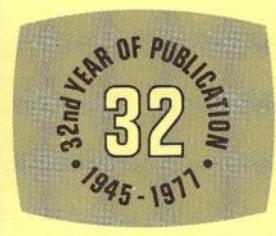


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Broadcast

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PROGRAMMING—VIOLENCE, SEX, TRENDS: Danish & Kahn again argue TV violence as NAB convention puts spotlight on programming. Hollywood featured on network offerings. (P.7)

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'rising cry of public outrage' against pornographic material. Wiley doesn't want 'excessive nitpicking' by inspectors. (P.9)

Consumer Electronics

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NEW-LINE CALENDAR shows most TV debuts to be somewhat later than last year, Las Vegas favorite meeting place. (P.15)

'BEWILDERED' NAB IN WASHINGTON: Record 6,176 broadcasters attended last week's 55th NAB convention and most left Washington in state of 'bewilderment,' as it was aptly put by NAB official. This feeling came from several sources: (1) Recent D.C. Appeals Court decisions overturning FCC on pay-cable rules (Vol. 17:13 p1), on "indecent" broadcast language (Vol. 17:12 p1) and newspaper-station cross-ownership (Vol. 17:10 p1). (2) A growing—and sometimes bitter—debate over televised violence. (3) House Communications Subcommittee Chmn. Van Deerlin's (D-Cal.) repeated calls for broadcasters' help in re-writing Communications Act, while his Senate counterpart, Sen. Hollings (D-S.C.) says it's just not going to happen. (4) FCC members' open concern about who they can talk to, and when, as result of ex parte language in pay-cable decision.

Suffice it to say, above list could be greatly expanded "but that just about gets the point across," according to network official. "To say the industry is confused, is putting it mildly," added an affiliate. "Even our lawyers have become ultra conservative."

Over-all, convention was rated highly successful. "It went much better than we could have reasonably expected," NAB Pres. Vincent Wasilewski told us. "The exhibitors were very pleased

[and] I have never heard so many compliments relative to the programming itself." Chmn. Wilson Wearn echoed his remarks after Chicago convention year ago: "The best convention I've ever attended... Very well thought out... Very upbeat... I heard very little criticism."

All reactions weren't so favorable, however: "The NAB is better at running conventions than anything else—and that's not meant to be complimentary," network official said. "What's wrong is that everything else at NAB gives way to the perpetuation of the Association." He cited several areas where NAB allegedly is "weak" and should be working toward improvements.

Clear highlights of convention, according to delegates we asked: (1) First Amendment "confrontation" (see p. 8). Near fiasco almost occurred here when 850 seats for confrontation were filled before luncheon addressed by FCC Chmn. Wiley next door—attended by 2,400—ended. NAB solved problem by removing sliding partition, which divided 2 halls, on minute's notice, but it left panelists with their backs to much of audience. (2) Session on "what's new in TV programming" (see p. 7) with Mary Tyler Moore & Betty White—their husbands Grant Tinker & Allen Ludden, respectively, were on panel—in audience. (3) Three sessions on CATV & pay cable (see p. 4). (4) Exhibits (see pp. 3, 5). (5) Very well received TvB presentation for use on local-station level. (6) Wild applause for Van Deerlin & Hollings when they promised radio delegates they'd support 5-year licenses. (7) Wiley's "goodbye" appearance before radio delegates, along with his final joint luncheon appearance as FCC chmn. (see p. 10). (8) Report by NAB Research Vp John Dimling on future of radio (see p. 6). (9) Panel of 5 ex-FCC chairmen (see below).

On other hand, closing panel with 6 FCC members (Quello absent) answering questions submitted in advance was termed "dull, the dullest ever" (see p. 9). Others echoed similar comments. FCC panel was reinstated couple years ago—after lapse of several years—and Commission & NAB officials alike expect last week's to be last one ever in light of court's ex parte ruling. No questions were taken from floor, although microphones were set up in audience. When session ended, Nye Sumchai of KPOO(FM) San Francisco attempted to speak but house lights were out and Wearn (who was presiding) said he didn't see Sumchai. Also, microphone was removed about same time.

Sumchai said he wanted to offer alternative for use of word "minorities" in EEO negotiations and a proposal to help relieve "tensions" that exist between minorities & broadcasters. Wearn talked to Sumchai later, said NAB would make planned presentation part of formal proceedings.

Neither President Carter (see p. 9) nor members of his Administration participated in convention, although Vice President Mondale held court for about hour at ABC-TV hospitality suite Tues. evening—when many of network's top correspondents were present. Carter sent message commanding industry, calling on broadcasters to "strive constantly for greater depth in your coverage of current events, greater quality in your entertainment programming and greater service to the needs of minorities."

Ex-chairmen were asked what they'd do if they were now head of FCC: Rosel Hyde—Would try to get FCC out of program regulation, eliminate logs, ascertainment & composite week. "In short, I would require the Commission to comply with Sec. 326" of Communications Act. Frederick Ford—Would abolish ascertainment primer, extend 1960 program policy statement to apply to networks, push for Congress to pass CATV regulatory bill. Newton Minow—Would repeat TV "vast wasteland" speech, do more for improvement of children's TV. E. William Henry—Would attempt to "increase & improve" public broadcasting by seeking 2 ETVs & 2 educational FMs for each of top 100 markets, reduce number of commissioners to 5, try to regain for FCC regulatory authority that court has taken over. Dean Burch—Would be unsure about what to do in First Amendment areas because of court actions. "I was confused then [when FCC chmn.] and I'm still troubled." All except Ford supported Wiley's efforts in NAB TV Code approval of family viewing concept.

Problems with hotels were most pronounced at Sheraton Park, which NAB said was "tremendously overbooked and room service was almost non-existent." Several broadcasters with confirmed reservations failed to get rooms and handful went home without attending convention. One NAB member from Cal., whose hotel reservation wasn't honored, pulled his 4 radio stations

out of Assn. on spot, although later in week brought one back in. Total attendance was 12,939—6,176 broadcasters, 3,119 exhibitors, 3,644 exhibitors' guests, students, press & others.

NAB SPOTLIGHTS VTR STANDARDS CHANGE: "You can hear the money jingling in their pockets," said sales manager of equipment manufacturer as broadcasters trooped through exhibit halls of 3 Washington hotels to buy (not just look at) broadcast gear. Sales were high, perhaps best of any NAB show. Hottest, most talked-about product was new 1" VTR. But real sales boom won't come until standard is set--then it seems certain to spell beginning of end of 2" quad's 21-year reign.

"CBS hopes it has purchased its last quad," CBS-TV Engineering & Development Vp Joseph Flaherty told ENG session. Mood of impatience for standard was expressed by March 28 Engineering Conference luncheon Chmn. Ellis Feinstein (KMED-TV-AM Medford, Ore.) when he asked silent prayer for quick 1" VTR standardization. SMPTE working group on 1" non-segmented VTR standards met following NAB in Washington, planned another meeting, considered good sign that progress was made.

Of 3 major systems, Sony's appeared to be making most headway with broadcasters—having been purchased by both CBS & NBC, with firm sales of 19 at NAB, despite standards confusion—for total of about 50 orders in U.S. Flaherty told us CBS will use Sony units in areas where standardization isn't required, hopes to switch to 1" standard gradually over next few years. He sees standards coming out in "next couple of months—the 2 vendors of non-segmented units [Sony & Ampex] are so close, I'm sure they'll come to an agreement."

