rapids ad agency.

Steven Engles named gen. mgr., WROC-TV Rochester... **Joseph Rose**, ex-John Blair & Co., joins WMAL-TV Washington as finance & administration mgr.; **Eleanor Brown** named asst. to gen. mgr. for personnel & community affairs... **David Putnam**, ex-WAGA-TV Atlanta, appointed asst. gen. sales mgr. for national sales, WBTV Charlotte.

Paul Simon advanced to vp-research dir., KTTV L.A... **Tim Van Galder** appointed sports dir., KMOX-TV St. Louis... **Ward Chamberlin**, WETA-TV-FM pres., addresses Feb. 17 luncheon of National Conference of Black Lawyers communications task force... **Janie Culos** named press & publicity dir., WTTG Washington.

Charles Jackson, ex-special asst. to chief, FCC Common Carrier Bureau, one-time engineering asst. to Comr. Robinson, joins staff of House Communications Subcommittee as engineering asst.; **Carolyn Sachs**, ex-consultant to N.Y. State Commission on Cable TV and one-time instructor, U. of Pa. Annenberg School of Communications, named staff asst.

John Sturm, legal asst. to FCC chmn., joins

WEEKLY Television Digest

with

Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

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Also publishers of annual Television Factbook and weekly TV, AM-FM & CATV Addenda, CATV Atlas and other special publications

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NBC Washington as senior attorney, succeeded by **Roderick Porter**; **Willard Nichols** replaces Porter as special asst. to chmn... **Robert Strahota** joins Kirkland, Ellis & Rowe, Washington law firm.

Michael Occhiogrosso, ex-SSC&B, named vp-research, Arbitron... **Marshall Snyder** promoted to vp-gen. mgr., Arbitron Operations & Production; **A. J. Aurichio** advanced to vp-gen. mgr., Arbitron Radio; **Jane Mulhern** promoted to Arbitron TV production mgr.; **Max Goldberg**, ex-Advertising Agency Assoc., appointed Arbitron Advertiser Agency Sales western mgr.

John Whitesell appointed Warner Bros. TV vp-foreign sales, succeeding **Berry Greenberg**, exec. vp-worldwide distribution, who retires July 1; **Ken Joseph**, vp-domestic syndication sales, resigns to form own TV distribution firm... **Arthur Zeiger** & **Elliott Abrams** appointed Viacom vps, will head program acquisition and prime-time network development activities.

Eugene Foley elected vp-treas., John Johnson vp-finance, RCA Global Communications... **John Cook**, ex-WIBG(AM) Philadelphia, named eastern sales mgr., Compu/Net... **William Breda**, Blair TV Station Div. CBS team sales mgr., N.Y., appointed a vp... **Edna Johnson**, Baltimore Urban League consumer services dir., appointed a public member of National Advertising Review Board.

Henry Maynard, ex-Telemation chief engineer, joins Dynair Electronics as vp-engineering... **Ron Devillier**, ex-KERA-TV Dallas, named PBS acquisitions dir... **Malcolm Wall**, Miss. ETV network programming dir., appointed Southern Educational Communications Assn. network programming dir... **R. Dennis Fraser**, ex-Telemation, appointed Best. Equipment Div. mgr., NEC America.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Jan. 28 (4th week of 1977):

	Jan. 22-28	1976 week	% change	Jan. 15-21	Jan. 1977	Jan. 1976	% change
Total TV.	270,343	263,795	+2.5	279,904	963,845	834,034	+15.6
color	167,117	153,600	+8.8	171,218	605,244	496,314	+21.9
monochrome	103,226	110,195	-6.3	108,686	358,601	337,720	+6.2
Total radio	634,651	688,447	-7.8	688,497	2,335,549	2,293,984	+1.8
home, portable . .	425,023	435,418	-2.4	440,100	1,354,439	1,346,222	+0.6
AM-only	96,101	107,462	-10.6	150,224	507,621	296,330	+71.3
FM & FM-AM . .	328,922	327,956	+0.3	289,876	846,818	1,049,892	-19.3
auto	209,628	253,029	-17.2	248,397	981,110	947,762	+3.5

Color TV 5-week moving average: 1976-77-149,662; 1975-76-123,223 (up 21.5%).

(For analysis of Jan. results, see p. 11)

CB SALES—BARGAIN 23s STILL KEY: CB sales through first 6 weeks of 1977 were encouraging—with Jan. license-application rate expected to hit record million-unit level—but market is still centered on low-priced 23s; new 40-channel units are off to shaky start. That's consensus of leading CB producers, most saying bulk of 23s won't clear pipelines until spring—or later.

"We've got to get rid of those 23s before 40-channel will do anything," SBE Pres. David Thompson told us. "We might just as well bite that bullet." Added Radio Shack exec: "It's a good market, and we're selling more pieces of equipment than ever, but we're not getting the dollars. As long as the 23s are there, the 40s won't sell."

Just how many 23-channel units are still there, and current 23-to-40 sales ratio, is open question among suppliers. In many cases, estimates seemed to depend on size of 23-channel inventories firm was stuck with when year began; those with low inventories generally said 40-channel sales were healthier than those with high 23 carryover. In general, Jan. 1 inventory level was put at 2-3 million, with following range for sales through first quarter: Jan.—500,000-600,000 23s, 100,000-200,000 40s sold; Feb.—350,000-500,000 23s, 200,000-300,000 40s; March 250,000-400,000 23s, 250,000-400,000 40s.

Current inventory level of 23s is roughly 1.6-1.7 million, and majority of producers said pipelines should be cleared by end of April. "If we have just 2 more months that even approach Jan. in license applications, 23s will dry up during April," according to Hy-Gain Vp Ted Andros. "But if it drops down to the 400,000 level again, the 23s could last until June."

Market for 40-channel units will pick up sharply in spring, GE Personal Communications Products Mgr. John Dullmeyer says, as 23 inventories are depleted, consumers begin receiving income tax refunds and summer vacation season begins. Most immediate problem, according to Dullmeyer and other suppliers, is impact of severe weather on sales. If cold spell continues through Feb. into March, result will be not only over-all slowdown in CB sales but delay in conversion from 23 to 40-channel market.

Buyers at PC '77 Show in Las Vegas this week probably will find selected 23-channel dumps still available, according to most suppliers, but those we talked with indicated bargains would come from other firms—not them. "It's the old 'I-don't-have-'em, but everybody-else-does' syndrome," one producer told us. "But there are plenty of 23s left at the manufacturer level to make for some pretty good deals."

Question uppermost in minds of CB firms is how well pricing structure of 40-channel market will hold up under pressure of \$39.95 low end established for 23s. "Once the 23s are gone, prices will be fairly firm on 40s," according to Panasonic National CB Sales Mgr. Dan Stoltz. "But you'll see some sharp promotions on 40-channel from time to time." Boman 40-channel unit has already shown up at \$79 on West Coast in May Co. promotion, and ads for \$99.95 GE are cropping up around country. "I think the low end will hit the \$99.95 level," Pathcom Sales Mgr. Robert Morrison says. "But as the 23s dry up, and it's happening quickly, I think the consumer will shift back to the \$150-\$180 price range. That's what he was doing in 23 a year ago. He wasn't buying the low-end stuff, but the mid-range and higher-end units."

If consumer can be convinced that 40s are as good as 23s, that is. Every producer contacted complained that dealers persist in believing 40s have lower power due to new FCC specs. "It's one of our biggest problems," Dynascan Mktg. Dir. Jon Passini told us. "We're doing everything we can to prove that it's just not true, but the myth hangs on. It's a tough one to fight."

IMPORTS TOOK HALF OF 1976 TV MARKET: In 1976, imports provided majority of new sets in U.S. market for first time for any calendar year. Cross-over from domestic-made to import domination of market came in 4th quarter when imports climbed 71.4%, while increase in U.S. output was held to just 1.4%, our analysis of Commerce & EIA data shows.

TV imports' market share was key topic during ITC TV escape-clause hearings last month (Vol. 17:3 p7; 17:4 p3), and will be major consideration in its deliberations on industry request for import protection.

On new-supply (production) level, imports represented 50.7% of total TV market (color & b&w), up from 39.4% in 1975, with color share rising to 34.6% from 19.5%, b&w climbing to 72.9% from 67.3%. Last year's imports were equivalent to 53% of EIA's total TV factory sales figure (up from 36%), 36% of color (from 18%), 78% of monochrome (from 60%). In terms of sales to dealers, imports equaled 55% of total TV (from 37%), 37% of color (up from 19%), 83% of b&w (from 60%). If you move sets assembled in U.S. using imported chassis & kits over to import column, imported share of color goes up 5-6%, b&w 2-3%. Excluding consoles and leaving only area where domestic & imports are in head-to-head competition, imports had 49% of color market (up from 29%) and 74% of b&w (up from 68%).

In final quarter, imports accounted for 55.7% of new supply, up from 42.7%, setting record for period, but falling below all-time 59.2% of 3rd quarter (Vol. 16:46 p8). Imports' share of color in Oct.-Dec. rose to 39.3% from 25.9%, while in b&w it jumped to record 79.4% from 67.1%.

There's no sign TV import boom will slow soon. Japanese Finance Ministry reports TV exports to U.S. in Dec. jumped 108.8% to 405,900, with color up 26.2% to 297,200, b&w up 72.7% to 108,700. For full year, Japan exported 4.35 million TVs to U.S., up 133.6% from 1975, including 2.96 million color (up 143.7%), 1.39 million b&w (up 114.5%). CB exports, however, have come to standstill. Dec. exports of 733,900 were up just 6%, though cumulative 1976 shipments of 13.1 million were up 249.6%. Here's our picture of 1976 at production-plus import level:

U.S. TV SUPPLY—1976 VS. 1975

	U.S. Produced*	% change	Imports	% change	Total market	% change
Total TV, 1976	6,971,000	+8.1	7,161,000	+70.9	14,131,000	+32.8
1975	6,447,000		4,190,000		10,637,000	
color, 1976	5,360,000	+7.1	2,834,000	+133.3	8,194,000	+31.8
1975	5,004,000		1,215,000		6,219,000	
b&w, 1976	1,611,000	+11.6	4,327,000	+45.4	5,937,000	+34.4
1975	1,443,000		2,975,000		4,418,000	

Total TV, 1976	1,701,000	+1.4	2,141,000	+71.4	3,842,000	+31.3
1975	1,677,000		1,249,000		2,926,000	
color, 1976	1,377,000	+7.2	891,000	+98.4	2,268,000	+30.8
1975	1,285,000		449,000		1,734,000	
b&w, 1976	324,000	-17.3	1,250,000	+56.3	1,574,000	+32.0
1975	392,000		800,000		1,192,000	

*Includes TV assembled from imported chassis & kits.

LINEAR AMP BAN: FCC issued 2 rulemaking proposals sure to draw fire from amateur radio community: (1) Ban on linear amplifiers in 25-35-MHz band. (2) Mandatory type-acceptance of all amateur equipment. Controversial nature of both proposals prompted Chmn. Wiley to issue statement assuring hams he will keep open mind, hopes comments might result in more acceptable alternative approach.

Linear amps have been particular problem for FCC, since most have been sold ostensibly for use in amateur bands where they're legal. As 10-meter amateur band is adjacent to 11-meter CB band, it's easy to use them with CB rigs, boosting power from allowable 4-watt limit as high as 10,000 watts. High percentage of CB-TVI complaints have been traced to linear amps, and FCC has found enforcement almost impossible.

Amateur type-acceptance proposal also is aimed partly at interference problem and will encompass linear amps operating outside 25-35-MHz band. Spokesman said type-acceptance wasn't necessary for amateur equipment when most of it was built by technically qualified hobbyists following strict standards, but now much of it is produced by those without qualifications or specialized gear. Built into amateur type-acceptance rules, he stressed, will be appropriate exemptions from one-of-a-kind hand-made units. Though linear amps would still be legal outside CB-adjacent bands, type-acceptance procedure is seen as way to eliminate those which can easily be modified for use with CB. Comment & reply dates aren't set. FCC also approved use of wireless microphones on TV Ch. 7-13.

Comments by Wiley before House Appropriations Subcommittee, now considering FCC budget: (1) Recent estimates by Safety & Special Bureau show unlicensed CB operation "may be down" to about 10% from 30% year earlier, due to licensing system changes. (2) License applications in Jan. should hit nearly million and FCC doesn't expect any significant downtrend in next few months. (3) License processing backlog has been cut to 2 weeks from "several months" year ago. (4) Results of comprehensive planning effort on CB radio future are expected by fall.

Admiral isn't for sale, Rockwell Pres. Robert Anderson said at press conference following annual meeting last week. "We're in the business to stay," he said, acknowledging Rockwell has had talks about possible cooperative ventures with other companies, but no "definitive discussions."

GOOD JAN. SALES: Considering weather & energy crises, Jan. color & monochrome sales to dealers were excellent (for figures, see State of the Industry, p. 9). As noted last week (Vol. 17:6 p7), month's color sales almost certainly would have set record had it not been for final week's downturn (they were only 22,500 below Jan. high, set in 1973). Sales continued at good clip in Feb., first week's color shipments totaling 162,500, up 37% from same 1976 week and only about 5,000 sets below record for first Feb. week, set in 1973.

Color sales to dealers, at 605,244 for month, didn't match Jan.'s nearly 659,000 in production plus imports, up 27.5% from Jan. 1976. All, or almost all, of increase was represented by imports, which rose from 124,000 in Jan. 1976 to at least 250,000 this year. Factory shutdowns & energy crisis obviously aren't going to cause shortages—major crimp was in sales, not supply. Factory-plus-distributor inventories at end of Jan. totaled about 2,076,000, up 19% from year earlier; factory stocks at 1,177,000 up 36.2%, and distributor inventories of 899,000 up 2.3%. During month, total inventories rose by about 45,000 (2%)—factory inventories up 48,000 (4%), distributor supplies dropping by 3,000 (0.3%).

RCA color TV distributor sales to dealers set record for any Jan. in history, despite weather problems, company announced. Sales exceeded year earlier by 31%, Consumer Electronics Mktg. Vp Jack Sauter said, surpassing previous record set in Jan. 1969, which had 2 more sales days than 1977 month. Increase was sparked by "Bargain Days" promotion featuring lower prices on 8 models. To help dealers & distributors in 22 markets affected by weather & fuel crisis, RCA is providing ad support to extend promotion through Feb. and has arranged to postpone consumers' installment payments on RCA set purchases.

Mergers & acquisitions: Beatrice Food agreed in principle to acquire Harman International for shares valued at about \$105 million (Vol. 17:3 p10)... **Antennacraft** acquired TV & CB antenna producer Antenna Designs from Sterling Electronics, price undisclosed... **BSR** (U.S.) has acquired Uni-Syne, Cal.-based producer of commercial sound reinforcement equipment, price undisclosed... **Bell & Howell** is planning to dispose of 3 subsidiaries: B&M Communications, Composite Microcircuits, Ditto. Company said it has established \$6 million reserve to cover possible losses on transactions... **RCA Ltd.** (Canada) sells R&D labs to MPB Technologies Inc., formed by 15 former RCA scientists & technicians.

TOWARD VTR 'STANDARD': Adoption of Sony's 2-hour "Beta format" home videocassette specs by Zenith for U.S. and Toshiba & Sanyo for U.S. & Japan sale (Vol. 17:6 p7) effectively narrows home VTR standards race down to 2 entries, JVC's VHS system being the other. V-Cord II was eliminated when its developers Toshiba & Sanyo crossed over. Matsushita's VX-2000, now being fanned out on U.S. market by Quasar, has appeal because of relatively low price (\$995), but it's doubtful that any other brand will embrace that format.

Whether standards race is over and Sony has won depends largely on choices by Zenith's U.S. competitors—principally RCA. If RCA should choose VHS, existence of 2 standards here could be completely viable. With Zenith, Sony, Sanyo, Toshiba, and presumably Sears, embracing Betamax, Sony's format would gather adherents representing some 42% of U.S. color TV market. If RCA & Magnavox should settle on VHS, along with Panasonic and eventually Quasar and U.S. marketers of Hitachi, Mitsubishi (MCA) & Sharp, that system would have about 38.5% TV-share backing.

Major questions in standards puzzle: (1) Can JVC & Matsushita crank up VHS production quickly enough to deliver sizeable quantities this year and cut down Sony's lead? (2) Can JVC stop defections to Betamax by its still-not-firmly-committed adherents (Hitachi, Mitsubishi, Sharp)? (3) If RCA and/or Magnavox should decide to go Betamax, could they get any meaningful supply of decks this year?

In Japan, neither MITI nor EIA-J has indicated any timetable for official standardization, but Japan Video Assn. appeared to be willing to adopt 2 standards—Beta & VHS. Best guess is that EIA-J, when & if it acts, will "standardize" on whatever system or systems are being marketed actively at the time—again probably Beta & VHS. Meanwhile, Matsushita says it's cranking up production of VX-2000 for fullscale U.S. marketing by Quasar, but is mum on status of VHS production at its Okayama VTR plant.

Although prices haven't been firmed for 2-hour Beta machine, at tentative Japan-market price of \$970 it would be about \$85 more than VHS, but blank Betamax cassettes sharply underprice those for VHS. Betamax cassette which will record for 2 hours on new Beta machine lists at \$13 on Japan market, is discounted to about \$11.40, while VHS 2-hour cassette costs \$20, is not yet available in quantity.

Sony America reports no let-up in demand for current one-hour Betamax, although its officials are said to be giving much attention to problem of easing transition from new 2-speed (one- & 2-hour) machine, which will be introduced at its spring convention. It's good guess that Sony already is starting production of 2-hour machine, tapering off on one-hour version—and this could cause greater shortages of machines or perhaps even suspension of deliveries during changeover.

At Sony Japan, top priorities are being given to: (1) Developing high-speed tape duplication machine

to make possible mass distribution of recorded tape. (2) Increasing output of critical Betamax head assembly.

If home videocassette becomes important mass-market product, how will it affect plans for video disc? Prime disc proponents Magnavox, Philips, RCA & Zenith continue to maintain the 2 products are "non-competitive." Nevertheless, VTR & disc player can be assumed to appeal to many of same prospective purchasers, and it's inconceivable that many families will buy both within 2-3 years of each other. Therefore, VTR boom could well skim top off videodisc market, slowing down growth of newer medium. Result eventually could be 2-tier market—record-&-play instruments (VTRs) at high end, play-only (disc players) at bottom.