NBC plans to order about 38 new 1" VTRs for coverage of Moscow Olympics. "We'll do the Olympics with 1-in., not 2-in. machines," we were told by Operations & Engineering Vp John Kennedy. He said standards weren't decided yet, but so far "we like Sony." In near future, NBC will tape its first documentary using portable video equipment exclusively—RCA TK-76 ENG cameras & Sony 1" VTR.

Proponents of the 3 major non-compatible VTR standards showed advanced production & prototype models, each adding (or promising to add) features contained in competition's machines. Ampex demonstrated slow-motion from still to full speed, promised to retrofit it to all machines. Bosch/Fernseh overcame its segmented BCN machine's editing drawbacks with addition of still, slow-mo & jogging by means of digital frame storage, also showed mockup of portable cassette version (as did BCN adherents IVC, Philips & RCA). Last-minute entry was incompatible NEC non-segmented machine with open-reel & cartridge portable & studio models.

Most broadcasters merely looked (and salivated) as they waited for 1" standardization to open starting gate on 2nd era in broadcast VTR. Much engineering corridor talk centered on CBS's NAB-eve announcement it had ordered 15 Sony machines (Vol. 17:13 p5), following NBC's order for 7. "It's incredible," said Bosch Bcst. Equipment Product Mgr. Hermann Zickbauer—"they're talking about standardization, but underground they're buying Sony."

Sony wasn't only 1" success story. Ampex said it had delivered more than 25 units, had \$5-million order backlog. Bosch/Fernseh said more than 400 BCNs have been ordered, with over 150 in use throughout world, didn't specify U.S. sales. Ampex & RCA bravely minimized impact on quad. Ampex, which will report record sales & profits for fiscal year ending this month, said it sold record number of quads in year, sales of AVR-2 having reached 1,000 units in 2 years since introduction. RCA said 1976 was one of quad's best sales years and this year looks just as good.

There were no blockbuster equipment surprises. Many of new products had been announced earlier (Vol. 17:12 p3). In most cases, show spotlighted production versions of products shown in prototype last year. Among highlights were Philips' entry into broader range of broadcast equipment, including transmitters, and its all-purpose modular camera; RCA's new studio camera; first public demonstration of Ampex digital Electronic Still Store (ESS); longer line of Sony broadcast equipment, including 15-lb. ENG recorder, 2 cameras; Thomson-CSF Labs' Digital Noise Reducer; large array of improved tape-editing equipment; application of digital techniques to most areas of teleproduction, particularly frame storage, character generation and special-effects switching. (For details, see p. 5.)

3 NAB FORUMS FOR PAY CABLE: There was much debate, little agreement, as NAB convention provided 3 forums last week for discussion of pay cable. Broadcasters contended court decision throwing out FCC restrictions (Vol. 13:17 p1) will cause much harm to over-the-air TV in about 5 years; cable spokesmen contended there's no need for TV execs. to worry.

In general TV session, House Communications Subcommittee Chmn. Van Deerlin said he never understood need for movie restrictions and promised that Congress will never allow sports to be siphoned. "This should be written into law," he added. Broadband Communications' Irving Kahn said "political climate" has held cable back, added court action permits that "climate" to take "a giant step forward." He said major competition for both CATV & TV will come from telephone company and new technology, noted Broadband Communications will display fiber optic cable system powered by laser at April 17-20 NCTA convention in Chicago. William Bender, Arthur D. Little Co., said mid-1976 projections weren't as strong as 1972 but still showed "healthy" growth trend of 14-17%. He said "catalyst to get things going" will be pay cable, which jumped by 100% (subscriberwise) last year, predicted 20 million pay subscribers by mid-1980's. Y&R's William Donnelly predicted 16% annual cable growth next few years with new technology being major factor. He said videodiscs will be in common home use by Christmas 1981, that ads will make their way into pay cable and that there'll always be televised programs for masses with only question how they'll get into home. (At later session, Donnelly said: "I think that when you have 50% penetration of cable, that is the moment when you [telecasters] ought to consider dumping your transmitter and leasing a channel on your cable system. And it's going to be a lot better and a lot cheaper to do business on a leased channel than the way you do now.")

Robert Arum of Top Rank Inc. argued pay cable will pose no threat to TV because of "the tremendous economic power of the networks" and that pay will get "only the leavings of sports... In the far distant future, when pay cable has enough economic clout," it'll be too late because networks will have all prime attractions sewed up, he argued.

"I disagree with practically every remark that's been made," Thomas Dargan, KATU Portland, Ore. said. As result of court decision, "there's only going to be one loser, and that's the American public." He predicted legislation will be introduced in Congress to protect members of public who either can't afford to pay or whose homes are not passed by wire. Robert Rice, WRAU-TV Peoria, warned broadcasters not to "just roll over and play dead" because of court action, urged NAB to give pay-cable issue No. 1 priority in Hill lobbying.

Ex-FCC Cable Bureau Chief David Kinley said he recently sought estimates for optical fiber test for American TV & Communications (he's now vp there), said it would've cost over 30 times that of conventional cable because of labor & hardware—not fibers.

At 20-min. "In the Box" session, HBO's Gerald Levin and Leo Beranek, WCVB-TV Boston, agreed it would take several years for court decision to have impact, disagreed on what that impact would be.

"Our appetite is not for the World Series and not for the Super Bowl," Levin said. He cited many programs—sports & entertainment—created by HBO to "supplement rather than replace" TV. Beranek argued pay cable isn't in public interest because there's no financial incentive to produce public interest programming.

NEW DIRECTIONS FOR FTC? In confirmation hearing before Senate Commerce Committee last week, ex-Commerce Chief Counsel Michael Pertschuk indicated he'll seek innovation and activism, go out of his way to avoid "even the appearance of collusive relationships" with regulated industries as FTC chmn.

In testimony and in written answers to committee questions, Pertschuk made following promises: (1) Whenever regulated industry requests meeting with him, he'll require written list in advance "of all issues they intend to raise," invite staff, other interested parties—including public interest representatives—to sit in on meeting.

(2) He'll serve full term (until Sept. 1984), will never practice law before FTC, and will encourage Commission lawyers also to avoid "revolving door" between govt. & industry. (3) Following 5-month self-imposed ban on public speaking, he'll speak "at least as often to consumer and public interest groups as to bar or trade associations." (4) He'll personally read every regulation proposed, make sure they're "written from beginning to end in English."

"Like most consumers, I suspect, I have a love-hate relationship with advertising," he said. He stressed need for affirmative disclosure of product specifications in ads, corrective ads, and redress through class action suits for consumers victimized by false ads.

"It is not clear that the Commission has yet developed a sophisticated understanding of the impact of broadcast advertising, particularly upon children," Pertschuk said. "The techniques of broadcast advertising and the response which such advertising evokes in the viewer and listener need to be better understood... I am concerned, for example, about the role which advertising may play in malnutrition among teenagers. The U.S. is unmatched in its per capita consumption of sugar... If advertising is in part responsible for conditioning a nation of sugar junkies, it should be held accountable."

Pertschuk was opposed by Committee for an Effective FTC (2 months old, 12 members) and Consumer Education & Protection Assn., both of which charged him with insensitivity to consumer needs. Pertschuk branded criticisms "pure, unadulterated horse manure," said groups testified against him "because I'm not thoroughly hated by business."