Warning list for underdeveloped countries which will probably lose duty-free treatment for specific products exported to U.S. because 1976 imports rose to cut-off limits specified in law (Vol. 15:48 p9) was released last week by Office of Special Representative for Trade Negotiations. Country loses preferences for specific product when value of duty-free imports from there hits \$29 million or accounts for 50% of total imports. Taiwan will be dropped from duty-free rolls for tape players, radios, transceivers & under-16.5" b&w picture tubes; Hong Kong & Korea for radios; Mexico for switches. Official list of deletions is due next month.

Philips/MCA videodisc system will be demonstrated and Magnavox, Philips & MCA officials will answer questions about it at ITA seminar April 3-6 at Hilton Head Island, S.C. Workshop on videotape/videodisc consumer market will feature talks by Sony American Pres. Harvey Schein, North American Philips Vp Robert Cavanagh & MCA Disco-Vision Vp Norman Glenn. For details: Larry Finley, ITA, 10 W. 66th St., N.Y. 10023 (212-787-0910).

International trade in electronics earned U.S. \$1.4 billion last year, all surplus provided by computer & instrumentation equipment, Commerce Dept. said in preliminary report. U.S. showed trade deficit of \$1.67 billion in combined consumer-telecommunication product classification, with imports of \$3.67 billion, exports of \$1.99 billion. Also in red was semiconductor-electron tube trade, which posted imports of \$1.23 billion, exports of \$931 million, for \$302-million deficit.

Final production of Hy-Gain CB line is done at own Puerto Rico plant using parts & sub-assemblies shipped in bulk from Japan by Cybernet & other suppliers. FCC list of OEM CB producers (Vol. 17:4 p7&11) incorrectly noted Cybernet as producer of Hy-Gain line.

CTS is closing Paducah, Ky. speaker plant which has been on strike 20 months. CTS said it couldn't resolve labor problems there, will transfer executives either to Brownsville, Tex. plant or Elkhart, Ind. hq. Paducah facility had employed 475. CTS also has 2 plants in Mexico.

GTE TV IMPROVES: GTE reported record 1976 sales & earnings, Consumer Electronics Products Group contributing with higher sales, reduced loss. Results for Group, included with those of GTE in financial table (see p. 14), reflect both U.S. (Sylvania) & foreign consumer electronics & components operations. For year, Group sales rose 10.5% to \$728.7 million, while 1975 loss of \$27.7 million (including \$8 million writeoff for closing Brazilian operation), was trimmed to \$16 million. In 4th quarter, Group's sales rose 11.9% to \$230.2 million, but loss increased to \$3.7 million from \$1.3 million. GTE said Group's color TV sales increased in Europe and color tube sales had general increase, with strongest gains made in Europe.

E. F. Johnson threw \$3.3 million into CB red ink pool in form of inventory writeoff, resulting in \$4.8 million 4th quarter loss, cutting net for year to \$260,000. Company said indicated 87% drop in 4th-quarter sales was result of accounting adjustment to reflect effect of price protection program on distributor CB inventories, some of which were sold in earlier quarters. For year, company sales were up 13.7%.

Automatic Radio reported \$263,000 operating loss, before \$1.4 million received from Ford in settlement of antitrust suit, in opening quarter to Dec. 31, on 20.1% decline in sales.

Morse's long-delayed annual report for year to March 31, 1976, shows total audio equipment sales fell 15.3% to \$110.1 million. Product sales breakdown (in millions): Consoles \$46 (up 7.1%), compacts & components \$50.8 (down 13.3%), musical furniture \$6.05 (down 57.7%), other \$7.26 million (down 49.2%). Morse said results were affected by price cuts to meet competition and reduce inventory. Report notes Martin Dubilier, who joined Morse as consultant, is now pres. & chief exec., posts formerly held by Chmn. Philip Morse; Gerald Zarin is now senior vp, finance & accounting, replacing former Finance Vp Marvin Adler, now a consultant; Paul DiPietro has succeeded Edward Rabin as secy.-treas.

SBE posted loss in opening fiscal quarter as sales dropped by 49%.

Capehart profit jumped 180% in fiscal 3rd quarter despite 12.4% sales decline. For 9 months, sales were down 2.8%, operating loss shrank to \$580,000 from just under \$4 million.

Motorola reported 1976 & 4th-quarter profits doubled, despite special \$2.5-million charge finalizing 1974 sales of TV business (Quasar) to Matsushita. Motorola said semiconductor operation was strongest contributor to sales & earnings gains, while communications & automotive products showed healthy increases.

Lafayette profits fell by half in fiscal 2nd quarter & half as sales held about level.

Ad notes: Zenith signs Pete Rose, Cincinnati Reds, as spokesman for color TV... **Advent** names Y&R Chicago for video projectors, replacing ABCD Adv., which retains audio products... **TEAC** appoints Y&R L.A., replacing Dentsu.

CABLE TV GAMES: Interactive cable TV service which will permit subscribers to play games with each other and against central computer as well as participate at home in TV programs & events is scheduled to be inaugurated late this year by Warner Cable's Columbus, O. system (see p. x). Meanwhile, Ralph Baer, Sanders Associates consumer products development mgr., generally given credit for inventing video game concept, said "meaningful technical & marketing assault on one-way cable games" is now possible.

Warner system uses small 5-button home terminal developed jointly with Japan's Pioneer Electronics. Although Warner recently purchased video game producer Atari, Columbus system was developed before acquisition. However, Atari Pres. Nolan Bushnell told us his company is working with Warner on basic aspects of 2-way cable programs. Feasibility of using games with one-way cable was demonstrated in Boston area through joint transmission conducted by Sanders & Warner Cable, with larger Sanders-Warner experiment using 2-way Akron system for one-way game transmission.

Though several types of interactive games can be accommodated by one-way cable, Baer said in speech at recent San Francisco Gametronics Convention, most interesting development during Boston test was transmission of colorful playing field plus 4 randomly moving hockey players, 2 goalies and 2 forwards. Sanders receiving equipment recognized field & players in real time, introduced them to game logic circuitry and permitted interaction between transmitted symbols and locally generated players controlled manually.

Cable could also be used for microprocessor-controlled games, Baer said, with digital data on game rules, character symbols, etc., transmitted to storage equipment on receiving end. Other possibility is "What's My Line?" type viewer-participation game. Big question mark is whether cable industry can be motivated to move in this direction before 2-way systems are widespread.

Among other future game possibilities envisioned by Baer: (1) Interactive games via phone lines using remote data base linked to home. (2) Pre-recorded home VTR or disc programs permitting interactive games. "Once videotape or disc home entertainment systems have become a widely accepted consumer product," he said, "game-playing capability will be one of the things you will find in every machine."

Watch watch: Gillette dropped electronic watch line, said 4-month market test of \$40-\$75 digital watches showed market pricing is too low to make business sufficiently profitable. Company remains in consumer electronics with home fire alarm... **Litronix** is laying off 600, closing Mountain View, Cal. & Singapore watch & calculator plants as part of cost-cutting program aimed at reducing consumer product losses. Company said employment in Feb. should be 3,000, down from worldwide total of 4,200 last Sept... **National Semiconductor** offers clock module for auto, boat & aircraft OEMs at \$25 in 100-unit lots. Four-digit display automatically blanks when ignition is off, dims by 1/3 when headlights are on.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Automatic Radio			
1976-qtr. to Dec. 31	14,635,000	1,112,000 ^a	.46
1975-qtr. to Dec. 31	18,311,000	1,865,000 ^a	.77
Capehart			
1976-9 mo. to Dec. 31	36,780,000	(580,000)	--
1975-9 mo. to Dec. 31	37,853,000	(691,000)	--
1976-qtr. to Dec. 31	15,666,000	545,000	.24
1975-qtr. to Dec. 31	17,882,000	164,000	.07
CBS			
1976-year to Dec. 31	2,230,576,000	163,995,000	5.75
1975-year to Dec. 31	1,938,867,000	122,903,000	4.30
1976-qtr. to Dec. 31	660,149,000	47,887,000	1.68
1975-qtr. to Dec. 31	574,722,000	35,668,000	1.25
Columbia Pictures Industries			
1976-6 mo. to Dec. 25 ^b	174,545,000	21,908,000 ^a	2.64
1975-6 mo. to Dec. 27 ^b	176,660,000	9,116,000 ^a	1.10
1976-qtr. to Dec. 25 ^b	84,792,000	3,422,000 ^a	.41
1975-qtr. to Dec. 27 ^b	86,886,000	6,382,000 ^a	.77
Conrac			
1976-year to Dec. 31 ^b	121,944,000	5,322,000	3.51 ^c
1975-year to Dec. 31	90,427,000	3,567,000	2.41 ^c
1976-qtr. to Dec. 31 ^b	27,851,000	1,238,000	.80 ^c
1975-qtr. to Dec. 31 ^b	25,698,000	1,066,000	.72 ^c
CTS			
1976-year to Dec. 31	157,136,470	12,772,898	2.73
1975-year to Dec. 31	121,000,362	8,281,477	1.78
GTE			
1976-year to Dec. 31	6,750,898,000	453,233,000	3.29
1975-year to Dec. 31	5,948,395,000	388,157,000	2.88
1976-qtr. to Dec. 31	1,849,586,000	144,857,000	1.06
1975-qtr. to Dec. 31	1,652,210,000	123,452,000	.92
Interpublic Group			
1976-year to Dec. 31	203,121,000	10,735,000	4.50
1975-year to Dec. 31	177,991,000	7,918,000	3.45
1976-qtr. to Dec. 31	62,040,000	4,505,000	1.86
1975-qtr. to Dec. 31	53,384,000	3,573,000	1.55
E.F. Johnson			
1976-year to Dec. 31 ^d	82,014,000	260,000	.10
1975-year to Dec. 31 ^d	72,110,000	5,048,000	2.36
1976-qtr. to Dec. 31 ^d	2,916,000	(4,773,000)	--
1975-qtr. to Dec. 31 ^d	22,942,000	1,808,000	.71
Lafayette Radio & Electronics			
1976-6 mo. to Dec. 31	50,005,000	685,000	.31
1975-6 mo. to Dec. 31	49,151,000	1,325,000	.60
1976-qtr. to Dec. 31	29,755,000	483,000	.22
1975-qtr. to Dec. 31	28,891,000	919,000	.42
P.R. Mallory			
1976-year to Dec. 31 ^b	322,820,000	10,231,000	2.53
1975-year to Dec. 31	235,558,000	2,026,000	.52
1976-qtr. to Dec. 31 ^b	87,711,000	3,069,000	.71
1975-qtr. to Dec. 31 ^b	68,476,000	(102,000)	--
Masco			
1976-year to Dec. 31	423,234,000	47,050,000	1.80
1975-year to Dec. 31	310,862,000	33,674,000	1.32
1976-qtr. to Dec. 31	96,660,000	9,990,000	.38
1975-qtr. to Dec. 31	83,624,000	8,160,000	.32
Motorola			
1976-year to Dec. 31	1,504,431,000	85,397,000	3.01
1975-year to Dec. 31	1,311,771,000	41,127,000	1.46
1976-qtr. to Dec. 31	412,431,000	23,390,000	.82
1975-qtr. to Dec. 31	356,006,000	12,140,000	.43
SBE			
1977-qtr. to Jan. 31	3,635,000	(363,000)	--
1976-qtr. to Jan. 31	7,183,000	622,000	.76
Times Mirror			
1976-year to Dec. 31	975,640,000	69,513,000	2.05
1975-year to Dec. 31	806,966,000	47,240,000	1.40
1976-qtr. to Dec. 31	260,927,000	20,492,000	.60
1975-qtr. to Dec. 31	217,784,000	12,165,000	.36

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
UA-Columbia Cablevision			
1976-qtr. to Dec. 31	5,583,000	587,000	.35
1975-qtr. to Dec. 31	4,679,000	458,000	.27
Washington Post			
1977-year to Jan. 2	375,729,000	24,490,000 ^a	2.72 ^c
1975-year to Dec. 28	309,335,000	12,042,000	1.27 ^c
1977-qtr. to Jan. 2	110,881,000	9,438,000	1.05 ^c
1975-year to Dec. 28	86,107,000	5,540,000	.59 ^c
Wometco			
1977-year to Jan. 1	202,167,000	15,230,000 ^a	1.77 ^c
1976-year to Jan. 3	180,677,000	11,615,000 ^a	1.35 ^c
1977-qtr. to Jan. 1	61,990,000	5,137,000 ^a	.60
1976-qtr. to Jan. 3	59,083,000	3,957,000	.46

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

Trade Personals

Derek Moon, Garrard U.K. managing dir., named to head U.S. operations, succeeding **Murray Rosenberg**, resigned, plans unannounced... **Donald Green**, ex-Coleco, joins Magnavox as video games national sales mgr... **Jane Davis**, ex-EIA Govt. Div., joins GTE as govt. relations asst. vp... **Jerry Brandeberry** advanced at National Semiconductor to U.K. managing dir. & European technical dir., succeeding **Roy Thiels**, now MOS/LSI Operations Group dir.

Jack Kiewit, ex-Litronix consumer products national sales mgr., joins Fairchild Consumer Products Div. as Video Entertainment Systems sales mgr... **Charles Duke** promoted at Teaberry from region to national sales mgr... **Thomas Needles** advanced at Koss North America from exec. vp to pres., succeeding **Gerald Parshalle** who resigns but continues on board.

Hugh Craton shifts at RCA Distributor & Special Products Div. from national & special accounts mgr. to southeast region sales mgr., new post... **Robert Gillespie** advanced at Canadian GE to vp & div. exec. for new Consumer & Construction Products Div... **Loren Ryder**, ex-Magnavox, appointed MGA southwest region mgr. for TV & hi-fi; **William Slaughter**, ex-Magnavox, named for midwest; **Larry Scott** advanced to Home Appliance Div. sales dir.

Ron Stephens advanced at General Instruments Microelectronics Group from special asst. to Gen. Mgr. **Edgar Sack** to gen. mgr. for microelectronics, succeeding **Jeffrey Stein**, resigned... **Craig Wilson** appointed Signetics telecommunications products mktg. mgr.; **Thomas Marshall** named MOS microprocessor business mgr... **Bud Frye**, onetime Fairchild Optoelectronics Div. vp-gen. mgr., named pres. of Integrated Technology, new electronic watch chip producer; **John Marshall**, ex-Micro Power & Intersil, joins as exec. vp.

James Pratt joins Sylvania Parts Div. as connector products mktg. mgr... **Robert Taylor** promoted to Sylvania Replacement Mkts. Operation personnel & group services mgr.

WEEKLY

Television Digest®

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FEBRUARY 21, 1977

VOL. 17, NO. 8

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NATPE—CROWDED BUT DULLER than most past conventions. 'A lot of good talent was wasted.' Van Deerlin seeks help on rewrite of Act; McGannon & Grossman agree. Sheinberg hits 'insidious threat' of Sony Betamax. Wiley sees 'govt. protection against gross abuse' justified. (P. 1)

TV 'TURNING OFF' VIOLENCE: 'Turn the TV Off' week is set for Feb. 27-March 5. NAB TV Code board sets meeting with NCCB, AMA & PTA representatives. Wiley testifies at Hartford PTA hearing. (P. 3)

SHAKEDOWNS FOR PAYOLA by WOL(AM) disc jockeys are charged at FCC hearing. (P. 4)

HOUSE REWRITE ADVANCES as Communications Subcommittee holds organizational meeting, staff briefs members on goals and timetable. Additional advisory groups unveiled. (P. 5)

AFFILIATES MOOD VARIED as network execs. meet with stations during NATPE. ABC 'bullish.' NBC & CBS promise less violence. Howard expects profit from 1980 Moscow Olympics. (P. 5)

NCTA BOARD POSITIONS firmed on rewrite, Bell bill, leased channels, rural service, FAA issues. Dues adjustments voted. Aaron chmn. in uncontested slate. (P. 5)

NATPE—CROWDED BUT DULLER THAN MOST: "It just didn't take hold...nobody ever got excited...a lot of good talent was wasted," group station head opined last week toward end of NATPE conference in Miami Beach. He cited Communications Act rewrite panel as example, noting there was no interplay among big names on panel & "discussants." Most other delegates and govt. participants we queried agreed.

This isn't to say that convention—attended by record 2,211—could be deemed anything but success, with everything bigger & better than ever. Nearly all of over 10-dozen syndicators present said they were happy with results, although there was little program buying—mostly because of high prices for syndicated product. "The prices they're asking are outrageous," said Elmer Jasan of independent WDBR-TV Louisville. "I'm holding off."

House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) wrapped up Feb. 14 rewrite panel, obviously irked by some of what he'd heard from network, station, assn., programmers, cable and other spokesmen—most of whom said no major restructuring of Act is needed. Arguing that rewrite is needed because of upcoming revolution in technology, Van Deerlin said: "I hope that I can persuade you...I'm reaching out for support...We're not the first nation in the application of technology. [It's] going to tax the best that all of us can bring to bear."

Consumer Electronics

PC '77 DRAWS BIG crowd of bargain hunters, as buyers, concerned with 23-channel inventories & public acceptance of high-priced 40s, hold back. FCC plans & rumors of power-shy 40s are major floor & seminar topics. (Pp. 7 & 10)

RCA TAIWAN expanding to production of color chasis, believed for upcoming 13" model, a size not now in line. (P. 8)

TINYVISION STARRED in 1976 color market, as 13" & 11"-12" sizes scored biggest gains at new supply level. Remotes also up as portables increase market share to 70.6%. Domestic portable-table production down for year. (P. 8)

DEALERS EMBRACE VTR—65% of traditional retailers on our EWR panel already offering it, and most of rest plan to have it this year. Betamax dealers eye Quasar as 2nd line. (P. 9)

BETAMAX EXPANSION planned by Sony includes doubling capacity of main plant, production in 2 others. Home movie-to-cassette service offered in U.S. Ala. tape plant opens this week. (P. 11)

COLECO UNVEILS plug-in microprocessor game at \$100, \$50 to \$70 below RCA & Fairchild offerings, undercuts Magnavox on 48-game unit by \$40. Milton Bradley goes electronic at Toy Fair. 'Children's band' walkie-talkies displayed. (P. 11)

Congressman said many new developments, including FM, possibly were held up 'by such obstructionists as RCA." He brought cheers by stating: "We're not here to talk about regulating programming... If a broadcaster does not have the same First Amendment protection as the print media, then I say he has no protection at all... I can assure you that as long as I hold the Subcommittee gavel" there'll be no encroachments in program areas.