Metromedia has agreed to acquire KRLD-AM & KAFM(FM) Dallas for about \$13 million, will sell KAFM to Bonneville International for \$2.25 million. Bonneville, which presently owns 7 FMs, said it intends to sell KSL-FM Salt Lake City.

THE EQUIPMENT STORY: Meeting before NAB convention last week, SMPTE's segmented helical-scan working group on 1" VTRs apparently finished main part of its work, announcing draft standards proposal would be available for evaluation & comment. This group faces far simpler task than its companion non-segmented group, contemplating compromise between Ampex & Sony standards (see p. 3), since only one segmented standard—Bosch/Fernseh's BCN—seems to be in the running.

Bosch, RCA, Philips & IVC all showed mockups of cassette version of BCN, to sell at less than \$20,000, deliveries in mid-1978. Still-frame storage for studio BCN editing will add about \$16,000 to \$56,000 cost of console, leading some engineers to mutter that it's beginning to approach cost of quad machine. System also makes possible slide storage, putting 15,000 slides on 20-min. tape reel. Bosch spokesman said segmented format is more adaptable to future technology, forecasting that tape speed can be halved within 3-4 years as result of new tape formulations, claiming non-segmented formats can't practically be retrofitted for slower tape speeds.

Sony showed prototype of BVH-500 portable Omega 1" VTR for early-1978 delivery at about \$30,000, is starting deliveries of its 1" studio unit at \$33,000 (\$49,000 with time-base corrector). Ampex demonstrated VPR-10, portable version of its VPR-1, for delivery in about 18 months.

Ampex drew large crowds with first public demonstration of \$200,000 Electronic Still Store system (ESS), capable of storing up to 1,500 still video frames on single computer disc pack for random access (Vol. 16:2 p2). First unit is in use at CBS. Convincing demonstration of capability of digital recording was Ampex display of 128th-generation copy which was indistinguishable from first-generation displayed alongside it.

Not on exhibit floor, but demonstrated in hotel room, was less elaborate digital storage system developed by new Adda Co. (William Hendershot II & Michael Tallent, both ex-CVS), priced at around \$63,000. Arvin Echo showed its lower-priced Electronic Frame Store (EFS) system (\$14,900) and new BESS (Basic Expandable Storage System) which addresses 2 EFS machines, retrieving still frames in any sequence. Company said it had orders for system from 3 U.S. networks & CBC.

Reorganized Philips made impressive comeback with modular Video 80 camera system, which can be adapted with variety of lenses, viewfinders & attachments into studio camera, one-piece ENG camera, 2-piece field-production camera or telecine-special applications camera, each setup taking less than 30 seconds by non-technical personnel. Prices start in \$20,000 range. Philips also entered transmitter business, offering VHF & UHF units made by subsidiary Pye.

RCA officially introduced its new TK-760 studio-field camera (Vol. 17:12 p3) at around \$45,000, announced that more than 400 ENG TK-76 cameras had been placed in service in less than year. RCA announced it now is exclusive U.S. distributor of Hitachi-

built Saticon pickup tubes—improved Saticon is used in RCA's TK-760, Sony's 12-lb. BVP-200 (\$18,000) and Hitachi cameras, including new 15-lb. FP-1020 (\$19,000).

Thomson-CSF Labs displayed production version of its 8.5-lb Microcam. Pres. Renville McMann said it had 250-unit order backlog. Sony also will build Microcam and TCSF will sell both own & Sony-made units as well as Sony portable U-Matic VTRs for complete ENG package. Digital Noise Reducer (DNR) developed jointly by TCSF & CBS was one of most talked-about new developments at show; using frame-storage & comparison techniques, it is claimed to result in 12-16-dB improvement in signal-to-noise ratio. Last day of show, it was hooked up in tandem with Microtime's 2020 Plus analog signal corrector, producing 20-dB improvement, transforming totally unacceptable picture into broadcast quality.

Panasonic used NAB exhibit to launch full-scale excursion into broadcast equipment, including new AK-920 studio camera at \$25,000 and complete cassette editing system featuring 2 new direct-drive 3/4" VTRs—editing unit at \$5,500, non-editing companion (slave unit) at \$2,500, editing keyboard \$1,500.

AM STEREO IN YEAR? FCC's decision on AM stereo system hopefully will come in time for next year's NAB convention, Chmn. Harold Kassens of National AM Stereo Radio Committee (NASRC) told overflow crowd of nearly 500 at NAB AM stereo workshop featuring proponents of the 4 systems under consideration. Field tests will start May 2, he said, taking '2 months at most,' results to be submitted to FCC before Labor Day.

Systems being tested by NASRC have been submitted by Belar Electronics, Magnavox & Motorola. Leonard Kahn, Kahn Communications, whose system has been tested by XTRA Tijuana & WFBR Baltimore for total of 3-1/2 years but was not submitted to NASRC, also was on panel. Friction developed between Kahn & Kassens; latter invited Kahn to submit his system to NASRC for test (Kahn declined). Kahn said equipment to convert transmitter to AM stereo could be attached in 20 minutes in some cases, exciters costing about \$12,000 "in ones & twos," coming down about 50% in quantity.

Magnavox's Al Kelsch said he expected AM stereo's impact on market to be "dramatic & extensive," adding \$400 million in factory sales and providing "positive opportunity to stem the foreign onslaught, at least in console stereo." AM stereo receiver, he said, eventually will have many features of FM stereo, with "realistic" expectation of bandwidth up to 12 kHz. He said AM stereo receivers should include stereo indicator light, interstation muting, selectable bandwidth switch—latter for high fidelity in strong-signal areas, noise rejection in weak. He invited broadcasters to start planning for better AM sound and said receivers could be available about 6 months after FCC completes rule-making.

In FCC rules change, effective May 16, cable systems will be required to notify FCC within 30 days of changes in name of owner, address and operational status.

RADIO'S BRIGHT FUTURE: In sharp contrast to last year's call for "a new militancy" to defend industry threatened by excessive govt. involvement, NAB Pres. Vincent Wasilewski had good news for radio broadcasters attending this year's NAB: "We have significantly advanced the cause of excellent radio broadcasting in this country... In every battle, in every confrontation, on every front in our continuing war, we either won or we held our own."

Among victories Wasilewski cited: Paid ads from postal service & armed forces, improved financial performance, court decision nullifying FCC fee collection, automatic transmission advances, copyright protection from cable competition and defeat of performance royalty amendment. Still to be "won": All-channel radio legislation, AM stereo, 5-year license "with stability."

Throughout radio sessions, mere mention of 5-year term guaranteed standing ovation. House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) got applause for statement that he sponsored 5-year renewal bill in earlier Congress, though he's not currently sponsor of such legislation. (Commented Chief Counsel Harry Shooshan: "Maybe 5 years isn't enough. Maybe we'll have to make it longer.") Senate Communications Chmn. Hollings (D-S.C.) commented: "I definitely feel that, for radio, the license term should be extended... to 5 years, with the tie going to the runner." (Senate Commerce ranking Republican Pearson [Kan.] also has turned up as supporter of 5-year term with "tie going to the runner"—in bill he introduced March 23.)

Hollings also got warm reception with promise to try to ease radio's paperwork burden ("I think we can get it by"), went on to warn broadcasters to remain responsible to their communities in area of obscenity or face possible govt. regulation. He criticized recent court decision reversing FCC ruling that WBAI(FM) N.Y. airing of George Carlin monologue on "dirty words" was "indecent" (Vol. 17:12 p1) because great number of mothers work and thus aren't home to monitor their children's listening.

Audience was silent on Van Deerlin's suggestion that FCC allocate UHF channels 67-69 or vacant land-mobile space to low-power, narrow-bandwidth radio stations, allowing up to 450 additional channels per market (Vol. 17:13 p3). However, in later session, FCC officials were pessimistic about such an action. In response to question concerning NAB Radio Board vote to back expansion of AM band from 106 to 127 channels at 1979 WARC (Vol. 17:5 p3), Bct. Bureau Deputy Chief Paul Putney said request for increase is "very unlikely" to come from FCC. Added Complaints & Compliance Div. Chief William Ray: "I think that for years the Commission has been issuing too many licenses... There comes a time when competition becomes impossible."

"An act that's 40 years old can certainly afford to be reviewed," FCC Chmn. Wiley told small-market radio panel, in response to question on House Communications Subcommittee's planned rewrite. However, he added, broadcasters must make known to Congress whether America's system of local broadcasting "must be preserved, perhaps at the cost of holding back some developing technologies... I happen to be-

lieve in [local broadcasting]. I hope you do too."

Will deregulation continue at FCC? "I would not myself advocate any further deregulation" in EEO, Comr. Fogarty said, but he'd favor continued easing of rules in other areas. FCC forms, for example, are "onerous." As for license term, "I would go in perpetuity," Fogarty said. "What's more important is that you live up to your responsibility to the public."

NAB's "Future of Radio" study found that "radio will continue to be an exciting business to be in," according to NAB Vp-Research John Dimling. He said study predicts total annual industry revenues of \$3.2 billion by 1985, 86% increase over 1975, with FM stations getting 42% of total compared to only 18% today. Although number of stations will increase, revenue per station and profit margins will go up faster. However, by 1985, "cable may become a major competitive factor."

By 1985, FM quad & AM stereo will be in "general use," study predicts, with stations also making increased use of their subchannels and networking via satellites. There will be continued deregulation, 5-year licenses, no new ad bans (though cigaret ad ban will remain), and "better than 50-50" odds that all-channel legislation will pass.

Audiences will be larger, with average listening up (to 3 hrs. 15 min. daily), more of population in peak spending years, better educated and better off. There'll be little impact from CB "primarily because most radio listening isn't done in cars," Dimling said.

N. Y. HITS FOOD SPOTS: "TV commercials for food products, aimed at young children, present a deeply disturbing public health problem that requires legislative and administrative action by both the state and federal governments," concludes N. Y. State Assembly staff report on effects of TV food ads on children. "The impact of TV advertising on the food consumption habits, health and emotional development of children are all causes for concern." Report follows Feb. 12-19 hearing and staff monitoring of children's TV ads, contains extensive analysis & recommendations.

State action is needed, report states, because of "failure" of NAB Code and federal agencies to deal with children's TV advertising problems. State action is justified "by the state's police power," according to report. "We believe that the burden on interstate commerce imposed by any of our recommendations is simply not great enough to override the state's interest in protecting the health of its most precious commodity—children."

Report recommends: (1) Amend state law to recognize difference between children & adults as ad targets. (2) Bar premium & contest offers in children's TV ads. (3) Require disclosure of added sugar content on labels and in ads. (4) Consider health warnings or ban on ads for heavily-sugared products. (5) Encourage broadcasters to pledge in their renewal applications to show PSAs during children's programs promoting good nutrition. (6) Consider intervening before FCC in matters such as food ads. (7) Consider establishing "tithing" system to finance production of food & nutrition PSAs.

PROGRAMMING—VIOLENCE, SEX, TRENDS: Spotlight was very much on TV programming at NAB Washington convention last week as sessions were held on violence, on what's new & trends—with a Hollywood cast—on 4th network & syndication. "It was almost like an NATPE convention, they stressed programming so much," syndicator told us toward end.

"Too often," according to TIO Dir. Roy Danish, discussion of violence "has sometimes fallen to the level of childish name-calling and finger pointing." Countered Ann Kahn of PTA's Violence Commission: "That's enough... We know that you can do better and we insist that you do... It's time for a change... If meaningful change can come only through confrontation, then we, as parents, will accept that route reluctantly but with no less commitment."

Danish & Kahn appeared in a sometimes rancorous "In the Box" session on televised violence; they've appeared together on subject frequently at PTA sessions across country. Danish said he was "discouraged and disappointed by the sometimes overwhelming outpouring of unsupported opinions and passionate breast beating" at PTA hearings. "Isolated events were offered as proof of universal truths. Data were strained and distorted to justify preconceived conclusions."

Kahn said impact of televised violence on children may never be proven but "we have serious doubts" and there are enough studies extant for industry to respond. She supported Group W petition for required pre-screening of programming, said parents expected industry to be "more responsible & less defensive." She said Danish's comparison of violence in 'Roots' & 'Starsky & Hutch' or 'Baretta' and the Bible is "absurd." She also attacked advertisers who continue to sponsor violent programs, said PTA will publicize such advertisers among its 33,000 local groups. She also asked for investigation to see if some stations overly stress violent news.

Violence came up at other sessions, too. FCC Comr. White said there's growing concern about subject, said obviously FCC isn't going to act but "this should be of concern to you [broadcasters]." At network programming panel, William Morris Agency's Nancy Dockry charged many of violence reformers are "mostly interested in headlines... There seem to be a lot of mothers who haven't thought this thing through." Sen. Hollings (D-S.C.) saw violence as "strictly an industry problem," saw no need for govt. involvement.

Network panel—moderated by game show host Allen Ludden—was one of liveliest and best attended of convention. At very start—and throughout session—Ludden was questioned by feminists' spokespersons in front row, handled situation well. Panelists—Dockry, Merrill Pannitt, TV Guide, & Grant Tinker, MTM Enterprises—saw major increases in mini-series and dissolution of normal network program seasons. When program doesn't click, it'll be canceled quick, they said. "We now get an order for 13 programs, reduceable to 7, cancellable at 4" from networks, Dockry said.

"We're going to all kinds of programs that we

should've been doing years ago," Tinker said. While he didn't particularly like short series because "we have enough trouble at our end without subsidizing experimentation," he acknowledged they're coming thing. He also warned TV should clean up own shows before outsiders force it.

Pannitt predicted mini-series will continue to gain in popularity and that network schedules will become "fluid" with a continuous season beginning in Sept. New programs will be tested in spring, rather than networks' relying on re-runs. He saw "definite reduction" in violence, said networks have sent such instructions to Hollywood much to distaste of program creators.

Panel agreed that variety shows aren't on networks because there aren't enough strong personalities—Carol Burnett the exception—to carry such programming. Dockry added mini-series are becoming so popular because many major stars who didn't want to be locked into long-running series are anxious to appear on them.

Syndicated panel followed Ludden, et al., and about 70% of audience left (many to get autograph of Tinker's wife, Mary Tyler Moore), leading Columbia Pictures' Norman Horowitz to comment that syndicators again had been relegated to "the back of the bus status." He also noted that many of U.S. TV's best programs aren't successes until they reach foreign syndication.