(At earlier press conference, Van Deerlin was cool toward possibility of ex-Senate aide Charles Ferris [now aide to House Speaker] becoming FCC chmn. Van Deerlin said he lunched with Ferris, said if latter knows anything about communications "it didn't surface at lunch." In later conversations, Van Deerlin said he didn't think Ferris is qualified to become FCC chmn.)

Group W Pres. Donald McGannon gave strong support for rewrite, calling for new Dept. of Communications to handle all telecommunications (Vol. 17:6 p1), including govt. He called major redraft 'an exciting proposal," said present law was designed for "the world of the '20's... New legislative guidance cannot be put off any longer." He recommended retention of fairness doctrine, repeal of Sec. 315, because equal time could be taken care of under fairness statute.

Among those arguing against "drastic change" in Act were ex-FCC Chmn. Dean Burch, black Gen. Mgr. William Dilday, WLBT Jackson, Miss. ('basically, I'm satisfied'), NAB Pres. Vincent Wasilewski, Post-Newsweek Stations Pres. Joel Chaseman ('no fundamental change is required'), CBS Washington Vp William Leonard & Kaiser Bcstg. Pres. Donald Curran.

"All of you [in TV] benefit from our carriage of your signals," Teleprompter Pres. Russell Karp said in arguing that Act needs rewriting to: (1) Declare that CATV is independent medium, not ancillary to broadcasting. (2) Remove all cable program restrictions. (3) Require TV station to show "real injury" to public before any restrictions are put back on cable. (4) Include CATV in national communications policy and remove state & local restrictions. (5) Delete rule requiring cable access to all.

PBS Pres. Lawrence Grossman said "nothing makes less sense" than current licensing procedures, said idea of auctioning licenses should again be studied. He also suggested consideration of requiring commercial stations to air certain percentages of types of programs (news, public affairs, etc.) and removal of special fairness & political restrictions on ETV stations

NATPE keynoter Sid Sheinberg, MCA pres., attacked "the free-lunch cable industry... Our property is being taken from us" and CATV "has the potential to destroy" movie & program industries. He said "insignificant, so-called compulsory fees" in copyright bill won't help.

Biggest blast was leveled by Sheinberg against Sony Betamax home video-recorder. He called such new technology "a most insidious threat [which] permits unlimited free re-runs." In 1976, he said, film piracy cost movie industry \$100 million. Noting MCA subsidiary Universal Pictures has filed suit against Betamax, he said: "We intend to vigorously protect our rights in all places where threatened... We will prosecute this lawsuit without sparing any effort or expense... Let all future copyright violators take note."

Sheinberg decried what he claimed was "deficit financing" of network pilots and even hit shows, said networks should be required to "pay based on success." He commended FCC's network inquiry, said MCA would take part, urged stations to do likewise.

Family viewing (FV) and prime-time access rule—prime topics at past NATPEs—got short shrift at this one, although FCC Chmn. Wiley brought up FV: "You will be pleased to hear that I have made my last speech on family viewing—save only for a forthcoming appearance on Capitol Hill [see p. 3] to explain, one final time, my position on this matter... My view that government involvement in specific programming (and advertising) content is neither desirable nor constitutionally appropriate, extends beyond the field of TV violence & sex."

However, Wiley added, "in some ways [TV] is different. Its unique entry into the home, its unusual impact, its pervasiveness and, most of all, the scarcity of available channels—these factors demand... a higher form of self control & self regulation. They may even justify some limited government protection against gross abuse of the license."

Wiley said recently-announced network inquiry (Vol. 17:3 p2) doesn't begin "with any pre-

conceived notions or point any accusing fingers...[It] decidedly is not anti-network." In comments following Wiley speech, Comr. White questioned whether "the government should be involved" in PTAR, said she hopes FCC soon will look at it again. On Communications Act rewrite, she urged Congress not to sit on needed amendments—citing cable forfeiture—during 4 or more years legislation will take.

NATPE keynoter—and "Person of the Year Award" winner—Fred Silverman, pres. of ABC Entertainment, said public's reception of "Roots" (Vol. 17:6 p4) indicates that programmers have raised level of TV to point where "a truly different kind of entertainment" will be accepted & appreciated. "The stark reality and intense characterizations of 'Roots' did not stun people to the point where they snapped off the set, as some critics had predicted... I think the future holds for us more innovation than we can even dream of now... Taboos are being dispelled almost every season... constantly on the subject matter eligible for airing."

At news session, program & news dirs. explained close working relationships at WABC-TV & WEEK-TV Peoria, leading consultant Pete Hoffman to comment: "If you have bridge [between news & programming], use the bloody thing. If you don't have a bridge, build one and build it now."

TV 'TURNING OFF' VIOLENCE: Anti-TV-violence offensive continues to snowball, with these developments: (1) "Turn the TV Off" week has been set for Feb. 27-March 5 by church groups organized by Southaven, Miss. pastor Rev. Donald Wildmon—who said he expects 10,000 churches and other groups to join effort. "People are just plain fed up with this trash," he said. "The response has been just terrific."

(2) Executives of CBS & NBC told affiliates at NATPE they'll cut back action shows next season; subject didn't come up at ABC (see p. 5).

(3) NAB TV Code Board Chmn. Robert Rich has asked representatives of NCCB, PTA and AMA to meet board March 29 in Washington to discuss violence. It will be first time NAB officials have met with citizen groups on issue. However, there was "reluctance" on part of NAB Pres. Vincent Wasilewski to appear before House Communications Subcommittee's March 2 hearing on sex & violence until NAB was assured Wasilewski wouldn't be quizzed on how family viewing (FV) came about, or about court case. Before he agreed to appear, "the possibility of a subpoena" was mentioned, according to NAB exec. "There was no serious talk about subpoenaing anyone," Subcommittee Chief Counsel Harry Shooshan replied. "The NAB has been very cooperative."

(4) Communications Subcommittee's Rep. Waxman (D-Cal.) advanced as proposal with "some merit" plan crafted by producer David Levy to give networks exemption from antitrust laws, let them negotiate agreement on voluntary curbs on action shows.

(5) Viacom Enterprises has had to severely edit such former network series as "The Rookies" and "Hawaii Five-O" to sell them in syndication at NATPE, Viacom executive told N. Y. Times. Some were cut in half, Times reported.

(6) Parade of sponsors continues to line up in favor of "no-violence" policy following NCCB rankings (Vol. 16:51 p5), letters from AMA, pleas from other groups such as National Catholic Coalition for Responsible Investment. Among companies declaring they'll avoid violent shows are Schlitz, Sears, GM, Kimberly-Clark, Kemper.

* * * *

In National PTA's 7th hearing—held last week in Hartford—FCC Chmn. Wiley warned against inviting govt. to judge programs, lauded PTA effort, said he had misgivings about organization's threat to use product boycotts to get violent programs off air. Boycotts would inhibit programmers, leave nothing on air but bland shows, he said.

However, Rep. Moffett (D-Conn.) disagreed: "I do not believe the government should be sidetracked from its primary responsibility by cries of First Amendment violations. The fact is that the federal government has created regulatory bodies which have been all too cozy with the networks, have done little to foster diversity in programming or to free the creative community to be creative, have too often deliberated in secret, have failed to provide assistance to

consumer representatives or to encourage a democratization of the network boards of directors."

"It seems to me that what is most needed now is what this hearing is all about—an elevation of the levels of public sophistication, understanding and expectations about TV," stated Daniel Gold, WFSB-TV Hartford senior vp-gen. mgr. He said Post-Newsweek "places a premium" on local management's ability to serve local interests, and that because of this, management isn't afraid to pre-empt or delay network broadcasts of violent programs. On other hand, Springfield TV Bcstg. Pres. William Putnam lay blame for children's ills on educators, told parents simply to turn off set when "bad TV" is on air.

PTA hearings "are raising awareness," TIO Dir. Roy Danish told us following Hartford session. "They are succeeding in their goal." He said TIO will continue even after hearings are over to "do what we can to influence in healthy ways what the PTA will recommend to its national constituency." Among possibilities: "Reason with them" over boycott proposal; argue for "balance" in programs, because "not everyone is a child." PTA's next hearing is Feb. 22 in L. A.

Shakedown for payola by WOL(AM) Washington disc jockeys are so common that mgrs. of rock groups don't like to book their performers into area, Washington rock promoter William Washington told FCC hearing last week. He said most of problem is caused by DJ Productions, owned by WOL disc jockeys, which requires payola before records of groups appearing in nearby Capital Centre or other Washington arenas will be aired. He said he was forced to pay \$14,000 to keep station's performers from sabotaging performance by Earth, Wind & Fire. Deal, he said, provided for "saturation promotion" of act. WOL owner Egmont Sonderling and DJ Pres. Mel Edwards told reporters (they haven't testified) situation was just opposite to that presented by Washington. Edwards said "saturation promotion" had "nothing to do with air play," but pertained to personal appearances and other promotional activities by WOL disc jockeys. Rock promoter Jack Boyle made charges similar to Washington's (Vol. 16:52 p2), hasn't testified yet. Last week, FCC gave presiding Judge Joseph Stirmer authority to take secret testimony if he decides public interest would be served.

"Advertisers are determined to gain control of TV programming," Katz Dir. of Programming Robert Peyton warned Katz-represented stations during NATPE convention last week (see p. 1). He cited sharp increase in barter shows, said advertisers are committing more money to barter because it gives them "guaranteed protection in a period of high rate volatility." He said main "pitfall" in accepting barter shows, even though many are of high quality, is that it reduces a station's ability to control its own programming.

Add Senate Commerce Committee members (Vol. 17:7 p3): Democrat Riegle (Mich.), Republicans Packwood (Ore.) & Danforth (Mo.). Though committee reform plan set ceiling of 16 for Commerce Committee, Chmn. Magnuson (D-Wash.) sought permission from leadership to appoint 18.

Cox Bcstg. merger of Cox Cable (Vol. 17:5 p5) is being "re-evaluated," according to announcement by former which said "discussions are continuing on a possible revision of the original terms or, alternatively, the possible abandonment of merger plans."

Federal Bcstg., Pleasantville, N.J. cable sports packager, plans "non-network" satellite network for both stations and cable, with heavy diet of sports as well as syndicated movies and original programs. Plan was unveiled at NATPE, but no starting date was given. Firm already has agreement with ITT for 50 11-meter earth stations at \$100,000 each, as well as 6-year, \$9.3 million agreement for 18 hours daily on WU satellite. Programs will be fed on barter basis, and "affiliates" are free to select or reject programs on case-by-case basis. "FBC looks to become a flexible programming service that will benefit producers, advertisers, and stations alike in the realization of the potential for all 3 entities," according to 26-year-old Pres. Thomas Ficara, who also is owner of American Soccer League's Philadelphia Phantoms. Independent stations already signed up include WTAF-TV Philadelphia, WPGH-TV Pittsburgh, WXON Detroit, WUTV Buffalo, WGNO-TV New Orleans, WDRB-TV Louisville, KAIL Fresno; systems include Mission Cable, San Diego.

Michael Pertschuk appears President Carter's choice to chair FTC. At week end, nomination was said to be assured, though White House hadn't made official announcement. Pertschuk, chief counsel of Senate Commerce Committee, was one of "a couple of names" endorsed by group of 7 consumer representatives who met with Carter Feb. 14. Carter subsequently told group he remains committed to creation of Agency for Consumer Advocacy, legislation facilitating class-action suits.

Communications Subcommittee's Rep. Frey (R-Fla.) adds voice to those in favor of OTP. Sens. Hollings (D-S.C.) & Baker (R-Tenn.) earlier wrote President Carter opposing White House proposal (Vol. 17:6 p3). Frey wrote Carter that single office is needed, responsible for both spectrum management and international communications policy. He said relegating spectrum management to OMB would be "unwise at a time when the U.S. is preparing for the 1979 WARC."

WCVB-TV Boston petitioned FCC for authority to use aural transmitter subcarrier to cue and coordinate ENG news crews in the field. Station has been experimenting for past year under special FCC authorization, using subcarriers of 39 & 67 kHz.

HOUSE REWRITE ADVANCES: House Communications Subcommittee held organizational meeting last week to get acquainted, hear Chmn. Van Deerlin (D-Cal.) and staff lay out plans for coming session. Most discussion revolved around Communications Act rewrite.

Van Deerlin asked members to make serious attempt to "become experts" in controversial areas. He cited example set by members of House Judiciary Subcommittee which last year completed revision of copyright laws, "where there was a price-tag on every vote."

Rep. Murphy (D-N. Y.) objected to spending too much Subcommittee time on rewrite if it meant excluding other problems such as cable, TV programming, sports blackout, license renewals, maritime & aeronautical communications. "To take off on the Communications Act might sidetrack us and keep us from attacking some of these other goals," he said. His view apparently was unique, other members stating they strongly support keeping major emphasis on rewrite. "Maybe we can't get it all in on our attempt to revise the 1934 Act," commented Rep. Frey (R-Fla.), "but we're sure going to try."

Subcommittee staffers told members they've been at work on rewrite since Oct., writing section-by-section legislative history & analysis. They're preparing option papers for each area, expected to be in members' hands by April 1. Then, Subcommittee will be asked to set schedule for rest of session. In meantime, Subcommittee will hold March 2 inquiry on TV sex, violence & family viewing, other hearings on FCC, public broadcasting, international common carriers.

AFFILIATES' MOODS VARIED: "Exuberant" & "bullish" mood was said to prevail during last week's meeting of ABC-TV affiliates and network brass during NATPE convention in Miami Beach, while at CBS session attitude was described as "somber" and "somewhere between defeatist & defensive." At concurrent NBC get-together, tone was about halfway in between.

Each network said it had about 50 program projects in development for fall; CBS said it would replace 11-14 hours, ABC 4-5, NBC didn't say. "Our schedule needs as much of an overhaul as we can give it," CBS-TV Pres. Robert Wussler said. "It's not going to be easy to break what ABC has accomplished... CBS always had thrived on the success of its regular weekly series, but this is never again going to be a medium that exists entirely on weekly series..."

Violence & action shows (see p. 3) didn't come up at ABC meeting, but Wussler & NBC-TV Pres. Robert Howard promised there'd be less of both next fall. "NBC... believes that the proliferation of program types whose plotlines heavily involve violence has become excessive," Howard said. Wussler said CBS was "embarrassed" by recent Evel Knievel special, said network had turned down option on 2nd show.

All 3 groups discussed NBC's acquisition of 1980 summer Olympics with Howard telling NBC stations

there's "no question" but that network will make money on its \$100 million investment. He promised no funds will be diverted from program development to pay Olympic costs. ABC-TV Pres. James Duffy said that "in the summer of 1980, we're not just going to die." (Duffy denied rumors that Roone Arledge is leaving for NBC, said sports pres. would stay with ABC.) Wussler: "I don't think NBC knows what it has purchased."

* * * *

At N. Y. security analysts meeting last week, CBS Bst. Group Pres. John Schneider said: "Our programming hasn't been bad enough to cancel, but it's aging... The full impact hit us in 1976. We didn't have enough horses in program development... We will not be in first place this year or the fall of next year. We have a chance of regaining first place in the beginning of 1978. That is our goal."

CBS Pres. John Backe stressed network's strength in non-prime-time periods, predicted network TV expenditures will increase about 12% this year, local & national spot 15%. Schneider predicted CBS will exceed 3-network growth "by a percentage point or 2."

NCTA BOARD POSITIONS: Communications Act rewrite & Bell bill were biggest items in NCTA board meeting last week, and extra \$75,000 was appropriated for former, \$30,000 for latter.

Election of officers was substantial item, too, but lack of contests produced lack of excitement, as elections resulted in: Daniel Aaron, Comcast, chmn.; Robert Hughes, CPI, vice chmn.; Edward Allen, Western, secy.; John Malone, TeleCommunications, treas. Earlier, Teleprompter's William Bresnan had planned to go for treas., withdrew.

Rewrite project is dominant because cable industry is anxious to get separate and equal status with broadcasting. Said one NCTA official: "We hear there's talk in the House Subcommittee of not giving us a special section. We hear that Shooshan is sluffing cable off on subordinate staffers there." And Bell bill, of course, would freeze cable out of most of its hoped-for blue-sky future.

Board voted \$125,000 addition to \$1.5 million balanced budget, will get extra from ample reserves. Among other new projects: \$9,000 for work with minority & public interest groups, \$5,000 for state-local relations activities, \$5,000 for "graphics," \$2,000 for management seminar. Sole proposal turned down was \$25,000 for consumer survey, to determine attitudes toward cable & NCTA.

Dues changes voted would reduce rates for groups with 20,000-100,000 subscribers, increase rates for those larger—with objective of attracting more middle-level outfits. Associate members (manufacturers, etc.) changed rates from flat \$500 each to sliding scale tuned to cable-industry gross—with \$250 minimum, \$10,000 maximum.

Blue Chip Stamps will buy Buffalo Evening News for about \$33 million. Sale doesn't include WBEN-TV-AM-FM.

Personals

First Vp **James Major**, WJBK-TV Detroit, elected pres. of NATPE at Miami Beach convention last week (see p. 1), takes office April 1, succeeding **Phil Boyer**, ABC; also elected: First Vp **A. R. Van Cantfort**, WSB-TV Atlanta; 2nd Vp **Jack Jacobson**, WGN Continental.

Phil Boyer, ABC-owned TV stations program vp and outgoing NATPE pres. (see p. 1 and above), appointed WLS-TV Chicago gen. mgr., succeeding **Lew Erlicht**, now ABC east coast programming vp; **Paul Coss**, KABC-TV L.A. program dir., succeeds **Boyer**.

Robert Burnett, Meredith Corp. pres., elected chief exec. officer, retains operating responsibility for broadcasting, publishing & printing... **Jack W. Lee**, ex-Rahall & Capital Cities Bestg., named gen. mgr., WATE-TV Knoxville, succeeding **John McCloud**, retired.

David Nelson, WCBS(AM) N.Y. vp-gen. mgr., named vp-Div. Services, CBS TV Stations... **Kenneth Jordan** advanced to creative services dir., WGHP-TV High Point, N.C... **Lester Otterman**, WBEN-TV-AM-FM Buffalo controller, also named treas.

Al Jerome promoted to station mgr., WMAQ-TV Chicago... **Don Azars**, ex-WLS-TV Chicago, named program dir., KGO-TV San Francisco... **Doris Coles**, confidential asst. to FCC Comr. **Benjamin Hooks**, joins White House Domestic Council, reporting to Assoc. Dir. **Simon Lazarus**.

Robert White, KIII Corpus Christi, & **Elmo Ellis**, WSB-AM-FM Atlanta, receive Abe Lincoln Awards from Southern Baptist Radio-TV Commission for "outstanding service to the industry."

Timothy Reynolds advanced at CBS from WCAU-TV Philadelphia finance & planning dir. to Best. Group finance & planning vp, succeeding **George Shannon**, now CBS TV Network production facilities & engineering vp; **James Rosenfield** advanced from CBS TV Dept. sales admin. vp to vp-national sales mgr... **John Lack** promoted to vp, CBS Radio Div., & gen. mgr. of WCBS(AM) N.Y.

John Morrill, Colo. Bcstrs. Assn. exec. dir., named NAB regional mgr. for Wyo., Neb., Kan., Colo., Utah & N.M... **Robert Jay**, ex-TeleRep, Chicago, joins PGW N.Y. eastern sales team... **Richard Coveny** appointed Blair TV vp and mktg. development div. dir., new post.

Edward Papazian, Katz TV Continental vp-sales, and **Richard Goldstein**, Katz American TV vp-sales, elected Katz Agency vps; **Larry Shrum**, Katz American TV vp & Atlanta mgr., appointed southeastern vp-TV sales.

Steve Herson promoted to vp-asst. to the pres., new post, TeleRep; **Jack Steng** succeeds Herson as N.Y. sales mgr. for Lion sales team; appointments follow resignation of **Paul Hughes** as exec. vp, plans to be announced.

George Mitchell, ex-NTA gen. sales mgr., re-

WEEKLY Television Digest

with
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

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Also publishers of annual Television Factbook and weekly TV, AM-FM & CATV Addenda, CATV Atlas and other special publications

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joins Warner Bros. TV as vp-domestic sales mgr... **Bruce Marlow** named pres. & chief exec. officer, Bonded Services Div. of Novo Communications (program distributor).

Alan Fleisch promoted to Teleprompter operations/urban markets dir., new post; **David Pardonner** advanced to western mgr.; **Gary Weinberg** succeeds **Pardonner** as community relations dir.; **John Flanagan** promoted to community development dir.

John Elsasser elected vp-sales, Systems Wire & Cable... **Michael Arnold**, ex-Warner Communications, appointed Suffolk Cablevision mktg. dir... **Dan Fales**, ex-WNET N.Y., named vp-programming, WQED & WQEX (ETV) Pittsburgh.

Sony will produce & market Thomson-CSF Labs' Microcam miniature broadcast color camera worldwide under sweeping agreement. Camera was developed jointly with CBS. Contract also gives big French electronics firm non-exclusive rights to sell Sony's 1" BVH 1000 helical-scan broadcast VTR and 3/4" U-Matic ENG equipment in SECAM & PAL areas. Meanwhile, Sony America announced that NBC is largest customer of its Best. Div., buying more than \$1.3 million in recording & editing equipment. Figure presumably includes recent purchase of 5 BVH 1000 recorders (Vol. 17:6 p2).

Obituary

George Adair, 73, former FCC chief engineer, died Feb. 17 in Montgomery General Hospital, in Md. suburb of Washington, after long illness. Born in Rancho, Tex., he was Tex. A&M graduate, joined FRC in 1931, became chief engineer in 1944. At FCC, he did extensive work on international communications, helped form Voice of America. He entered private consulting practice in 1947, retired in 1970. Survivors include wife, son, daughter.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Feb. 4 (5th week of 1977):

	Jan. 29- Feb. 4	1976 week	% change	Jan. 22-28	1977 to date	1976 to date	% change
Total TV.	265,773	199,875	+33.0	270,343	1,229,618	1,033,909	+18.9
color	162,585	118,604	+37.1	167,117	767,829	614,918	+24.9
monochrome	103,188	81,271	+27.0	103,226	461,789	418,991	+10.2
Total radio	600,453	441,815	+35.9	634,651	2,936,002	2,735,799	+7.3
home, portable . .	372,199	204,420	+82.1	425,023	1,726,638	1,550,642	+11.3
AM-only	55,242	23,326	+136.8	96,101	562,863	319,656	+76.1
FM & FM-AM . .	316,957	181,094	+75.0	328,922	1,163,775	1,230,986	-5.5
auto	228,254	237,395	-3.9	209,628	1,209,364	1,185,157	+2.0

Color TV 5-week moving average: 1977—153,566; 1976—122,984 (up 24.9%).

PC '77—MIXED MESSAGE FOR CB: Agonizing 23-to-40 channel transition is far from over, but—with a little help from the govt.—CB industry may be headed for period of relative stability. While everyone attending last week's PC '77 Show in Las Vegas pretended that problems connected with turbulent CB field (high 23-channel inventories, shakeouts, pricing pressures) have disappeared, numbing panic of past 8 months seems to have dissipated.

Show had to be rated success from standpoint of attendance, with aiseways & exhibit booths busy, if not crowded, despite fact it covered twice area in sprawling Convention Center as last year's SRO event. Mood was far cry from near-euphoric atmosphere of PC '76 however, and retailers we talked to said show was more a hunt for bargains than full-fledged buying trip. Bargains were there, in both 23 & 40, with 40s showing up on floor as low as \$49 dealer cost.

"The buyer at this show is doing what he always does," Pathcom Sales Dir. Robert Morrison said. "He's looking for good deals." Said E. F. Johnson Communications Div. Vp Carl Insel: "There's a lot of pressure on 40-channel prices because of the cheap 23s—a lot of pressure. I think the majors will hold prices. They have to, because once you start cutting them you can't get them back."

As industry struggled with pricing & other problems, FCC indicated, at govt.-industry seminar, it's trying to help by holding off on any major actions—including new CB service—until market straightens out (see p. 10). At same time, Chief Engineer Raymond Spence addressed himself to one issue emerging as stumbling block to 40-channel sales—controversy over FCC's new specs & related belief at dealer-consumer levels they've resulted in reduced performance (see p. 10).

Whether that's central reason for sluggish 40-channel sales isn't clear, but show left no doubt there are plenty of 23s still in pipe-line and main question in minds of producers was: "When will they be gone?" Dynascan Pres. Carl Korn told us 23-channel inventories are about 1.3 million units at supplier level; one million at distributor-dealer levels. "There's a good chance of those being gone by the end of the first half," he said. But Midland Communications Div. Pres. John Lane said industry will probably "feel those 23s" all year. "There are lots of 23s out there. There are indications that 40s are beginning to sell though, but the 23s will be with us for a while."

With high non-profit 23 inventories at manufacturer level and super-abundance of firms offering CB-related products & accessories, industry also is occupied with question of survival.

Forecasts of major shakeouts over next year—both here and in Far East—came from virtually every supplier. "There are too many people in the business," Korn said. "You can't get 150% of the market, you can only get 100%. There are just too many companies trying to get that 100%."

Midland's Lane said 1977 will see some shakeouts among suppliers with more coming in 1978, due partly to technological advances and FCC spec tightening. "This will put even more pressure on marginal producers. This will really put the heat on companies without good engineering depts."

Though some of those advances were on view at PC '77, there was scarcity of new products—Jan. CES having siphoned off major 40-channel introductions. SBE, however, held special press party to show new Key-Com microprocessor (MPU)-based mobile unit. Pres. David Thompson told us industry will have to make increased use of MPU's to rekindle consumer interest in 40-channel. Key-Com (\$279, available in June) uses National Semiconductor MPU, gives user access to programmable memory through card entry system. Among functions: Priority channel scanning, automatic live-channel capturing, monitoring of pre-set channels.

Comparatively positive mood among suppliers at show was largely due to Jan. license application total of one million—and indications Feb. rate is holding at same level. "What many people don't realize," spokesman for car stereo-CB firm said, "is that most people don't buy a car stereo system until the spring when it gets warmer. That will apply to CB too. So, if it was a million in Jan., it ought to be even better in April & May."

RCA TAIWAN INTO COLOR: RCA is expanding sizeable Taiwan operation to produce complete chassis for small-screen color sets. Company is shipping production & test equipment there, will start chassis output in Nov. Speculation is that chassis will be for 13" portable, a size RCA doesn't now offer, though Tube Div. produces 13" slot-mask tubes.

RCA will spend about \$2 million to equip one of its 4 Taiwan plants for color chassis, raising total investment in Taiwan to about \$24 million. Company employs about 7,000 there, is expected to add 400 by year's end, increase total to 8,100 next year.

RCA turns out b&w TV in complete & chassis form in Taiwan, also produces TV components, including tuners & circuit boards. Taiwan govt. sources say RCA exports from there totaled \$97.6 million last year, up 33% from 1975, indicating RCA was Taiwan's largest exporter for 2nd consecutive year. Admiral is currently only U.S.-owned TV maker producing color in Taiwan, though several Japanese & locally-owned firms, including Hitachi & Tatung which export to U.S., also do. Sylvania & Zenith TV plants are b&w only.

Commenting on Taiwan move, RCA indicated it had no plans to build complete color sets there. Noting that Taiwan facilities have been acting as feeders for U.S. operations, RCA said it expected that relationship to continue, stressed that though Taiwan will now be making chassis, Bloomington, Ind. plant "will continue to be the final assembly plant for all RCA color TV receivers."

TINYVISION COLOR STARRED IN 1976: Sign of maturing U.S. color market was boom in 1976 output of 13"-&-under portables which captured record 20% of portable-table market (at new-supply level) while all other sizes slipped in popularity, EIA figures show. Also showing significant 1976 growth was remote control.

Despite healthy increase in console & combination production, portable-table models increased share of market, as production-plus-imports rose 38.1% to 5.79 million, to account for 70.6% of new supply, up from 67.3% in 1975. Consoles were up 18.3% to 2.38 million, for 29% share (down from 32.3%), while combinations gained 29.6% to 31,900 to retain 0.4% share.

Remote feature was included in 821,800 sets, or 10%, a 69.8% increase from 1975 when remotes held 7.8% share. In portable-table, remotes accounted for 9.5% (up from 8%), climbing to 11.2% in console-combination models, up from 7.3%.

In reversal of 1975's pattern, all screen sizes showed production increases except 23"-&-under consoles, which slipped 4.2% to 464,000, to account for 19.3% of furniture-type sets, down from 23.9%. Output of 25" consoles & combinations rose 25.7% to 1.94 million.

Biggest increase in portable-table color was reported for 13", up 73.4% to 525,800 for 9.1% share of that segment, up from 7.2%, followed by 59.9% gain for 12"-&-under to 624,100, increasing its share to 10.8% from 9.3%. Results for other portable-table sizes: 14"-15", 406,600, up 33.6% for 7% share (from 7.3%); 16"-17", 523,800, up 6.5% for 9.1% (11.8%); 18"-19", 3.44 million, up 37.4% for 59.4% (59.8%); 20"-&-over, 269,600 for 4.66% (from 4.69%).

In b&w, all sizes posted production increases, and except for gain achieved by 11"-12" at expense of smaller sizes, shares were relatively unchanged. Here's breakdown: 10"-&-under, 910,925, up 18.8% for 15.3% (from 17.3%); 11"-12", 3,125,913, up 38.9% for 52.6% (50.9%); 13"-15", 210,300, up 37.5% for 3.5% (unchanged); 16"-17", 329,000, up 49% for 5.5% (5%), 18"-&-over portable-table, 1.29 million, up 33.4% for 21.7% (21.9%); consoles, 74,600, up 16.1% for 1.3% (1.5%). Battery portables rose 66.5% to 928,200 for 15.6% share (from 12.6%), including 326,500 11"-12", 601,700 smaller sets.

Analysis of EIA & Commerce data indicates domestic production of 19"-&-under color portable-table models dropped 3.3% last year to 2.68 million. Declines were in 18"-19" (down 3.3% to 1.85 million), 16"-17" (down 4.9% to 413,200) & 14"-15" (off 12.1% to 157,500). Increases came in 12"-&-under (up 12.5% to 146,300) & 13" (up 3.3% to 112,800).

As result, imports took 76.5% of 12"-&-under color market (up from 66.7%), 78.5% of 13" (from 64%), 61.2% of 14"-15" (from 41.1%), 21.1% of 16"-17" (from 11.7%), 46.1% of 18"-19" (from 23.1%). In b&w, imports captured 95.6% of 10"-&-under (from 83.2%), 91.7% of 11"-12" (from 91.7%), 25.6% of 18"-&-over (from 22.9%), lost ground only in 13"-17", slipping to 48% from 62.3%

Here's breakdown of 1976 market at new-supply level as compared with 1975:

	Color		Monochrome	
	1976	1975	1976	1975
Total	8,193,818	6,218,972	5,937,463	4,418,406
portable-table	70.6%	67.3%	98.7%	98.5%
console	29.0%	32.3%	1.3%	1.5%
combination	0.4%	0.4%	—	—

DEALERS EMBRACE VTR: Traditional TV retailers—dept. stores, appliance dealers, mass marketers—accept home videocassette recorder as product they should be selling. Special survey of retailer participants in our Early Warning Report panel produced these results: (1) Majority already offers home VTR. (2) Almost all who don't have it now plan to enter field this year. (3) Most now offering VTR (presumably Betamax) plan to take on another line when available.

Approximately 65% of dealers in panel say they're selling videocassette recorders, and 75% of those who aren't have plans to offer them this year. Survey went out before Zenith announced entry into field, but a few respondents mentioned Zenith as brand they planned to carry, with Sony, Quasar & Sanyo also named. In this area, there was no pronounced preference for any brand, perhaps indicating that dealers plan to shop for one or 2 lines.

More than 60% of dealers who already sell VTR plan to add another line, with Quasar cited as overwhelming preference—undoubtedly because it was only major brand (other than Sony) announced when survey started. On basis of survey, we'd say dealers share manufacturers' enthusiasm for newest high-ticket member of consumer electronics family.

Mergers & acquisitions: Motorola agreed to acquire data communications equipment producer Codex for shares valued at \$88.5 million, also recently acquired outstanding 38% interest in Italian subsidiary Autovox, consumer electronics producer with sales of about \$34 million... **Increase** in electronics-related merger activity in 1976 was reported by consultant W. T. Grimm Co., which said 60 transactions were announced last year, vs. 38 in 1975... **RCA** is negotiating sale of publishing subsidiary Random House to Times Mirror Co., L.A.

Commodore signs TV game & watch IC cross-license agreement with Integrated Technology, which will produce game chips now made by Commodore's recently acquired subsidiary MOS Technology, provide watch chip know-how to Commodore... **Solitron's** Hong Kong subsidiary Solidev increases output of quartz crystals from 150,000 monthly to 500,000, for CB, TV game & watch OEMs.

Japan's color TV production last year totaled 10.53 million, up 40.9%, marking first time any nation's color output exceeded 10 million, EIA-Japan reports. Domestic shipments rose 2.3% to 5.69 million, while exports leaped 90.5% to 5.25 million. U.S. was largest foreign customer, 2.96 million; Australia 2nd, 610,000; Europe 3rd, 530,000.

FCC SLOWS CB ACTION: "The best news we have for you... is no news at all," FCC Chief Engineer Raymond Spence told CB industry at PC '77 seminar, strong indication of new FCC go-slow-on-CB policy. Promising that no new services, or expansion of current service, will be announced in near future, Spence said industry & govt. "need a period to straighten out the service. You can look forward to a period of stability with no new surprises."

Latest FCC posture is clear departure from earlier plan to propose new service in spring, and was seen at Show as sign FCC now realizes extent of problem created by expansion.

Spence also had other good news for industry: (1) New harmonic suppression limit on CBs will probably be changed from proposed 100-dB to around 85 dB. (2) CB industry will be granted 90-day extension on dB proposal comments from original March date. (3) In addition to proposals banning linear amps in 24-35-MHz band & bringing amateur equipment under type-acceptance program (Vol. 17:7 p11), FCC is issuing rulemaking (in 6 weeks) imposing harmonic & spurious limits on amateur radios, including linear amps operating in amateur band.

FCC's decision to move on linear amp problem was applauded by seminar audience, and EIA Communications Div. Vp John Sodolski announced ban on linear amps at Show beginning with PC '78. "You can destroy your industry by selling these things," Spence said. "You're not doing anybody, including your own future, a favor by selling them." Comment period on proposed amp expires April 25, replies May 5.

Though FCC apparently is postponing plans for new service, Safety Bureau Chief Charles Higginbotham said report from Personal Radio Planning Group may be out by mid-year. Group has been studying possibility of opening new space in current 27-MHz band, and in 220 & 900-MHz ranges. "We're not thinking of any action which would eliminate the current CB band, but we must look ahead," he said. "We must do the planning now." (Though FCC spokesman didn't say so at seminar, Spence reportedly indicated to members of Japanese tour group at private meeting that new service would be in 900-MHz band.)

Other comments by Higginbotham: (1) Requirement for posting transmitter identification cards (Form 452-C) has been eliminated—license posting rules are unchanged. (2) Proposed rule to allow on-air CW (code) identification in place of voice is under consideration.

CB interference problem was touched on briefly by FCC, but Chmn. Van Deerlin (D-Cal.) of House Communications Subcommittee warned at opening night banquet that "if complaints persist—and they appear to be coming in this year in record numbers—then I'm afraid Congress will have to step in." He also challenged claims that higher-frequency CB service (220 or 900 MHz) would increase CB costs. "I simply do not accept this. With current telecommunications technology, my feeling is that costs should actually begin to fall as the sets become even more sophisticated."

As if to underline growing high-level concern with interference problem, FCC last week announced that U.S. Dist. Court has sentenced Indianapolis resident for illegal operation of CB and transmitting obscenity, fined 4 others, seized illegal equipment valued at over \$18,000.