"Syndication is no longer synonymous with shoddy production," according to David Fein of 20th Century-Fox. Viacom's Henry Gillespie said TV audiences "know what they want" and they're not interested in "behind the scenes prices & negotiations... If you have a good program, stations will take it any way they can—cash, barter, you name it."

In session on "4th network," panelists agreed that additional network identical in size & coverage to present networks is unrealistic goal at present, but that smaller, occasional networks serve valid purpose & are economically feasible.

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TV rated 4th as cause of aggression & hostility in children, according to latest Roper survey for TIO. "Not enough discipline at home" was cited by 80% as major cause of such behavior, while "broken home," (45%) and "too much free time" (43%) also were mentioned more frequently than TV (39%) as causes of violence. Among other key findings, reported at NAB convention: Source of most news, 64%; 2-1/2-to 1 advantage over newspapers as most believed medium; leading source of political news, 75%; commercials on children's programs were endorsed by 64% of parents; 50% think women are portrayed fairly.

U. S. Appeals Court for 9th Circuit (San Francisco) has accepted appeal of family viewing decision (Vol. 16: 45 p3), limited to following issues: (1) Whether First Amendment was violated by FCC "and/or other government entities." (2) Whether actions of NAB & networks "amounted to the equivalent" of govt. action. (3) Whether non-govt. defendants are liable for damages to plaintiffs.

BROADCASTERS' ELUSIVE GOAL: Though billed as "a confrontation," NAB's symbolic convention fight to gain full First Amendment freedom for broadcasters was less than successful. Panel session & debate featured only 2 who defended broadcasters' rights, 4 who favored status quo. Broadcasters' champion, Sen. Proxmire (D-Wis.)—who is sponsor of bill to repeal fairness doctrine & equal time rule—didn't show up as scheduled.

More devastating, however, to broadcasters' hopes was word from new Senate Communications Subcommittee Chmn. Hollings (D-S.C.) that he, like predecessor John Pastore (D-R.I.), opposes repeal of fairness & equal time provisions—because they helped him get elected to public office in first place. His statement came in speech to radio session just day after House Communications Chmn. Van Deerlin (D-Cal.) said he favors repeal of both. Hollings' opposition apparently blocks repeal as long as he remains Communications chmn.

"I've always felt pretty much indebted to the broadcasters for helping me get into public office," Hollings said. "When I first ran, the newspapers paid me no attention. But I used the equal time provisions to get on the radio stations... I have a prejudice here, but I think the fairness doctrine builds your credibility." He termed "arrogance" sentiment that broadcasters own airwaves: "The government's airwaves belong to all the people... Free speech isn't limited, and the fairness doctrine is not causing a crisis."

"I'm not a lawyer," said former broadcaster Van Deerlin, "but I can detect a 'chilling effect' when I see one... Where there is diversity, where there is a range of choice for the listener, the rationale for the fairness doctrine goes right out the window... I think it's time for Congress to examine possible repeal."

Concept of "peoples' airwaves" was rejected by keynoter Eric Sevareid, CBS News commentator. "So far as I know there is only the atmosphere and space [awaiting] the capital, knowhow, and enterprise to put a signal into the atmosphere and space... I could never understand why so basic a right as the First Amendment could be diluted or abridged simply because of technological change." One place where networks are "found wanting," he conceded, is their failure to open up more of their air time to "listeners' rebuttals and to differing persuasions." However, he said, this should be done not "under legal compulsion, but by the free decision of broadcasting's managers."

In debate format, former FCC Comrs. Lee Loevinger & Kenneth Cox traded acerbic accusations, engaged in more-than-lively give-&-take on free speech issue. "Broadcasters can't be responsive to the public. Broadcasters have but one public—the 7 commissioners of the FCC," Loevinger charged. Among areas where FCC enters into First Amendment territory, he cited: Programming categories & percentages, PTAR, radio formats, fairness & equal time.

Cox said he favored amendment of Sec. 315, but opposed repeal—which could "distort the election process... I really don't believe that [broadcasters] feel that constrained by government regulation... I

don't think you will be able to convince either the Congress or the public that you are that bad off. I don't even think you should try." He said passage of Proxmire measure would lead to collapse of NAB Code, loss of news & public affairs programs, scheduling of X-rated or solely network programs.

FCC Comr. Abbott Washburn termed "palpable nonsense" allegation that fairness doctrine inhibits broadcasters. "I say this is a non-issue... There are some broadcasters who fear to get into any topic more controversial than canoe safety. Is it the fairness doctrine inhibiting those broadcasters? Not on your carbon microphone."

Pastore also belittled argument that fairness doctrine inhibits broadcasters, rejected notion that licensees were "so timid and so afraid." However, when "scarcity" ends—presumably at time nation becomes wired—Pastore said "that might be justification" for ending broadcasters' fairness obligations.

Ironically, greatest applause went to traditional broadcast industry curmudgeon, ex-FCC Comr. Nicholas Johnson. Johnson argued that broadcasters themselves had ample opportunity to do away with fairness doctrine, but refused to accept consequences, actually avoided many important First Amendment confrontations. Through paid or free access, anti-trust action, or increased cable & TV competition, fairness could be dropped, he argued. By ignoring WBAI(FM) N.Y. "indecency" case, Yale radio station's "drug lyrics" case, and challenge to family viewing decision, broadcasters showed they aren't sincere in seeking full First Amendment protection, he argued. "I say, if you're going to fight for First Amendment freedoms, you'll find me by your side, leading your fight."

WMAL-TV SWAPPED FOR KOCO-TV: Washington Star Communications and Combined Communications have announced agreement to swap Star's WMAL-TV Washington for Combined's KOCO-TV Oklahoma City, plus \$65 million worth of Combined non-voting stock. Stock dividends and resale to Combined over 20-year period of Combined stock are expected to pump \$5 million annually into operation of ailing Washington Star newspaper, according to owner Joe Allbritton.

In swap, principals reportedly assigned approximate value of \$75 million to WMAL-TV, \$20 million to KOCO-TV. Sale of WMAL-TV—along with earlier sale of WMAL-AM-FM to ABC—already have brought Allbritton about twice what he paid for entire company (including WLVA-TV-AM Lynchburg, Va., WCIV Charleston, S.C., other properties) in 1975. In addition, Allbritton announced he has agreement to sell WLVA(AM) Lynchburg.

Swap was made necessary by FCC newspaper-broadcast crossownership rules, remand of which last month (Vol. 17:10 p1) won't affect FCC ruling on sale. However, citizen group opposition is expected because of Washington Star's retention of Combined stock. Allbritton said last week deal will enable him to keep Washington Star afloat.

Meanwhile, Turner Communications announced plan to acquire WSWB-TV Orlando for about \$2 million; station has been off-air and in bankruptcy proceeding since Oct.

FCC PANEL-NOT MUCH LIGHT: Although about 20 questions were asked, little light was shed or news made at panel of 6 FCC members which closed last week's 55th NAB convention in Washington. Commissioners were most concerned over 2 D.C. Appeals Court decisions reversing them--dirty words on radio (Vol. 17:12 p1) and ex parte implications of pay-cable mandate (Vol. 17:13 p3).