23-VS.-40 POWER: No one is sure how serious problem is, but controversy over FCC's new specs on power output & modulation limits for 40-channel CBs ballooned into major issue at PC '77. Several top companies sought to knock down rumor that all 40s are under-powered & under-modulated, and Motorola called special press conference on it. FCC Chief Engineer Raymond Spence told seminar audience "talk power of 40s is every bit as good as 23s," repeated warning issued at Jan. CES that "dealers who are hinting that 40s aren't as good had better be careful, because those rumors will come back to haunt them."

But suppliers weren't claiming that every FCC-approved 40 would perform as well as old 23s. While "there's nothing generic" in FCC rules to limit performance, some firms have cut corners on power & other characteristics to meet those specs, said Motorola Auto Sound Div. Vp John Battin, adding company doesn't appreciate being swept along by those with inventory problems or who lack talent to get their 40-channel act together. He emphasized Motorola and other "quality CBs" have full 4-watt output, 100% modulation, adequate receiver sensitivity.

Dynascan had models passing out "Myth Vs. Fact" sheet challenging rumor, stating Cobra 40s have same performance as 23s. But firm also said some companies "with limited technical resources" cut modulation to 70% to meet specs. GE Personal Communications Products Mgr. John Dullmeyer told us issue probably started "with manufacturers stuck with a lot of 23s."

"We did it to ourselves," one company spokesman said. "When channel expansion was announced there was an expectation that performance wouldn't be as good because of the tighter specs, and consumers & dealers heard about that. Then we found out it wasn't necessarily true, but we never got the word to the dealer level. Some still think the lower-performance thing is true, and now we've got to correct it."

Taiwan & Korea aren't ignoring possible unfavorable effect any U.S. TV import quota would have on their exports. Taiwan's Trade Development Council is exploring expansion to Europe, while Korea has listed TV, with 14 other products, among items to be studied for possible export restraint. But restraint might not be easy. Reports from Korea indicate Samsung has received order for 63,000 small-screen color sets from unidentified U.S. private labeler, plans to export 1.3 million color & b&w sets worldwide this year.

Motorola won largest semiconductor order in history in multi-year contract to supply micro-computer chips to GM. As part of package, Motorola will supply technology needed to make GM's Delco Div. a 2nd-source chip supplier.

BETAMAX EXPANSION: Although Sony sticks to official goal of 250,000 Betamax videocassette recorders this year, Chmn. Akio Morita indicated to us last week that total could be as high as 300,000. He said Sony's Koda plant, built exclusively for Betamax (Vol. 16:35 p8), will be doubled with construction of new building to be started next month. At same time, additional Betamax production will be started in Atsugi plant, which makes commercial & broadcast recorders, and one audio plant.

Morita made his comments after press meeting at Sony America's N.Y. hq to introduce new service of transferring consumers' home movies to Betamax cassettes. While on busy visit to U.S., Morita also addressed Chicago Investment Analysts Society and next week will join Gov. Wallace & Ambassador Togo in Dothan, Ala. for opening of \$21-million Betamax videotape factory, then go to Kansas City for opening of distribution center.

Sony chmn. declined to state what proportion of 1977 Betamax output would be 2-hour machines. He said production is 12,000 monthly, to rise to 15,000 in March, 25,000 by summer. He wouldn't comment on status of discussions with any U.S. manufacturers on licenses or purchases of Betamax. To ease problems with owners of one-hour machines after 2-hour Betamax is introduced, he said, several cassette changers will be introduced starting this year. Simplest one will be relatively low in cost and accommodate 2 cassettes and probably will be offered to owners of one-hour machines at special price.

As we reported last Aug. (Vol. 16:34 p8), Sony is bringing home-movie-to-tape transfer service to U.S. Already operational in Japan, it will be available here in 60-90 days initially through S/T Video-cassette Duplicating Corp., Sony-Teletronics joint venture. S/T Pres. George Gould said transfer of 3-4 small reels of super-8 to tape would cost about \$25, including cassette. One-hour cassette will hold contents of 16 reels of super-8, he said, and transfer cost will be about \$50. Sony also demonstrated electronic color restoration & scratch removal for old home movies, a service S/T eventually will offer at about \$50 for 10 min., including cassette. Sony transfer & renewal equipment will be made available to other film processing labs, said Sony America Pres. Harvey Schein. Schein said another new application of Betamax for storage would be announced in 6-12 months.

* * * *

Sony's sales for fiscal first quarter to Jan. 31 were about 14% higher than same 1976 period, and increase in net income was "double this percentage," Morita said in Chicago. In fiscal 1976, he said, Sony's sales ratio for Japan, U.S. & other areas was 4-3-3. Company's color TV sales increased 12% in 1976 to 1.85 million—7-8% of worldwide color market—and goal for 1977 is 2 million. Sony's San Diego plant, which opened in 1972, turned out its millionth Trinitron color set last week, bringing Sony's worldwide color production to 10 million. While it took Sony about 8-1/2 years to produce first 10 million, it expects next 10 million in 4 years.

COLECO'S PLUG-IN GAME: Coleco, the toy company whose pricing & marketing made ball-&-paddle video game business impossible for less aggressive competitors last year, moves to 3rd generation game this June with plug-in cartridge microprocessor (MPU) game listing (before discount) at just \$100, \$75 & \$50 below lists on comparable Fairchild & RCA games. Game was shown at Toy Fair preview in N.Y. last week.

Using recently announced General Instrument MPUs (Vol. 17:3 p12), game comes with control box equipped with steering wheel & six-gun for Road Race & Quick Draw, also plays tennis. Add-on cartridges are \$20 list. Others in Coleco's 6-game lineup: Combat, 4-version battle game at \$70; Galaxy, 8 basic games in color with 48 variations for one to 4 players at \$60 (\$40 less than comparable Magnavox Odyssey 4000); Ranger, with 4 b&p & 2 shooting games at \$60; Telstar, basic 2-player 4-game b&p at \$40 for b&w, \$50 for color. New non-TV electronic shooting gallery is \$50, 3 electronic-controlled pinball machines are \$60-\$90.

Microelectronics was on hand with 2 new versions of b&p Ricochet TV game, using National Semiconductor circuits, at \$35 for b&w, \$50 color. Though it had no new TV games to show, Concept 2000 is negotiating in Far East for limited-function model to retail under \$20. Firm did show Electronic Blackboard, Sesame St.-themed learning calculator using LEDs to display sums just as they appear on school blackboard, at about \$25.

Entex, among first into TV games, is among first out. Spokesman said it would continue offering games on private label basis. Entering electronic toy field this year is giant Milton Bradley, with Comp IV, a \$25 calculator-like device that generates, but doesn't display, a random number of up to 5 digits. Player uses responses from Comp IV to reason out each digit and its position.

Fair also marked first display of toy walkie-talkies designed to operate at 49 MHz, which exhibitors referred to as "youth" or "children's" band. Because there will be little going on at 49 MHz for some time, many of units are capable of receiving (but not transmitting on) 27 MHz CB band.

Watch watch: Timex cut starting prices on new 38-model digital watch line \$8-\$10, with LEDs now opening at \$25, LCDs at \$28... **Texas Instruments** offers first women's watches, starting at \$25, youth-line featuring plastic case with do-it-yourself decal decorating kit at \$20, all LED... **Super-thin**, long-life lithium batteries are being offered watch makers by CTS, Eagle Pitcher, Honeywell & Mal-lory... **Optel**, one of electronic watch industry's founders, is quitting business, selling inventory of finished watches, modules & parts, will continue to supply liquid crystal displays.

Fairchild confessed to receiving illegal rebates and making payoffs—in filing with SEC. Company said it got \$577,000 in kickbacks from international freight carriers over last 6 years, laid out about \$90,000 in cash & gifts to foreign officials, paid \$122,000 to some foreign employees to cut their tax bills, spent \$14,000 entertaining U.S. govt. employees.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Ampex			
1977-9 mo. to Jan. 29	209,190,000	8,371,000 ^a	.77
1976-9 mo. to Jan. 31	190,492,000	7,188,000 ^a	.66
1977-qtr. to Jan. 29	69,905,000	3,726,000 ^a	.34
1976-qtr. to Jan. 31	60,802,000	2,029,000 ^a	.19
Arvin Industries			
1976-year to Dec. 31	399,661,000	26,868,000 ^a	4.17
1975-year to Dec. 31	340,306,000	4,773,000	.80
1976-qtr. to Dec. 31	101,253,000	5,213,000	.78
1975-qtr. to Dec. 31	101,217,000	3,734,000	.63
Bell & Howell			
1976-year to Dec. 31	437,437,000 ^b	4,071,000	.71
1975-year to Dec. 31 ^c	374,393,000 ^b	(5,813,000)	--
1976-qtr. to Dec. 31	126,045,000 ^b	(3,506,000)	--
1975-qtr. to Dec. 31 ^c	102,082,000	(15,250,000)	--
Comsat			
1976-year to Dec. 31	153,649,000	38,271,000	3.83
1975-year to Dec. 31	142,581,000	46,243,000	4.62
1976-qtr. to Dec. 31	40,648,000	8,774,000	.88
1975-qtr. to Dec. 31	36,400,000	10,086,000	1.01
Downe Communications			
1976-year to Dec. 31	115,098,000	7,740,000 ^a	1.45
1975-year to Dec. 31	105,979,000	(2,584,000)	--
1976-qtr. to Dec. 31	25,937,000	(993,000)	--
1975-qtr. to Dec. 31	28,294,000	(2,569,000)	--
Electronic Memories & Magnetics			
1976-year to Dec. 25	91,548,000	8,746,000 ^a	1.43
1975-year to Dec. 27	92,198,000	(2,244,000)	--
1976-qtr. to Dec. 25	26,150,000	1,632,000 ^a	.26
1975-qtr. to Dec. 27	22,155,000	(552,000)	--
Gray Communications Systems			
1976-6 mo. to Dec. 31	6,779,779	565,841	1.19
1975-6 mo. to Dec. 31	5,867,545	353,672	.74
Grey Advertising			
1976-year to Dec. 31	59,020,000	3,593,000	3.62
1975-year to Dec. 31	49,293,000	2,146,000	1.79
1976-qtr. to Dec. 31	17,146,000	1,446,000	1.63
1975-qtr. to Dec. 31	13,756,000	706,000	.59
Harte-Hanks Newspapers			
1976-year to Dec. 31	116,703,283	10,546,738	2.41
1975-year to Dec. 31	91,390,055	8,027,222	1.84
1976-qtr. to Dec. 31	33,118,414	3,381,979	.78
1975-qtr. to Dec. 31	26,194,274	2,678,376	.62
Metromedia			
1977-year to Jan. 1	267,357,485	30,505,101 ^a	4.53
1976-year to Jan. 3	212,979,563	14,081,508	2.15
1977-qtr. to Jan. 1	80,915,740	10,971,217	1.63
1976-qtr. to Jan. 3	65,797,686	6,034,478	.92
Sega Enterprises			
1976-6 mo. to Dec. 31	14,439,000	689,000	.36
1975-6 mo. to Dec. 31	12,069,000	742,000	.39
1976-qtr. to Dec. 31	7,089,000	48,000	.02
1975-qtr. to Dec. 31	5,723,000	255,000	.13
Storer Bcstg.			
1976-year to Dec. 31	127,348,000	22,588,000	4.24
1975-year to Dec. 31 ^c	101,146,000	13,113,000	2.30 ^d
1976-qtr. to Dec. 31	37,391,000	5,551,000	1.14 ^d
1975-qtr. to Dec. 31 ^c	30,932,000	4,538,000	.80 ^d
Resdel Industries			
1977-6 mo. to Jan. 2	15,412,385	(358,718)	--
1976-6 mo. to Jan. 2	19,274,820	1,333,158	1.40 ^d
1977-qtr. to Jan. 2	7,557,444	(574,831)	--
1976-qtr. to Jan. 2	11,304,424	930,115	.97 ^d
Teletronics International			
1976-6 mo. to Dec. 31	5,137,000	351,000	.35
1975-6 mo. to Dec. 31	4,220,000	315,000	.33
TRW			
1976-year to Dec. 31	2,929,000,000	133,100,000	4.05
1975-year to Dec. 31	2,585,700,000	103,900,000	3.08

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
TRW (continued)			
1976-qtr. to Dec. 31	754,500,000	36,400,000	1.12
1975-qtr. to Dec. 31	680,000,000	31,300,000	.95
Warner Communications			
1976-year to Dec. 31	826,769,000	61,223,000	3.97
1975-year to Dec. 31	669,774,000	9,118,000	.47
1976-qtr. to Dec. 31	261,755,000	14,064,000	.97
1975-qtr. to Dec. 31	177,967,000	(30,966,000)	--

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

Trade Personals

Larry Simpson, ex-Warwick mktg. mgr., joins Midland International as Consumer Products Div. vp, responsible for purchasing, mktg. & sales; **J. Phil McCoy** named mgr. of Midland's in-house agency Impact Advtg. . . **John McGivern** advanced from Montgomery Ward national mdse. mgr.-furniture, to national group mdse. mgr. for consumer electronics & major appliances. . . **Marvin Berger**, ex-Aurora, now Coleco national sales mgr. . . **Ed Krakower**, Mattel vp, named head of new Mattell Electronics unit formed to market electronic games.

Herbert Hoffman advanced at Sylvania from Great Lakes region mgr. to Philco Div. direct mkts. national sales mgr., succeeding **Irv Fulton**, resigned; **William Compton** promoted from San Francisco mgr. to west zone mgr.; **Samuel Weaver** advanced to national sales mgr. of Colonial Mds., rack-jobber sales subsidiary. . . **Hyman Siegel** upped at Radio Shack to national publicity & promotion mgr. . . **Phil Cunningham** shifts at Quasar from West Div. mgr. to mgr. of new San Francisco distribution branch; **Robert Barman** appointed mgr. of new Seattle branch.

John Eargle, founder of audio consultant JME Assoc., joins James B. Lansing Sound as product development vp. . . **Thomas Anderson** appointed Kenwood sales training mgr. . . **Pat Gifford** promoted to Yamaha Audio Div. sales administrator. . . **Jay Luber**, ex-Program Learning Systems, joins JVC Industries as Washington district mgr.; **Dan Roberts**, ex-Sony, named national govt. sales mgr. . . **Herb Barnett**, ex-General Instrument, now Mercury Time mktg. dir.

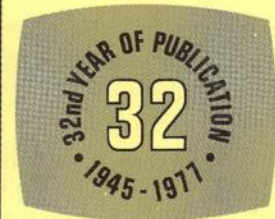
Michael Moser advanced at Motorola Communications Group from national mkt. promotion mgr. to PR mgr. . . **Robert Mehl** appointed TDK southeast mktg. mgr.; **Michael Fay** named for mid-Atlantic area.

Jerry Junkins, Texas Instruments Equipment Group mgr., Controller **Robert Pearson** and European Semiconductor Group Mgr. **Dietmar Wolff**, named vps. . . **Martin Dunn** advanced to GBC industrial sales vp.

WEEKLY

Television Digest®

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VOL. 17, NO. 9

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

VIOLENCE HIGHEST SINCE '67, according to 1976 profile prepared by Annenberg School. Biggest jump in family period. Industry steps up counter-attack. (P. 1)

PHOTO FINISH ON DROP-INS: Very close vote near as FCC discusses VHF additions. Same 4 cities still on tap for rulemaking. (P. 2)

CARTER'S BUDGET CHANGES: More money for public broadcasting and structural shift for OTP recommended in 1978 budget revisions. FCC & FTC unchanged. (P. 3)

COURTS, FCC & NETWORKS: Wiley attempts to explain network inquiry to critical congressmen. L.A. judge rules his Court has jurisdiction over antitrust suit. Group W seeks 4-week pre-screening rule before fall. (P. 4)

JONES, LAIRD LOSE NAB radio board seats. Arries joins 5 successful incumbents on TV board. (P. 5)

FCC NOT CYNICAL ON 'SUNSHINE,' hopes to dispel notion it won't fully support open meetings. Spectator must 'sit quietly,' will be thrown out if 'obtrusive or disruptive.' (P. 5)

ETV UNDERWRITING, auctions, marathons, etc., get FCC reexamination. (P. 5)

'VIOLENCE HIGHEST SINCE '67'-GERBNER: Confrontation between broadcasters & critics escalated last week, with latest "violence profile" finding televised violence highest since 1967, industry officials becoming more strident in their defense of programming practices.

According to profile—prepared annually by U. of Pa. Annenberg School of Communications researchers under grant from National Institute of Mental Health—level of TV violence "increased sharply last year on all 3 networks," reaching highest over-all level since 1967. Profile was timed for release immediately before House Communications Subcommittee's March 2 hearing on sex & violence, at which Project Dir. George Gerbner is expected to testify. According to profile, though each network increased violence in 1976, network ranking remained unchanged, with NBC broadcasting most violence, CBS least, ABC between.

Violence took biggest jump in family viewing (FV) time, followed by weekend children's programming, Gerbner group found. CBS "lifted its 2-season lid on violence during early evening hours," researchers claimed, "showing the highest increase of any network." Despite CBS increase, ABC remained on top in family hour violence, while NBC had most violent children's weekend and late-evening programs.

Group reiterated earlier finding that heavy TV viewers tend to believe "TV version" of

Consumer Electronics

ZENITH ADDS SEARS to list of defendants in \$1-billion antitrust suit against Japanese TV firms, asks court to order Sanyo to divest itself of former Warwick TV business. (P. 7)

JUSTICE DEPT. WON'T PROBE antitrust or unfair-practice charges against Japanese TV producers, it tells Sen. Kennedy. Japan's total & color TV exports to U.S. set more new records in Jan. (P. 7)

NEW RCA CHASSIS added for 19" & 25" XL-100, said to combine cost-effectiveness with high performance; 19" switches from slot-mask to delta tube. New Taiwan chassis next year for small-screen color. RCA cuts some prices, Zenith follows. (P. 8)

NEW PROJECTION TV components designed to improve single-tube units—fast plastic lens, high-brightness washable screen. Sony seen introducing 3-tube home projector. (P. 10)

RECORD CB MONTH as license applications exceed 980,000. CPSC prepares antenna-labeling rules, studies safety standards. TV antennas may be included. (P. 11)

ZENITH NET OFF in 4th quarter, up for year. Morse sales down but loss declined in quarter. CB maker losses continue. Allied Leisure needs new capital to keep going. (P. 12)

world rather than "real version," added new finding that children have been found to be "more likely than adults to give the 'TV answer' to questions about violence, law enforcement & trust." Sole exception: Black viewers "who had a high degree of suspicion & mistrust, regardless of their viewing habits."

Industry hasn't been taking criticism lying down, and last week it seemed to step up counter-attack: (1) "It's nonsense," CBS Bcst. Group Vp Gene Mater said of latest violence profile. "How does Gerbner define violence? And to suggest that we 'lifted the lid on violence' is ridiculous. It's ludicrous." Other 2 networks had no comment.

(2) AMA charges that TV violence "threatens the health & welfare of young Americans" and constitutes "a prevalent theme in American TV entertainment" are "untrue, unwarranted and unrepresentative of the high standards for which your organization stands," ABC-TV Pres. Frederick Pierce wrote AMA Pres. Dr. Richard Palmer. Criticizing AMA's letters to major TV advertisers found by NCCB to be sponsoring violent programs, he asked instead that AMA join with ABC in "meaningful scientific analysis" of problem and development of guidelines for broadcasters & parents, rather than "a blanket condemnation based on incomplete and misleading data."

(3) TV critics were labeled "righteous individuals" and "elitists" with "bi-focal ethics" and "an almost total disregard for the creative people and the creative spirit" by CBS-TV Vp-Program Practices Van Gordon Sauter at L. A. PTA hearing. Organized opposition to TV violence ignores desires of viewers, smacks of censorship, Sauter stated. He called instead for "reasoned discourse between people of differing viewpoints, who can work together to better serve society while at the same time respecting the rights of individuals and organizations within that society."

(4) Industry's principal problems aren't what critics say, according to new NAB Sr. Vp Thomas Swafford. Rather, broadcasting has failed to "sell itself," he told informal NCCB seminar. "My goal is getting the word out on the industry's good points to the great reservoirs of good faith in the U.S. past the N. Y. Times and Washington Post TV critics." He said networks' sole motive for reducing violence in programming has been "reacting to pressure," and not any notion that broadcasters must assume parents' responsibilities, he said.

On other hand, pressure continues to mount: (1) Those opposing TV violence "must keep up the pressure for many months to come," NCCB's Nicholas Johnson told L. A. PTA meeting. "Responsible corporate officials have changed their policies for good. Unfortunately, the irresponsible outnumber them. They will play a waiting game. They hope we will get bored—either complacency or discouraged—and go away. We must not."

(2) Kemper Insurance Chmn. James Kemper—whose firm recently drew up guidelines opposing advertising in violent programs—recently wrote 30 other chief execs., has received promises from 17 to do same. (3) Senate Communications Subcommittee is likely to hold its own exploratory hearing on TV violence in near future.

PHOTO FINISH ON DROP-INS: VHF drop-in rulemaking appears to be very close thing. FCC talked about it last week, came to no vote, but here seems to be line-up: For drop-ins—Wiley, Hooks, Fogarty. Against—Lee, Quello. Undecided—Washburn. Not participating—White, because her husband's law firm is pressing for Johnstown drop-in.

Rulemaking under consideration is as we've reported (Vol. 16:52 p1)—proposed to add Ch. 11, Charleston, W. Va.; Ch. 8, Johnstown (or Ch. 12, Altoona); Ch. 8, Knoxville; Ch. 13, Salt Lake City. Commission has put off vote, at least until this week; Lee wants it delayed until open-meeting rules go into effect March 15.

Before arriving at 4 candidates, Commission had narrowed drop-in possibilities to 10, then eliminated 6 because benefits weren't considered large enough to outweigh costs. The 6: Ch. 11, Davenport; Ch. 5, Jackson, Miss.; Ch. 8, Milwaukee; Ch. 3, Portland-Poland Spring; Ch. 7, Sioux Falls; Ch. 5, Wichita-Hutchinson.

As currently drafted, rulemaking would emphasize that 4-drop-in proposal isn't "all-

inclusive or exhaustive of the drop-in issue"; that people aren't foreclosed from seeking to prove that other drop-ins are practical. Current draft also states that UHF's can't automatically claim drop-ins, but Commission will "consider practicable service and past performance in any comparative hearing that may result." Also, proposal states, if drop-in requires stations to incur frequency-offset-equipment costs, drop-in grantee would have to pay them; same for translator shifts.

In winnowing process, FCC started with 96 proposals from all quarters—OTP, et al. Its first move was to cut group to 18 using these criteria: (1) In a top-100 market. (2) Co-channel short space no more than 17.65%. (3) Adjacent-channel short space no more than 15%. (4) Doesn't violate international agreements. (5) Provides Grade A or better service to city of license. (6) Not all-UHF market. (7) Reasonable antenna site available.

Some drop-ins were technically OK but were eliminated for other reasons, such as: "A drop-in having a pattern substantially incongruent with the patterns of existing stations was not regarded as having the potential for the kind of large-scale public benefit presented by those drop-ins which can provide a new service in the heart of the market area." Channels eliminated by such criteria were: Ch. 2, Charleston-Huntington; Ch. 12, Evansville; Ch. 5, Houston; Ch. 13, Miami; Ch. 5, Norfolk; Ch. 12, San Francisco; Ch. 11, Shreveport; Ch. 6, Springfield, Ill.

CARTER'S BUDGET CHANGES: Increased funding for public broadcasting and structural shift for OTP were proposed in revised fiscal 1978 budget sent to Congress last week by President Carter. There were no changes recommended in FCC or FTC budgets (Vol. 17:4 p4).

Though Ford would have given OTP \$3 million and Commerce Dept.'s OT \$7 million, and shifted spectrum management responsibility (along with its \$5.5 million budget & 4 staffers) from OTP to OT, Carter's revised budget would return spectrum management, funds & staffers to OTP. Of course, Administration officials reserve right to make further changes in OTP after Carter is granted reorganization authority by Congress.

While Ford asked \$115 million for CPB for fiscal 1980 (vs. \$160 million authorized by Congress & requested by CPB Pres. Loomis), Carter would give CPB as much as it got year before—\$120.2 million. Further, Administration officials said they may ask for more after development of Administration policy on public broadcasting. Carter also requested increase in HEW educational broadcasting facilities funds—from \$7 million asked by Ford to \$15 million.

Officials made it clear there may be more changes coming. "We simply haven't had time in 4 weeks to look at everything in the Ford budget," OMB Dir. Bert Lance told reporters. "It's very difficult for a new Administration to come in and master every minute detail in a month."

Person locator at NAB convention will be provided by Data Communications Corp. in form of CR tube readout of registrants. CRTs will be set up at registration desk, other convenient spots. Company operates "BIAS"—Broadcast Industry Automated Systems.

Children & advertising seminar series sponsored by Georgetown U. Law Center (Vol. 16:49 p6) begins March 14 in Washington with cocktails, buffet, panel discussion on "Selling to Children: An Overview."

New license renewal bill has been introduced by Communications Subcommittee ranking Republican Frey (Fla.). Though Frey said he continues to support Communications Act rewrite rather than piecemeal approach, he added: "I intend to make my views on certain issues known through the introduction of legislation so that they may be incorporated in the new Communications Act." Bill would grant 5-year licenses to TV & radio; renew license if station is responsive to "the problems, needs and interests of its service area and has conducted the operation of its station in accordance with the rules and regulations of the Commission"; require formal ascertainment for TV only; provide for appeals of FCC decisions to Appeals Court in circuit in which station is located. Formal ascertainment would be dropped for radio because major market radio stations appeal to specialized audiences, not to entire service area, while small market stations already maintain close contact with their audiences, Frey said. Bill would instruct FCC to study whether different ascertainment standards should apply to TVs in different size markets. Meanwhile, resolution "to insure that the quality & quantity of free broadcasting service not be impaired" has been introduced by Reps. Thone (R-Neb.) & Brinkley (D-Ga.).

NBC Forum March 4-5, Capital Hilton, Washington, features 4 panels on "the role of the media—informing or influencing the electorate." Among participants: Retired Sen. Pastore (D-R.I.), Sens. Tower (R-Tex.), Humphrey (D-Minn.) & Dole (R-Kan.), Reps. Van Deerlin (D-Cal.), Anderson (R-Ill.), Jordan (D-Tex.) & Udall (D-Ariz.), DNC Chmn. Kenneth Curtis, RNC Chmn. Bill Brock, former FCC Chmn. Newton Minow, independent presidential candidate Eugene McCarthy, George Washington U. Prof. Jerome Barron, Brookings Institution Senior Fellow Stephen Hess, former Carter media dir. Gerald Rafshoon, pollster Daniel Yankelovich, columnists Tom Wicker & George Will, former Ford ad consultant Douglas Bailey, Duke U.'s James Barber.

COURTS, FCC & NETWORKS: Allegations that networks exert undue & improper influence on TV programming were in forefront again last week in L.A. Dist. Court, in Congress and at FCC. Adding to issue was Group W's Feb. 25 request that Commission sever pre-screening issue from network inquiry and start expedited rulemaking to be finalized by fall.

Group W wants FCC to require networks to offer screenings 4 weeks in advance of airing—"particularly in view of the marked increase in the amount of crime, cruelty, violence and other inappropriate program matter in network entertainment programming" (see latest Gerbner violence study, p. 1). Group W complained that earlier pre-screening request was "summarily denied without discussion" when Commission issued network inquiry (Vol. 17:3 p2), stated: "The enactment of this relatively simple measure should not have to await the outcome of comprehensive inquiry into network practices."

FCC Chmn. Wiley attempted to explain inquiry last week to couple of critical congressmen—House Investigations Subcommittee Chmn. Moss (D-Cal.) and Communications Subcommittee Chmn. Van Deerlin (D-Cal.) (Vol. 17:5 p6). In separate letters, Wiley said current study will be "more sharply focused" than 1950's Barrow study and programming inquiry of 1960's, specifically on:

(1) Licensee responsibility and how it has affected network contracts, compensation and opportunity for pre-screening. (2) Network relations with program producers and whether networks are "permitted to restrict unduly" syndicated programming. (3) Network "in-house" production of programs. (4) "Tying agreements" between networks & program suppliers. (5) Exclusivity contracts. (6) Role of network-owned stations in development of syndicated programming.

Wiley said inquiry staff (none picked) will consist of chief, 5-6 full-time professionals, 2 researchers, 2 secys., 1-2 outside consultants. Congress will be asked for extra money (unspecified) to finance project and that "extensive independent research" is contemplated. FCC chmn. wrote Moss that most of issues in current inquiry haven't been addressed before and that because of "the seriousness of alleged problems raised," agency believes "a comprehensive... study" is mandatory to protect public.

In L.A., Dist. Judge Robert Kelleher ruled that his Court has jurisdiction over antitrust suit filed by Justice Dept. (JD) against TV networks and covering much of same ground as FCC inquiry. Judge also denied network motions to dismiss suits under summary judgment because of "the complex nature of the litigation and the controlling issues of motive, intent & reasonableness."

On jurisdictional issue, networks argued that matters raised by JD properly belong before FCC, thus are not subject to antitrust laws. Kelleher did, indeed, find that "most factors" for waiving jurisdiction to Commission are involved in JD suit and that FCC jurisdiction is "broad enough to

comprehend the subject matter of this litigation."

However, judge concluded, "notwithstanding the showing... that the subject matter of this action is subject to [FCC jurisdiction], and that maintenance of this action could possibly disrupt the FCC's regulatory efforts, the Court is not free to find that with respect to TV programming activities Congress intended to displace the Sherman Act with... the Communications Act [which] does not empower the FCC to decide antitrust issues as such."

Wiley wrote Van Deerlin that agency's inquiry "should in no way preclude the prosecution of the antitrust case or the arranging of an appropriate consent decree." NBC, in fact, has agreed to settle case with govt. (Vol. 16:47 p1), and that consent order now is awaiting Kelleher's judgment. Comments are due March 1. Among those expected to express views are ABC, CBS, NCTA, program producers & unions; FCC was undecided at week end whether it would comment. Communications lawyer familiar with antitrust suit said Kelleher's decision that his Court has jurisdiction will put "great pressure" on CBS & ABC to negotiate settlements similar to NBC's.

Senate Commerce Committee hasn't formally organized subcommittees, but Communications Subcommittee will try to hold organizational meeting this week under Chmn. Hollings (D-S.C.) & ranking Republican Griffin (Mich.). Tentative Subcommittee assignments include Democrats Hollings, Cannon (Nev.), Inouye (Hawaii), Durkin (N.H.), Zorinsky (Neb.) & Riegle (Mich.), Republicans Griffin & Stevens (Alaska). Two more Republicans probably will be assigned this week. Consumer Subcommittee will be chaired by Sen. Ford (D-Ky.)—Sen. Stevenson (D-Ill.) having opted to chair new Science & Space Subcommittee. Other Consumer members included Democrats Durkin & Melcher (Mont.). In wake of expected nomination of Commerce Chief Counsel Michael Pertschuk to be FTC chmn. (Vol. 17:8 p4), Commerce staff leadership probably will undergo following changes: Edward Merlis, staff dir.; Thomas Allison, chief counsel; James Walsh, senior counsel. Mary Jo Manning, aide to Sen. Hollings, will join Committee staff as communications counsel when full Committee budget is approved. Though Pertschuk nomination still hasn't been submitted formally to Congress—pending completion of FBI check, etc.—Pertschuk was offered job by President Carter Feb. 18, accepted immediately.

"**Communicasting**," new community fixed educational radio service using UHF channels 70-83 or land-mobile spectrum in 470-930 MHz band, is requested of FCC in petition filed by Center for Advanced Study in Education (City U. of N.Y.) and Communicasting Assn. of America (S. Edwin Piller, pres.). Communicasting would utilize UHF because ITFS is limited to "financially affluent universities and other educational organizations who could afford the microwave equipment required," petitioners state. By contrast, UHF is "the most cost effective part of the spectrum today to establish nonprofit educational community radio services."

JONES, LAIRD LOSE NAB SEATS: All 5 dirs. seeking re-election to NAB TV board were successful, but 2 radio dirs.—including Vice Chmn. Donald Jones, who planned to seek radio chairmanship (Vol. 17:4 p4)—were defeated in mail balloting results announced last week. Charles Wright, WBYS-AM-FM Canton, Ill., defeated Jones, KFIZ(AM) Fond du Lac, Wis., for Dist. 9 (Ill.-Wis.) seat. Ben Laird, WDUZ-AM-FM Green Bay, lost Class B directorship to Daniel Kops, WAVZ(AM)-WKCI(FM) New Haven.

Ex-board member Leslie Arries, WBEN-TV Buffalo, joins 5 successful incumbents on TV board, including: William Bengston (who led ticket), KOAM-TV Pittsburgh, Kan.; Thomas Bolger, WMTV Madison; Eugene Dodson, WTVT Tampa; Robert McConnell, WISH-TV Indianapolis; Mike Shapiro, WFAA-TV Dallas. There were 13 candidates for 6 TV seats.

Among 13 elected to radio board, 5 were incumbents: Dist. 5—Paul Reid, WBHB(AM) Fitzgerald, Ga.; Dist. 7—Walter May, WPKE(AM)-WDHR(FM) Pikeville, Ky.; Dist. 15—Frank McLaurin, KSRO(AM) Santa Rosa, Cal.; Class A—Virginia Wetter, WASA(AM)-WHDG(FM) Havre de Grace, Md.; Class C—William Sims, KOJO(AM)-KIOZ(FM) Laramie, Wyo. In addition to Wright & Kops, newcomers to radio board include:

Dist. 1—Arnold Lerner, WLLH(AM)-WSSH(FM) Lowell, Mass.; Dist. 3—Jerry Lee, WDVR(FM) Philadelphia; Dist. 11—John Lemme, KTLF(AM) Little Falls, Minn.; Dist. 13—Stan McKenzie, KWED-AM-FM Seguin, Tex.; Dist. 17—Ted Smith, KUMA(AM) Pendleton, Ore.; Class D—Edward Fritts, WNLA-AM-FM Indianola, Miss. New dirs. take office March 27 at end of convention in Washington. As radio vice chmn., Jones remains on Exec. Committee until his successor is elected in June.

Fla. Democratic Reps. Pepper & Fascell introduced bill in House authorizing WFAB(AM) Miami to resume operations for 90 days. Spanish-language station, owned by United Bcstg., went dark Feb. 20 after FCC refused to renew license for double billing, among other transgressions. "For years, double billing in our industry has been commonplace, but many offenders got off with a \$2,000 fine," according to WFAB Gen. Mgr. Thomas Garcia Fuste. United, owned by Richard Eaton, lost another round at FCC last week when Judge John Conlin recommended that his licenses for WJMO(AM)-WLYT(FM) Cleveland not be renewed. Conlin said stations had "a monumental record of licensee indifference," noted similar findings at WFAB & Eaton's WOOK(AM) Washington. Cleveland stations have been in hearing status since Jan. 1972.

FCC inquiry on public service announcements is supported in letter to FCC Chmn. Wiley from Communications Subcommittee's Rep. Wirth (D-Colo.). He said recent petition to FCC adequately detailed difficulty groups have experienced in obtaining PSA time on local stations. "What remains now is for the Commission to conduct its own study to determine how widespread these difficulties are and what is the most appropriate remedy."

FCC NOT CYNICAL ON 'SUNSHINE': Rules to cover open meetings after "Sunshine Law" becomes effective March 15 were issued by FCC last week, and agency said it hoped to dispel "cynicism & suspicion" that it'll try to circumvent new law. "No one should read the Commission's prior opposition to [law's] enactment as meaning that we will not fully implement both the letter and spirit of the Act," Commission said.

FCC said it won't try to interpret "substantive provisions" of Act until it gains "experience in judging" whether meetings should be closed or open. Study of items considered last 6 months showed that majority were eligible for secret consideration, agency said.

Spectators will be permitted to record proceedings and take pictures (without flashes). Also, they'll be required to "sit quietly and observe the meeting and not engage in any activity which is obtrusive or disruptive." FCC refused to define further, as requested by Howard U., what it meant by "disruptive conduct."

Weekly "FCC Actions Alert" will carry listings of open & closed meetings, and Commission also said it would continue to "circulate" items when necessary.