Comr. Washburn saw "rising cry of public outrage" in U.S. against pornographic material, saw "no reason why children should be bombarded at noon on radio by a stand-up comic" using indecent language. His reference was to George Carlin album aired by WBAI(FM) N.Y., which Court ruled wasn't indecent. Comr. Fogarty found it "reprehensible that the licensee aired those dirty words." Fogarty also was leery about relaxing ban against broadcast of CB transmissions because of language used.

All commissioners hit ex parte restrictions placed on rulemaking proceedings by court. "The quality of FCC decisions will suffer" if commissioners are denied opportunity to talk to experts, according to Lee. Wiley: "Government officials should be accessible & available...I've always had an open door policy." White: "A shame to have to limit the give-&-take." Hooks: "The decision will have to be clarified." If left to stand, it will greatly diminish information available to FCC. Fogarty: Court lost sight of distinction between FCC's judicial & rulemaking functions. Washburn: If required to put such rulemaking discussions in public file, it'll greatly discourage such contacts.

Fogarty & Washburn also were concerned about TV coverage of terrorist activities. Fogarty suggested TV Code might adopt guidelines so stations will have some idea of how to proceed. Washburn said "nobody wants the government to jump in" but took position stations can't claim they're just covering news and not responsible for consequences. NAB Pres. Wasilewski, who was asking questions submitted in advance (there were none from floor) said industry is giving question "great & serious thought."

Wiley said automatic transmitters for TV & directional AMs have "high priority" at FCC, said proposed rule will be issued within year. Due 2nd week in April is FCC discussion of requirement that subject of telephone interviews must be warned in advance that conversation will be aired, he said. (Broadcasters object to requirement on ground it destroys spontaneity.)

"I don't want excessive nitpicking out there," Wiley said of field inspections. He said Commission is reviewing policy on citations, will soon issue list of common violations and what inspectors look for in station visits, asked for licensees' help in pinpointing problems.

Lee cited problems in 1979 WARC conference, noted "everybody is taking shots at UHF spectrum." He said FCC will decide U.S. position, that he'll urge protection of UHF space "as much as feasible." Other questions dealt with roadside radio, renewals, cable forfeiture (all commissioners said FCC power to fine CATV systems is much needed), engineering, AM stereo (see p. 5), NARBA, fee refunds.

MST REDUCES STANDARDS: TV stations no longer will have to be at maximum power to join AMST under by-laws change approved last week. Newly-elected Pres. Lester Lindow (long-time exec. dir.) said change was made to accommodate UHF and ETV stations. "It doesn't mean we've changed our attitude toward maximum power at all," he said.

MST also established new title of chmn., named Franklin Snyder of Hearst Bctg. to post (he actually succeeds Arch Madsen of Bonneville Bctg., who had title of pres.). Wallace Jorgenson, Jefferson Pilot Bctg., was named first vice chmn.; Robert Wright, WTOP-TV Meridian, Miss., 2nd vice chmn.; Ralph Jackson, Orion Bctg., secy.-treas. New vp titles went to Roy Easley & Lee Hanson, full-time staffers in Washington. Newly-elected to board: Joel Chaseman, Post-Newsweek Stations; Donald Perris, Scripps-Howard Bctg.; Wilson Wearn, Multimedia; Richard Wolfe, WBNS-TV Columbus, O.

At annual meeting in Washington, Lindow said MST faced its heaviest workload ever in 1976 and "1977 will be worse" since "a new breed of governmental bureaucrats" has taken over Washington. He called for intensified participation by broadcasters in govt. matters; hit demands for TV spectrum space at upcoming 1979 WARC.

MST counsel Ernest Jennes zeroed in on Communications Act rewrite (see p. 1), warned broadcasters have "virtually everything to lose and virtually nothing to gain...Trades are already being held out and attractive slogans used to gain broadcasters' support, or at least to persuade you to...negotiate...No study is required to determine that the legislative rewrite is misguided & unnecessary. Nor should broadcasters be misled by alluring but unreal trades. [Rewrite] already is being used as a device to divide radio & TV broadcasters...There is no compromise. Carrots are for rabbits—not for TV broadcasters."

White House News Secy. Jody Powell, when asked why President Carter didn't appear at NAB convention: "He is doing very little speaking...We hope the various associations will be inclined to judge us not only on his attendance at these functions but also on the fulfillment of the functions of his office...The NAB will be there next year; I'm not sure about the Middle East." In answer to later question at SDX Washington meeting, he noted that Carter was asked to "speak to NAB, not answer questions." He added that daily White House news briefings wouldn't be dropped, that he's "more in sympathy" now with such briefings than when he became secy.

Smaller TV markets have good financial outlook, Avery-Knodel TV Pres. Robert Kizer told NAB convention session. He said that since 1968, continuing trend of national spot dollars has been away from larger markets, into smaller, said trend is accented by fact that greatest national growth in coming years is projected for small cities, rural areas, South & West. In next quarter, Kizer said, major markets "are in a slump" while South & smaller markets are "exceedingly strong."

Ch. 2 WBRZ Baton Rouge—NBC-TV affiliate for 22 years—switches to ABC-TV Oct. 1; ABC's current Baton Rouge affiliate is Ch. 33 WRBT.

WILEY HITS FD, EQUAL TIME: "In terms of First Amendment freedom and the public interest in effective political broadcast coverage, there is no sensible alternative to outright repeal of the equal time law," FCC Chmn. Richard Wiley told 2,400 NAB delegates at convention luncheon last week. In his 4th—and undoubtedly last—NAB speech as chmn., he added:

"Such repeal would give broadcasters the right and the responsibility to cover election campaigns & candidates not as the government requires but as the public interest dictates—and I have confidence that you can do a far better job without the restraints inherent in federal regulation." Wiley also attacked fairness doctrine, said if it is retained, FCC administration must be "with a high degree of restraint & forbearance."

NAB Pres. Wasilewski, speaking to TV assembly, stressed stability in licenses, First Amendment freedoms, localism & new technology. Of D.C. Appeals Court pay-cable decision (Vol. 17:13 p1), he said: "We think this decision is wrong and I can assure you that we will do everything in our power to right this wrong."

On localism, Wasilewski said if "left unchecked, unharvested," new technologies "could produce an upheaval which would crush the most important cornerstone of all—the local, intimate quality of broadcasting... There are those who think they see in some of the new technologies the opportunity they have long sought. At best, they would program your station. At worst, they would displace it." He asked broadcasters to "join us with a new spirit and renewed efforts in the struggles that lie ahead."

House Communications Subcommittee Van Deerlin (D-Cal.) decried "ping pong policy of the FCC" in making regulations, having D.C. Appeals Court throw them out, said Communications Act rewrite is necessary because courts now make TV-radio policy. He called for repeal of fairness doctrine, "at least on a temporary basis, hopefully permanently."

But, he added, if broadcasters don't think they are being treated fairly in rewrite (which could include fairness doctrine repeal), there's no way rewrite will get through Congress. "You are too powerful... Congressmen won't go against you."

Senate Communications Subcommittee Chmn. Hollings (D-S.C.) disagreed with Wiley on equal time, Van Deerlin on fairness (see p. 8) & rewrite but called for longer licenses. Hollings said 5-year licenses would improve program quality and that incumbents should get advantage for "doing their job responsibly." In speech before radio delegates, he said he's not convinced of need to rewrite Communications Act. "We think we can move along and take up these problems as they come up and not try to provide every kind of procedural remedy in the world for every problem that exists," he said.