ETV underwriting, auctions, marathons, etc. would be reexamined by FCC under notice of inquiry currently under consideration. Commission notes, for example, that some ETV operators believe "hard-sell advertising pitches" may be made if station gets no payment for them or beneficiary is nonprofit organization. These are verboten, FCC says. Among questions asked in proposed inquiry: Should stations be allowed to promote college courses, govt. documents & bonds? Should mention of underwriter be limited to once per program under half-hour long? How identify companies providing stations with goods & services? How much identification of companies & products should be allowed during auctions?

Massive study of AT&T by FCC over 5 years resulted in final decision holding that phone company provides excellent service at reasonable price, doesn't indulge in unfair competition, shouldn't be split up. Sole slight criticism rendered by Commission was that AT&T doesn't give subsidiaries more freedom in buying equipment made by companies other than AT&T subsidiary Western Electric. On Capitol Hill, Rep. Wirth (D-Colo.) & 21 colleagues have introduced resolution "to reaffirm that competitive principles should govern common-carrier industry"; in Senate, it was introduced by Sen. Hart (D-Colo.).

Jerrold appointed Anixter Pruzan as national distributor of CATV products. Plan for 2-step distribution program, slated to start in April, was announced last Dec. (Vol. 16:52 p7). Jerrold will retain in-house sales organization. Anixter has responsibility for filling immediate orders and those too small for normal production runs.

FCC should act on petition that it take jurisdiction over pole attachments, NCTA argued, filing with D.C. Appeals Court.

Personals

For "personal reasons," ex-CBS Pres. **Arthur Taylor** informed White House, he can't serve govt. outside U.S.; possibility of ambassadorship (no specific country mentioned) was discussed with him.

Nicholas Miller, ex-Senate Commerce Committee communications counsel, named consultant to OTP for 6 months to assist Administration developing telecommunications policy, with special emphasis on Executive Branch reorganization.

W. Bowman Cutter, ex-asst. to the pres., Washington Post, named OMB exec. assoc. dir. for budget; **Harrison Wellford**, ex-legislative asst. to late Sen. Hart (D-Mich.), appointed exec. assoc. dir. for reorganization & management.

Bernie Sofronski promoted to vp-special programs, CBS-TV succeeding **Tony Converse**, who resigns to join EMI TV Programs... **Sherman Wildman** promoted at WCBS-TV N. Y. from retail/developmental sales mgr. to gen. sales mgr.

Al Ittleson, ex-vp-news, ABC-owned stations, named vp-ABC-TV News Advisory Service, responsible for newly-formed committee to advise & assist affiliates on local news operations; **Susan Futterman**, ex-Pacific Oaks College, named mgr., ABC west coast children's programs broadcast standards & practices.

In CBS-TV network sales dept. restructuring: **Paul Isacson** named vp-sales planning, new post; **Sherman Adler** to vp-sales administration, new post; **Carl Tillmanns** succeeds **Joseph Curl**, retired, as vp-west coast sales; **William Materne** named vp & asst. to **Frank Smith**, vp-sales, new post; **Jerome Dominus** promoted to vp-eastern sales; **Richard Loftus** advanced at CBS TV Network Sales from gen. sales exec. to regional sales & services dir. Other appointments: **Michael Presbrey**, gen. sales. exec.; **Olga Skopak**, office mgr.; **Albert Crane**, daytime sales dir.; **John Brooks**, new program sales dir.; **Richard Pinkham**, sports sales dir.

Don Weiderecht, ex-Colgate-Palmolive, appointed CBS-TV Sports communications dir... **Leonard Lucas** appointed broadcast operations mgr., NBC-TV; **Donald Kivell** named network interconnection mgr... **Lewis Alpert**, independent producer, joins WNBC-TV N. Y. as sales development mgr.

Robert Ross, OTP gen. counsel, resigns effective April 2, plans unannounced... **Carl Sagan**, Cornell U. professor of astronomy & space sciences, addresses NAB Bcst. Engineering Conference March 29 luncheon... **Donald Greer** elected Comsat asst. vp-gen. services, continues to serve as hq exec. officer.

James Bloom & John Bray, Blair TV N. Y. sales mgrs., appointed vps... **Jim Schwab**, ex-Chase Manhattan Bank, named controller, KGO-TV-AM & KSFX(FM) San Francisco... **Edwin Manske** elected vp & treas., Systems Wire & Cable.

Lou Sweeney, ex-KMEX-TV L. A., named vp-

west coast sales dir., Spanish International Communications; **Charles Barry** succeeds Sweeney as KMEX-TV gen. sales mgr... **Robert Steinberg**, Meredith Bcstg. controller, named a vp.

Ralph Berg promoted to vp-operations, Oak Industries Communications Group CATV Div.; **C. J. Bach** advanced to sales dir.; **Donald Pascarella**, ex-vp-sales, appointed gen. mgr. of Oak's Emmen, Holland subsidiary Oak Holland B. V.

In Tape-Athon Corp. restructuring: **Wally Rubin** promoted to exec. vp & sales-mktg. div. dir.; **Joe Otis**, ex-Schulke Radio Products, appointed Audio Products Div. dir., including broadcast program syndication; **Robert Haller**, ex-Tel Autograph, named Operations Div. dir.; **Bernard Sayers**, ex-Bouse Mfg., dir. of new Engineering Div.

Robert Peters, ex-Stanford Research Institute, named Orrox Corp. market research & product planning mgr... **Judith Baer**, assoc. publisher of Communications/Engineering Digest, resigns from Titsch Publishing to return full-time to her Communications/Engineering Services, Washington... **Ron Herman**, ex-Vidtronics, named Compact Video Systems technical operations supervisor.

Jerome Hull, Pacific Telephone & Telegraph chmn., elected a dir., Ampex, succeeding **Henry McMicking**... **Kurt Burghardt**, Neodata Services gen. mgr., and **Robert Moran**, Nielsen Clearing House Div. mgr., elected Nielsen dirs.

Denis Curley, ex-Media Payment Corp., appointed Kaiser Bcstg. credit & collection mgr... **Joe Anderson** promoted to operations dir., WGBH-TV-FM Boston.

Cox Bcstg. sweetened deal for aquisition of Cox Cable (Vol. 17:8 p4) and Cable board promptly okayed agreement in principle. New deal provides \$10.83 cash plus 0.43 share of Bcstg. for each Cable share—meaning about \$24 total. Original offer of 0.61 share of Bcstg. meant about \$20 for each Cable share. Agreement goes to stockholders next, probably in May, and approval is expected—barring drastic change in market. Meanwhile, another independent cable operator becomes part of group owner. **Anthony Ceracche** sells his 17,000-subscriber Ithaca, N. Y. system to ATC for undisclosed price.

Obituary

Frank Mullen, 80, one-time NBC executive, died in Veterans Hospital, L.A., Feb. 20. Best known as organizer of National Farm & Home Hour in 1927, he served as NBC vp-gen. mgr. 1940-46, exec. vp 1946-48. He headed RCA information dept. 1934-39. Leaving NBC in 1948, he served for a year as pres. of G.A. Richards stations. Survivors include wife, 3 sons.

Goldie Drell Paley, 95, mother of CBS Chmn. **William Paley**, died in Palm Beach, Fla. Feb. 24. She was active in many charities in Philadelphia & Palm Beach, took up painting in her 60's. In 1975, **William Paley** established art & cultural center, **Paley Youth Center**, in Jerusalem, in her honor. Survivors also include a daughter.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Feb. 11 (6th week of 1977):

	Feb. 5-11	1976 week	% change	Jan. 29- Feb. 4	1977 to date	1976 to date	% change
Total TV.....	208,236	194,873	+6.9	265,773	1,437,854	1,228,782	+17.0
color.....	122,488	114,803	+6.7	162,585	890,317	729,721	+22.0
monochrome....	85,748	80,070	+7.1	103,188	547,537	499,061	+9.7
Total radio.....	482,163	453,751	+6.3	600,453	3,418,165	3,189,550	+7.2
home, portable..	256,015	194,761	+31.5	372,199	1,982,653	1,745,403	+13.6
AM-only.....	74,287	39,186	+89.6	55,242	637,150	358,842	+77.6
FM & FM-AM..	181,728	155,575	+16.8	316,957	1,345,503	1,386,561	-3.0
auto.....	226,148	258,990	-12.7	228,254	1,435,512	1,444,147	-0.6

Color TV 5-week moving average: 1977—151,373; 1976—124,726 (up 21.4%).

ZENITH ADDS SEARS IN ANTITRUST SUIT: Zenith included Sears last week in list of defendants in \$1-billion antitrust suit against Japanese TV manufacturers in Philadelphia federal court in counterclaim to countersuit filed by Matsushita last Aug. (Vol. 16:33 p7). Zenith also broadened case to include virtually every major retailer and previously unnamed importers by citing any company marketing Japanese consumer electronics under private label as unnamed co-conspirators.

Zenith further added to roster by naming Melco Sales, whose parent Mitsubishi Electric is already defendant, and Sanyo Mfg. Corp., Sanyo's new subsidiary formed to operate TV business Sanyo acquired from Warwick at start of year. In court filing, Zenith restated previous allegations and requests for remedies, also asked that Sanyo be forced to divest itself of Warwick operation—original filing also named Motorola and asked that Matsushita be ordered to spin off Quasar, TV operation it bought from Motorola in 1974. Sears is named because it owns 25% interest in Sanyo Mfg.

There's significant omission in Zenith filing. In addition to expanding list of defendants, it restated names of all past ones with one exception—Sony—with which Zenith has just signed home VTR license agreement (Vol. 17:6 p7). It's uncertain whether Zenith is withdrawing Sony's name from case.

JUSTICE TO KENNEDY—NO JAPAN TV PROBE: In letter questioning validity of domestic industry's effort to halt Japan's TV export drive on antitrust & unfair-competition grounds, Justice Dept. says it has no intention of investigating Japanese business practices. Almost at same time letter was being delivered to Senate Judiciary Subcommittee Chmn. Kennedy (D-Mass.), Japan's Finance Ministry released figures showing both total & color TV exports to U.S. set new Jan. records, while CB exports posted historic decline.

Letter from Justice Antitrust Div. Chief Donald Baker was in response to Kennedy's note asking why JD had taken no action against Japanese in view of apparent antitrust violations (Vol. 17:5 p7). Heart of matter is "orderly export marketing" or check-price agreement Japanese TV exporters signed in 1966, and that pact, JD said, "was fully authorized by the Japanese Ministry of Trade & Industry." As producers were "directed" to sign, "our courts would be highly likely to uphold the arrangement against antitrust challenge."

To contest such deals would be futile, JD said, because successful challenge of Japan's attempt to control exports probably will result in "continuation of the same conduct in even a

more rigid form, as well as foreign-policy controversy." In addition, JD said, U.S. companies are permitted to enter similar export pacts under Webb-Pomerene Act, and it's against JD policy to sue "members of a foreign export association for conduct which the U.S. would permit."

As to why JD never formally investigated, agency says "no American TV firm has ever asked us to." Besides, Zenith & NUE have court suit pending on same issues and JD "has often made the decision not to duplicate a private antitrust action."

As for unfair-competition charges, JD points out check-price agreement was intended to establish minimum prices "to avoid or respond to anti-dumping charges in the U.S. There seems to be some possible anomaly in charging the Japanese with dumping if they price-cut in the U.S. and with Sherman Act violations if they do not."

JD assures Kennedy it acted entirely on its own when it decided to oppose International Trade Commission's probe of Sylvania's unfair import competition charges (Vol. 16:40 p7), didn't consult with other agencies which also were against—FTC, State, Treasury & Office of Special Trade Representative. JD says it's an "unwise & excessively protectionist policy to permit Sec. 337 to be employed so as to give firms which lose dumping or countervailing-duty case a '2nd shot' at keeping out foreign competition or heaping legal costs on foreign sellers."

Spokesman for Kennedy's Subcommittee on Administrative Practice & Procedure said late last week letter was still being reviewed, and decision on whether to pursue matter further should come some time this week.

Japan's total Jan. TV exports to U.S. climbed 53.6% from same 1976 month to 236,300, as color edged up moderate 28.3% to 136,400, b&w jumped 110.1% to 99,869. CB, however, suffered first decline since start of U.S. sales boom in 1975, dropping 8.7% to 583,535.

RCA—NEW COLOR CHASSIS, HOT PRICING: RCA last week introduced its 3rd new chassis in as many years and indicated 4th—Taiwan-made small-screen color (Vol. 17:8 p8)—would be coming up next year, resulting in complete changeover of color & b&w lines since 1975. At distributor meetings in Orlando & Phoenix, it cut prices on small-screen color and is understood to have announced some hot promotional console prices. Once again, Zenith quickly moved to match them.

New RCA chassis is extremely compact unit designed for low-end 19" & 25" color—currently in 19" only. "Xtended Life" XL-100 U-shaped chassis weighs 8.5 lb. less than predecessor, draws only 86 watts, has 8 modules, is claimed to operate 24% cooler with higher performance and to be most easily serviced RCA has ever produced. Key phrase applied to new chassis—and all of RCA's revamped line—is "more cost-effective." New chroma IC is said to perform all active color-processing functions, with same automatic tint & color-overload correction as in ColorTrak chassis.

RCA has backed away from slot-mask tube in 19" set, choosing "the proven & more costly" delta-gun tube with new gun of type used in 25" set for greater detail. Move obviously heralds return of delta-gun tube in 19" ColorTraks this spring and is seen as at least temporary answer (until RCA has tripotential-gun slot-mask tube) to Zenith's high-resolution "Able" slot-mask.

Since 1975, RCA has introduced new chassis for b&w, high- & low-end 19" & 25" color, and next overhaul is due in 17"-&-below. This is Taiwan-made unit—coming next year—which could put RCA into growing 13" color as well as revamping 15" & 17". There's some speculation, unverified, that, at least in 13" size, chassis might be AC-DC.

RCA repriced small-screen color line, "with better margins," so leader 15" could sell below \$300, eliminating step-up 15" and using repriced 17" as step-up instead, down at least \$10 from predecessor at \$370 or below. Remote 17" is down \$10-\$20 to about \$450. Most other new-line prices are about same as promotional prices of last 90-180 days. In "Spring Clearance," RCA has cut 3 ColorTrak 25" consoles by \$25-\$40 at retail. These sets were \$670 & \$700 last May, were subsequently changed to open list (down about \$20). In monochrome, \$40 battery is being given free with closeout 12" which listed formerly at \$150. (For new RCA line, see p. 9.)

Zenith responded quickly to new RCA price moves. Company said it announced "program of

increased promotional allowances in response to competitive moves which are designed to support our spring merchandising program [and]...to keep Zenith aggressively competitive..." Allowances are said to vary by region to meet competitive conditions, but it's understood Zenith's reductions covered all 23" & 25" consoles. Zenith distributors meet this week, are expected to see new b&w line.

In news conference at meeting, RCA executives made these points: (1) RCA's b&w AC-DC sales rose 107% last year vs. industry's 69%. (2) Consoles comprise 40% of RCA's color mix and are expected to continue at that percentage this year, compared with 29-30% for total industry. RCA's share of console market rose 4 percentage points in last 90 days. (3) New 19" & 25" XL-100 chassis could be made in Taiwan "downstream." (4) National color advertising will continue to concentrate on ColorTrak. (5) It would be "improper & inappropriate" to comment further on VTR plans.

In-home test of Philips/MCA videodisc system will start within 60 days in area around Magnavox plant in Greeneville, Tenn., Washington Post reported last week in interview with MCA Chmn. Lew Wasserman. Wasserman revealed that previously undisclosed customer for first MCA players (Vol. 16:48 p10) is CIA, presumably for data & file storage. Wasserman's comment on Pres. Edgar Griffiths' announcement that RCA videodisc won't be marketed before 4th-quarter 1978: "With all due respects to Mr. Griffiths, we've been hearing about the RCA system for 10 years. RCA said they were a year ahead of us until a few weeks ago, and now suddenly they are a year behind us." Upcoming Philips/MCA videodisc demonstrations: March 4, "Future of TV" conference, Annenberg School of Communications, U.S.C.; April 3-6, ITA Audio/Video Seminar, Hilton Head, S.C.

RCA's spring line (exclusive of "Custom" models & special promotions): 15" color, open-list (\$300-\$350); 17" about \$370 (down \$10 from last year), step-up at about \$380, remote about \$450 (down \$10-\$20); 19" XL-100 (new chassis) starts "under \$400," step-ups about \$420 & \$430-\$440; 19" ColorTrak, \$450, \$480 & \$500 (all 19" relatively unchanged from recent prices). Monochrome line (prices about same as predecessor): 9" AC-DC without battery \$125, step-up with battery \$165; 12" AC & step-up open, 12" AC-DC without battery \$140, with battery \$180; 16" at \$160, two 19" leaders open, step-up \$170... **Quasar** adds open-list 19" promotional color model (about \$420), open-list leader 19" b&w with \$170 step-up... **Sylvania** introduces 19" hotel-motel color set with FM-AM

Taiwan's total TV production rose 33.2% last year to 3.9 million, million over 1975, Industrial Development Bureau reports. Color output of 547,000 rose 62.8%, while b&w climbed 29.4% to 3.3 million. IDB said radio production was up 4.9% to 69.8 million and output of electronic components & parts jumped 119% to \$421 million.

Quasar establishes distribution branches in San Francisco & Seattle. Philip Cunningham, ex-Western Div. sales dir., is mgr. of San Francisco branch (501 Forbes Blvd.); Robert Barman manages Seattle branch (626 Industry Dr., Tukwila). John Fortino, Quasar Central Div. sales dir., adds Cunningham's former duties.

Sony will double size of Dothan, Ala. tape plant, by summer 1978, Chmn. Akio Morita announced at official opening. Initial factory, to start production this spring, will be 180,000 sq. ft., with construction of 2nd 180,000-sq.-ft. facility to begin this spring. Currently under construction is 26,000-sq.-ft. Beta-max cassette-shell plant. Sony's total investment in Ala. facilities will be \$38 million; plants eventually will employ 1,000. Principal product will be Beta-max tape for U.S. & export market. Meanwhile, Panasonic may reveal its home VTR plans April 4 when Video Systems Div. Gen. Mgr. Irwin Tarr speaks on undisclosed topic at Consumer Videotape/Videodisc panel at ITA seminar in Hilton Head, S.C.

Renewed interest in electroluminescent displays for TV, after dormant period, is demonstrated in program for upcoming Society for Information Display symposium April 19-21 in Boston. EL highlights: Review, with emphasis on thin film (Sharp); new EL color materials (Thames Polytechnic), gas-discharge displays (Bell Labs, Fujitsu, Hitachi, Philips). Among other papers: Color TV display (Donald Fink), "the perfect TV picture" (W. David Wright, U. of London), projection TV (GE, Hughes, IBM, Xerox). Panel discussions: Video games (Sanders Assoc., Fairchild, RCA, Gnostic Concepts); 3D video displays (3-D TV Systems, Stephens & Assoc., Perceptronics, Naval Underseas Center).

AM stereo field testing is scheduled to start May 2, using facilities of WBZ Boston and WTOP & WGMS Washington. Withdrawal of systems developed by RCA, Sansui (2 systems), Comm. Assoc. & Hobart Wilson leaves National AM Stereo Radio Committee (NASRC) with only 3 systems to test—Motorola, Magnavox and system recently submitted by Belar, Devon, Pa. System developed by Leonard Kahn hasn't been submitted to NASRC, but directly to FCC. NASRC hopes to turn data over to FCC by late summer, expects Commission to pick system and authorize AM stereo broadcasting about year later.

Duty-free treatment for LEDs & semiconductor parts from Malaysia under trade preference system (requested by Monsanto) and similar bid for carbon resistors by Vishay Intertechnology were turned down by Presidential Trade Negotiations Office. Agency also rejected requests that under-16.5" b&w tubes (from IBEW) & small DC motors (International Components) be dropped from free entry list.

NEW PROJECTION INTEREST: Better projection TV systems are in works, with major manufacturers expressing new interest and specialized suppliers offering new lenses & screens expressly made for TV. New generation of Advent-inspired 3-tube systems also seems to be coming as step-up from current small-screen-TV-plus-lens-&-screen systems.

Sony could give impetus to new projection-TV drive with introduction of super-bright 3-tube home system which is scaled-down version of its \$23,000 commercial theater-size unit (Vol. 15:17 p11). It's known that Sony is working on such a system, presumably using 3 special Trinitrons. One report indicates new set has 100 times brightness of some home projectors.

Among other TV manufacturers, GE, Magnavox & Admiral have projection projects in works, and Curtis Mathes is understood to be considering entering field. Henry Kloss, Advent founder & former pres., is developing tube-&-optics system for optimum high-quality 3-tube home projection TV, but he says it's too early to say what eventually will be done to commercialize it.

Two new projection TV components are about to go into commercial production—special high-brightness durable screen by M. Hodges Instruments, Woodland Hills, Cal. and plastic lens system by U.S. Precision Lens, Cincinnati. U.S. Precision Chmn. Roger Howe says his f1.9 lens, designed specifically for 13" color TV, should provide more than twice the light of comparably priced glass lenses, which have speed of f2.8-3.5.

Marvin Hodges, ex-Eastman Kodak, developer of Ektalite screen, also claims doubling of brightness (vs. Ektalite) with new coated washable aluminum-foil screen designed for 13" TV light source, which went into production last week. Proprietary molding process, he says, makes screen less expensive & lighter than Ektalite. His company will custom-make screens for any projection-TV requirement, is experimenting with "even higher-performance screen." Currently producing 50" diagonal unit, it plans to add 67" in March, 80" in early May.

Two other lens manufacturers—Buehl Optical, Pittsburgh, and Projection Optics, Rochester, see projection TV business gradually increasing through year. Buehl Pres. Irving Stapsey says it's mostly "nickel & dime" business so far and that he's had problems with non-payment from small companies, some of which have dropped out of sight. Buehl claims at least half of projection lens market, says it has sold about 2,500 lenses for purpose.

Frank Fouquet of Projection Optics, subsidiary of Charles Beseler Co., says single-tube projection TV market totaled 4,000-5,000 last year, sees momentum improving, with future belonging to larger companies. Other suppliers see total market (including 3-tube units) at 12,000-25,000 last year, doubling or tripling in 1977.

Meanwhile, Advent's new 3-tube VideoBeam 750, in test-marketing since Oct., is gradually going nationwide, will be in all major markets by fall. Company says that more than 80% of sets sold have

gone into homes. Model 750 is being sold in major cities in Cal., Texas & Fla. as well as Boston, Philadelphia, Baltimore, Washington, Nashville, Memphis, Phoenix & Minneapolis-St. Paul. Next markets will be N.Y.C., Denver, Hartford, Albuquerque, Oklahoma City.

Earl Muntz's Madman TV is branching into 2-piece systems with these new models: 67" cleanable screen, remote control, \$1,695. Similar model, ceiling-mounted, same price. 50" remote, \$1,295. Also new is one-piece 67" unit at \$1,995.

Sega of America, which purchased Muntz's former projection TV business, has moved production from Muntz's old Van Nuys, Cal. plant to its main factory at Redondo Beach.

High-speed fax service, which can deliver type-written page in less than 26 sec., will be inaugurated between U.S. & Japan by RCA Globcom & Japan's KDD. Demonstrated last week in N.Y., Quick-Fax system developed by KDD uses new redundancy reduction technique to provide what was described as highest speed ever achieved in fax, with "superior reproduction." Globcom officials said service will start later this year, providing less expensive international communications. First equipment licensees of KDD are NEC & Fujitsu. KDD engineer said Quick-Fax also could be used domestically with standard telephone lines, and principle is adaptable to consumer use via broadcast or cable. Said Globcom Exec. Vp Robert Angliss: "The day of fax is here at last."

Superscope charges Beatrice Foods (BF) with unfair use of its trade secrets in suit seeking \$500,000 plus punitive damages in Chicago federal court. Superscope reveals BF considered acquiring it in 1975, and at that time was supplied with confidential business information. Negotiations were broken off last July, and last Jan. BF announced intention to acquire Harman International (Vol. 17:3 p10). Superscope alleges BF used confidential data in evaluation of HI, demands material be returned... **Japan's Akai** acquires 25% interest in French distributor International Hi-Fi Video, will change name to Akai France.

Ad notes: Midland launches network TV campaign for 40-channel CBs using theme "Introducing Midland power—it's what you get when you run with No. 1," claiming it's largest CB marketer... **Pioneer** was major sponsor of TV's Grammy Awards Feb. 19... **Texas Instruments** supports new LED watch line for men & women with national TV... **Magnavox** appoints Quinn & Johnson, Boston, for ads & sales promotion on East Coast from N.J. to N.C. Agency already handles New England area.

Electronic watches now account for only 8% of market in Europe, will rise to 40% by 1985, according to Frost & Sullivan study which concludes that Swiss will have lots of time to develop technology needed to retain major share of market there. Report notes that both independently and in conjunction with Swiss Electronic Watch Center, manufacturers there are investing in electronic watch R&D and are making technology agreements with U.S. & Japanese manufacturers.

RECORD CB MONTH: Jan. license applications didn't quite hit million mark industry & govt. forecast, but 980,253 total was highest ever recorded. First 5 days of month topped entire 1973 total, FCC said, adding that 504,484 licenses were issued, bringing total licensed CBers to 8,159,176.

Antenna-labeling rules & safety standards under consideration by CPSC (Vol. 17:5 p10) could bring new problems to segment of industry. Issue was discussed at joint meeting with CPSC staffers and base station antenna producers last week, and CPSC is now seen certain to issue ruling in 60-90 days requiring that warning tag and installation instructions accompany all antennas sold. Standards Coordinator Larry Mulligan said CPSC knows "of a lot more than 100" electrocution deaths related to CB antennas, that "200 is not at all beyond belief."

"You can be killed if this antenna comes near electric lines. Read instructions," is candidate line for label, Mulligan said. Line was mentioned as possibility by EIA's Citizen Radio Section, which is also studying possibility of putting together generic instruction booklet for use by industry. Mulligan said CPSC also is studying economic feasibility of standards which would require isolation of antennas from pole or mast on which they're mounted. Question of standards raised hackles of some producers at meeting, one complaining that CPSC staffers don't understand enough about antenna problems to develop design standards.

TV antennas also are being studied, may be included in eventual CPSC rules. "Our whole idea is to try and reduce these deaths," Mulligan said. "CB & TV antennas are the largest single factor in electrocutions in the U.S. right now." He said at least 15 deaths have been traced to TV antennas but believes actual figure is higher.

U. K. color market dropped 5% last year to 1,506,000, as domestic factory sales fell 2.5% to 1.29 million, imports dropped 19% to 214,000. In b&w, market rose 7% to 1,002,000, with domestic sales off 10% to 456,000, imports rising 26% to 546,000. As result, imports lost share of color market, dropping to 14% from 17%, but boosted b&w share to 54.5% from 46%. Other U. K. market totals: Audio systems 728,000 (down 1%), phonos 144,000 (down 33%), radio-phonos 60,000 (down 46%), radios 3,640,000 (down 14.5%).

Correction: SBE Key-Com 40-channel CB (Vol. 17:8 p7) uses keyboard, not card entry, system for access to programmable memory. Error was result of faulty facsimile transmission. Pres. David Thompson said industry will have to make increased use of such microelectronics technology to rekindle interest in 40-channel market.

Color sales performance in 3rd week of Feb. offset comparably poor showing of 2nd week (see State of the Industry). Third-week figures will show sales of about 156,400, up more than 23% from same 1976 week and just 1,000 units shy of record for week (set in 1973).

Trade Personals

Akira Harada, pres. of Matsushita Electric Corp. of America, advanced from dir. to senior managing dir. of Japanese parent; **Yoshio Asada** promoted from dir. to managing dir.; **Hayata Tokizane**, Matsushita Housing Products Co. vp, & **Taro Kuninobu**, Matsushita Electronic Components Co. pres., shift from managing dirs. to dirs., to allow them more time for prime responsibilities... **Arnold Singer**, onetime Toshiba & Symphonic, most recently with Marketing World, appointed Channel Master Consumer Products Div. sales & mktg. vp, succeeding late **Gene Gold**.

Murray Rosenberg, ex-Garrard, joins United Audio (Dual) as gen. mgr., succeeding **Robert Stang**, resigned to rejoin rep firm Stang Sales... **Don Coleman**, ex-Ford, appointed Clarion OEM sales vp... **William Shepherd**, ex-Graybar, joins Cobra as Southeast region sales mgr.

Gerald Bracken, ex-Colony Furniture & MPI, named gen. mgr. of Southern Cabinet Co., Sylvania's new Hickory, N. C. cabinet-producing subsidiary... **Jack Adams** resigns as Mart editor-in-chief, forms Jack Adams Editorial & Research Services, 105 Le-Roi Drive, Pittsfield, Mass. 11201, 413-443-1159... **S. C. Snell** promoted at SBE from chief engineer to engineering vp; **R. A. Baker** advanced from service mgr. to quality assurance vp.

Jerry Kalov, Jensen Sound Labs pres., elected IHF chmn., succeeding TEAC's **George DeRado**... **Francis Reed**, Advent audio mktg. dir., named vp... **Charles Miller**, ex-TEAC, joins Nikko as national product promotion mgr.; **Henry Itsuno**, ex-Dokorder & TEAC, named engineering coordinator.

Glenn Vaught named mgr. of Hughes Aircraft's new Electronic Module Dept.; **William Klevans** named asst. mgr.; **Ed Skinner** appointed mktg. mgr... **Howard Walrath** named pres. of new Rockwell International Electronic Devices Div., formed by combining former Microelectronics Device Div., Autonetics' advanced semiconductor operations, and portions of Collins Radio's semiconductor units; **Charles Kovac** named business development vp; **Malcolm Northrup** named microelectronic devices vp.

Jerry Junkins, Texas Instruments Equipment Group mgr.; Controller **Robert Pearson** and European Semiconductor Group Mgr. **Dietmar Wolff**, named vps... **Martin Dunn** advanced to GBC industrial sales vp.

Tape topics: Maxell has gone from limited to full warranty on all blank tape product... **Sony's** German subsidiary, Wega, will start production of Elcaset decks late this year... **Superscope** is shipping Sony Elcaset decks, at \$630 for 2-motor model, \$900 for 3-motor. Hour tapes are \$7 for standard oxide, \$10 for ferri-chrome. Elcaset models are due later this year from Panasonic & TEAC... **Sharp** cassette deck, included in new Optonics hi-fi line, is first with automatic program locator. Unit listing at \$430 has pushbuttons that permit skipping up to 9 recorded segments in either fast-forward or reverse mode, features LED readout.

TELEVISION Digest

with
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

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Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & CATV Addenda*, *CATV Atlas* and other special publications

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ZENITH '77 NET UP: Adverse impact of price promotions on profit is reflected in Zenith's 4th-quarter net, which dropped 6.1%, though sales rose 10.2% (see financial table). For year, Zenith net rose 25.3% on 8.6% sales gain. Net for 1975 was boosted \$4.8 million by accounting change, so operating income last year was up 48.5%.

Morse sales in 3rd fiscal quarter to Dec. 31 were down 29.1% from year earlier; indicated 9-month sales were down 18.3%. Loss in quarter was \$334,000, compared with \$3.2-million deficit in 1975, while 3-quarter loss of \$5 million was down from previously indicated \$5.5 million. Morse didn't release year-earlier figures, explaining that changes in accounting procedures made results non-comparable, said company has returned to normal production rates following late-summer slowdown caused by financial problems.

Resdel, Fanon/Courier parent, reported losses for fiscal 2nd quarter & half on respective sales declines of 33% & 20%.

Allied Leisure, home & coin-op pinball & video game producer, said it lost \$6 million in 2nd half, needs more financing if it's to continue in business. Company blamed problem on parts shortages which kept it from filling many orders, plus unexpected servicing problems with new electronic pinball games.

Pathcom's 4th quarter loss includes \$4.6-million writedown of 23-channel CB inventories; it wrote off \$2.2 million in 3rd quarter. Sales in quarter were off 64.5%.

Home computer sales could reach 25,000 this year, according to consultants Venture Development, Wellesley, Mass. Computer hobby stores should account for more than 60% of sales, and market will grow at 33% annual rate through 1981, firm predicts.

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
BBDQ International			
1976-year to Dec. 31	87,500,000	8,216,000	3.27
1975-year to Dec. 31	72,100,000	6,510,000	2.59
1976-qtr. to Dec. 31	26,000,000	2,966,000	1.18
1975-qtr. to Dec. 31	20,800,000	2,271,000	.90
John Blair			
1976-year to Dec. 31	115,020,000	6,021,000	2.50
1975-year to Dec. 31	86,671,000	2,885,000 ^a	1.20
1976-qtr. to Dec. 31	35,130,000	2,602,000	1.08
1975-qtr. to Dec. 31	26,067,000	1,670,000	.69
Chyron			
1976-6 mo. to Dec. 31	1,504,428	172,362 ^a	.21
1975-6 mo. to Dec. 31 ^b	1,710,470	370,873 ^a	.45
Cowles Communications			
1976-year to Dec. 31	10,872,000 ^c	3,803,000 ^a	.96
1975-year to Dec. 31 ^b	8,801,000 ^c	3,280,000 ^a	.83
1976-qtr. to Dec. 31	3,122,000 ^c	1,008,000	.26
1975-qtr. to Dec. 31 ^b	2,632,000 ^c	1,071,000	.27
Esquire Radio & Electronics			
1976-year to Dec. 31	29,424,342	1,264,028	1.97
1975-year to Dec. 31	30,157,426	1,225,109	1.90
1976-qtr. to Dec. 31	15,041,724	673,753	1.05
1975-qtr. to Dec. 31	14,194,414	713,935	1.11
Foote, Cone & Belding Communications			
1976-year to Dec. 31	65,814,000	4,618,000	2.00
1975-year to Dec. 31	57,787,000	3,622,000	1.70
1976-qtr. to Dec. 31	18,267,000	1,231,000	.53
1975-qtr. to Dec. 31	16,341,000	1,323,000	.62
Gross Telecasting			
1976-year to Dec. 31	7,970,501	1,602,934	2.00
1975-year to Dec. 31	6,666,026	1,121,542	1.40
1976-qtr. to Dec. 31	2,575,130	619,000	.77
1975-qtr. to Dec. 31	2,138,000	450,000	.56
Morse Electro Products^d			
1976-9 mo. to Dec. 31 ^d	77,450,000	(4,986,000)	--
1976-qtr. to Dec. 31 ^d	29,041,000	(334,000)	--
Ogilvy & Mather			
1976-year to Dec. 31	112,226,000	7,736,000 ^a	4.18
1975-year to Dec. 31	98,229,000	5,708,000 ^a	3.14
1976-qtr. to Dec. 31	34,026,000	3,103,000 ^a	1.68
1975-qtr. to Dec. 31	29,719,000	3,002,000 ^a	1.65
Pathcom			
1976-year to Dec. 31	82,843,852	(1,970,241)	--
1975-year to Dec. 31	52,193,640	5,315,131	2.18
1976-qtr. to Dec. 31	7,522,890	(4,507,403)	--
1975-qtr. to Dec. 31	21,197,473	2,268,565	.91
Sonderling Bcstg.			
1976-year to Dec. 31	29,745,000	2,407,000	2.19 ^e
1975-year to Dec. 31	25,412,000	1,597,000	1.47 ^e
1976-qtr. to Dec. 31	7,439,000	551,000	.50 ^e
1975-qtr. to Dec. 31	6,322,000	438,000	.40 ^e
J. Walter Thompson			
1976-year to Dec. 31	161,476,000	5,562,000	2.01
1975-year to Dec. 31	139,792,000	3,011,000	1.14
1976-qtr. to Dec. 31	52,428,000	3,413,000	1.22
1975-qtr. to Dec. 31	44,883,000	3,501,000	1.32
Zenith Radio			
1976-year to Dec. 31	978,200,000	38,600,000	2.05
1975-year to Dec. 31	900,500,000	30,800,000 ^a	1.64
1976-qtr. to Dec. 31	279,400,000	13,800,000	.73
1975-qtr. to Dec. 31	253,400,000	14,700,000	.78

Notes: ^aIncludes special credit. ^bRestated. ^cFrom continuing operations. ^dNo comparable figures available. ^eAdjusted.

North American Philips hiked quarterly dividend to 37.5¢ from 30¢.