House Speaker O'Neill (D-Mass.) was critical of media coverage of Washington activities. "America needs confidence in itself more than anything else and you can help" turn the country around, he said.

DSA winner Harold Krelstein, Plough Bcstg. chmn., charged govt. "seems to be hell bent on pro-

tecting and taking care of us whether we need it or not. The trouble is the Congress, the judiciary, the Executive Branch—and most certainly the administrative agencies—are so far removed from reality that they are strangling us with the multitude of benefits they are so kindly bestowing upon us."

NBC correspondent Tom Pettit said broadcasters in general and networks in particular should devote less time to "the balloons & whistles" in campaigns and more time "dealing with ideas... serious discussions of the issues." He criticized networks for assigning cameramen to presidential candidates "to stick by them at all times... to be there just in case they get shot... You don't learn anything about the candidate and his ideas when you're just 2 feet away from him... while he's getting on & off airplanes... and pressing the flesh." He said gavel-to-gavel coverage of conventions should continue because "it happens to be the stuff of which our democracy is made."

Fiber optic "semi-system" will be constructed on Guam under sponsorship of "R-&-D consortium" composed of 20 businesses & 5 nations, Arthur D. Little's Herbert Elion told NAB panel last week. He said \$10-million project, designed by ADL, would link RCA satellite, 8 office buildings, schools, hospitals, university, govt. and other island institutions with voice, video & data links and would be "very expandable" if so desired at later date. In first stage, system will have 10-1/2 miles of fiber network in capital city of Agana, another link—to south—with interactive capability. Elion added that ADL soon will announce similar project for unnamed southeast Asian nation. Elion, ADL electro-optics program mgr., said he sees "a fiber in every telephone home" in U.S. within 25 years, in broadcast & cable studios and in satellite earth station links beginning this year. By 1985, he estimated, 12,000 miles of fiber will have been laid by AT&T, with result that phone companies "could become the exclusive supplier of broadband services to the home."

"Highest priority" has been given by Paramount Pictures to new TV programming service for commercial TV stations, starting in 1978. "We are prepared to make a substantial investment of time, money & creative resources to insure its success," according to Paramount Pres. Michael Eisner. Richard Frank, pres. of Chris-Craft Bcstg., will head new Paramount enterprise, which will rely heavily on facilities of recently-acquired Hughes TV Network (which Frank also will head).

CBS-TV program & business affairs hq will move from N.Y. to Hollywood May 1. Execs. moving to Cal. include Exec. Vp Robert Daly, Programs Vp Donald Grant, and Business Affairs Vp Gerald Rubin. CBS-TV Pres. Robert Wussler said move has been in works for year since practically all program production is centered on West Coast.

Index to 1976 Television Digest

Included herewith to all subscribers is annual index to articles carried in 1976 Television Digest with Consumer Electronics. Extra copies available without charge.

Personals

Antonin Scalia, ex-OTP gen. counsel and Justice Dept. asst. atty.-gen. for Office of Legal Counsel, and **Joseph Marino**, FCC asst. gen. counsel, appointed co-heads of FCC network inquiry task force; Scalia will serve fulltime till fall, parttime after that when he joins U. of Chicago Law School. FCC Network Office Chief **John Bass** will be deputy dir. of inquiry.

James White named vp-treas., NBC, succeeding **Richard Raburn**, now NBC vp-controller... **Frederick Pierce**, ABC-TV pres., addresses Hollywood RTS April 12 luncheon, Beverly Wilshire Hotel... **Harold Williams**, UCLA Graduate School of Management dean, nominated to be SEC chmn., succeeding **Roderick Hills**.

William Schuyler, KMST Monterey pres.-owner, resigns presidency to form acquisitions & mergers consulting firm: 2600 Garden Rd., Monterey 93940, 408-649-6544... **Robert Sutton** advanced to broadcast operations dir., WWJ-TV Detroit.

Harvey Shephard promoted to N. Y. vp-programs, CBS-TV, succeeding **Oscar Katz**, who moves to Cal. as vp-special projects... **Dick Ebersol** advanced to vp-variety programs, NBC-TV; **Pamela Spriggs**, ex-NBC Radio Div., appointed sales presentation mgr., NBC TV Stations Div... **Nan Omansky**, ex-ABC Radio, joins Group W Productions, April 11, as research dir... **Elmer Chancellor** elected vp-engineering, Gilmore Bcstg.

Ernest Lotito, CPB communications dir., resigns to become press secy. to Commerce Secy. **Juanita Kreps**... **Jeffrey Reiss** advanced at Showtime, Viacom's pay-TV subsidiary, from vp to pres.; **Jules Haimovitz**, planning & administration dir., named vp.

Jay Ward elected corp. vp, Fisher's Blend Station, remains vp-station mgr., KOMO(AM) Seattle... **Leonard Marsh**, KWGN-TV Denver, named WGN Continental Bcstg. southwest TV sales rep... **Carol Worman**, ex-WPLG Miami, named promotion services dir., Kaiser Bcstg., new post.

Ronald Miller, ex-WDBJ-TV Roanoke, Va., named news dir., WWBT Richmond... **Allan Muchmore**, WBBZ(AM) Ponca City, elected pres., Okla. Bcstrs. Assn.; **Tom Parrington**, KTVY Oklahoma City, named TV vp; **Mary Alice Scott** joins KTVY as personnel mgr. & administrative asst. to Vp **Norman Bagwell**, new post.

Thomas Dowden, ex-Cox Cable Communications vp-secy., forms T. C. Dowden Co., cable consulting firm: 5600 Roswell Rd., Atlanta 30342, 404-256-2486... **Eric Wahlberg**, Shintron video products eastern mgr., forms Wahlberg Assoc., video equipment sales & mktg. firm: 79 Mystic St., Arlington, Mass. 02174, 617-646-5394.

Jesse Nickels appointed RCA Bcst. Systems midwestern sales mgr.; **Emerson Ray**, ex-Lykes Electronics Systems Div., named central states sales rep.; **L. A. Pinski** named northwestern sales rep.

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with
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FCC rules "perpetuate the monopoly of the giant clear-channel stations [and] deny local broadcast service to millions of Americans," according to Daytime Bcstrs. Assn. Meeting in Washington last week, DBA Chmn. Ray Livesay said FCC has ignored 4-hour "transitional period" each morning & evening and that matter "should be settled once and for all by Congress...because the FCC is too set in its old-fashioned adherence to obsolete standards."

Is TV over-priced? In NAB convention debate, Walter Schwartz, Blair TV, argued that TV is "so effective" and "all-pervasive" that it's still a bargain. "There is no alternative as effective," he stated. On other hand, Ted Bates Agency's Walter Reichel called recent price increases "a dangerous way to run a business." Noting he hears of 30-40% cost increases coming next year, he urged broadcasters "not to loosen the bonds that have held us together in the past."

FCC finally won in D. C. Appeals Court last week—but broadcasters lost another—when Judges Bazelon, Leventhal & MacKinnon upheld Commission's cable non-duplication rules (35 miles for top 100 markets, 55 miles elsewhere, exemption for systems under 1,000 subscribers).

WHMB-TV Indianapolis names Avery-Knodel rep.

Obituary

Neville Miller, 83, NAB pres. 1938-44 and recipient of its Distinguished Service Award in 1971, died March 27 in Washington home after long illness. Miller was mayor of Louisville before joining NAB, practiced communications law and held several govt. posts after leaving NAB. He was pres. of FCBA in 1949, retired in 1973 from Washington firm Miller, Schroeder & Bankson. Survivors include wife, 4 daughters.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 18 (11th week of 1977):

	March 12-18	1976 week	% change	March 5-11	1977 to date	1976 to date	% change
Total TV.....	247,220	219,031	+12.9	210,663	2,709,468	2,348,324	+15.4
color	150,924	121,087	+24.6	133,456	1,668,552	1,382,328	+20.7
monochrome	96,296	97,944	-1.7	77,207	1,040,916	965,996	+7.8
Total radio	757,408	578,030	+31.0	507,282	6,983,042	6,273,391	+11.3
home, portable ..	487,398	323,646	+50.6	246,848	4,232,600	3,624,463	+16.8
AM-only	121,929	72,858	+67.4	80,226	1,111,345	734,711	+51.3
FM & FM-AM ..	365,469	250,788	+45.7	166,622	3,121,255	2,889,752	+8.0
auto.....	270,010	254,384	+6.1	260,434	2,750,442	2,648,928	+3.8

Color TV 5-week moving average: 1977—155,647; 1976—130,521 (up 19.3%).

RCA'S HOME VTR DECISION—WHAT IT MEANS: RCA's announcement that it will market Matsushita-built 4-hour version of JVC's VHS home video recorder (Vol. 17:13 p8), following Zenith's adoption of 2-hour Sony Beta standard (Vol. 17:6 p7), launches first major mass-market consumer electronic product since color TV.

Although introductory price of both RCA & Zenith VTR decks may be in \$1,000 range, fact that the 2 TV giants chose different systems assures hefty competition—foreshadowing probable price cuts within year to bring VTR into mass consumer market. RCA is understood to be paying about \$400 each for Matsushita decks, and Zenith's letter-of-intent agreement with Sony (no contract signed as of last week) is said to involve price closer to \$500.

Industry feels it can live easily with 2 home video standards (but not 4 or 5) and uncommitted manufacturers are expected to choose sides quickly. Announcement from Magnavox is expected in few weeks (probably VHS). Sylvania also will commit soon. Admiral & GE have been publicly unenthusiastic, could change. Panasonic will have same 4-hour unit as RCA, but has no desire to upstage bigger rival, is expected to go to market after RCA's debut, scheduled for late summer. Hitachi & Sharp are selling VHS in Japan, can be expected to do same here.

Sony, Zenith, Sanyo, Toshiba will have 2-hour Beta-format machines here this year. JVC will field own VHS in 4-hour version. Third system, Matsushita-built VX-2000, now is being delivered to Quasar in quantity, but still not fast enough to satisfy clamoring dealers. It may have some future as low-end machine, could eventually be superseded by Quasar-brand VHS.

Matsushita's new VTR differs in design from JVC's version, but is compatible in 2-hour mode. Recording/playing time of current 2-hour cassette has been doubled in same way Sony doubled speed of its smaller one-hour cassette—narrowing recording track, halving speed, adding special noise-reduction circuitry (Sony, Matsushita & JVC, along with NEC & 3M, are members of home VTR patent pool). New speed gives outstanding tape economy—about 8.35 sq. ft. of tape per hour vs. 10.3 for 2-hour Betamax. At current price of VHS cassette in Japan (\$20), this brings tape cost down to \$5 an hour. Sony's work on 3-hour version of Betamax (reducing tape consumption to 6.83 sq. ft. per hour) undoubtedly will be accelerated. New VHS machine has built-in LED timer, 2/4 hour switch.

Consumer Electronics Vp-Gen. Mgr. Roy Pollack said prices would be "fully competitive" and in range that RCA's "market research had revealed for substantial sales in the consumer market." RCA's past surveys indicated consumer loses interest in VTR when price reaches

\$1,000 (Vol. 14:48 p8). RCA has option to obtain VHS manufacturing license. In Japan, Matsushita said recorders would be built in its Okayama & Kotobuki works and shipped to RCA in quantities "competitive" with Zenith procurement from Sony (believed to involve at least 5,000 monthly late this year).

Sony Chmn. Akio Morita welcomed "all manufacturers into this new market," adding "with their millions of dollars for advertising & promotion [they] will develop a greater consumer awareness of this new entertainment format." Sony America Pres. Harvey Schein said he expected RCA's entry to help assure VTR market's growth potential, and "we feel confident that when customers get into the store they'll buy a Sony." Zenith had no comment.

RCA has been assured sufficient cassette supply to support introduction, Pollack says. Unlike Sony, Matsushita doesn't manufacture tape—first VHS cassettes have been made by Fuji, with TDK & others expected to enter field fast. Sony is building tape plant in Ala., which eventually will have capacity of 600,000 Betamax cassettes monthly. 3M is in pilot production of Beta cassettes, also plans to make VHS tapes.

Four-hour VHS format is ideal for pre-recorded material—single cassette could accommodate almost any movie. Joint-venture Sony/Paramount Home Entertainment Center (Vol 16:32 p9), which will begin marketing Betamax programs this year, also plans to offer material on VHS format—or any other which becomes popular—at what it thinks will be very attractive prices. RCA, of course, has own storehouse of contracted software for videodisc, but officials say there are no plans to put these on tape cassettes.

Sony is expected to offer 2-cassette changer at cost to owners of its one-hour Betamax here. Incidentally, Sony will call its 2-hour machine "Betamax X2"; Sanyo's version will be "Betacord." Sony requires its licensees to use Greek letter beta in logo, "Beta" as first part of machine's tradename.

What does new VTR activity mean to videodisc? According to Philips & RCA, nothing. But it's obvious that if competition brings VTR prices down sharply in next year or so—and if software (which includes erasable, re-useable cassette) is priced only few dollars above videodisc—you can forget about disc as consumer product for several years until new developments bring player price down into range of \$300 or so. But RCA isn't approaching VTR as substitute for disc or as holding action until disc arrives. Based on high-level information, we believe RCA's commitment to VTR in its own right is extremely strong.

* * * *

Another home VTR system seems to be off to a start. BASF has licensed 2 other manufacturers to produce players for its U.S.-developed LVR (longitudinal video recording) system—Bell & Howell and Bosch (Blaupunkt)—will also make recorders itself in Germany. LVR has fixed head, uses 1/4" tape with 28 parallel tracks, moving at 120 ips and reversing direction at end of each track (Vol. 14:37 p11). System is said to be inherently inexpensive; its cartridges contain only 9 moving parts vs. 30-plus in helical-scan cartridges. Production goal is 1979, target starting price as low as \$600. There's some speculation that LVR will be offered as competitor to super-8 home movies, but this requires development of low-cost color camera, still far off.

JAPAN-U.S. TV PACT SEEN CERTAIN: Barring rebellion by Congress, there won't be a jump from 5% to 25% in duty rate on either color or b&w TV because U.S. will get voluntary color TV export quota agreement from Japan. Limitation on shipments will start about Sept. 1.

Deal to head off U.S. imposition of unilateral TV import restrictions—as recommended by International Trade Commission (ITC) (Vol. 17:21 p12)—already has been signed in principle, albeit informally, though key detail of how many sets Japan will ship is undetermined. Hammering-out of framework for negotiations should start almost immediately. Robert Strauss, sworn in last week as Special Representative for Trade Negotiations, may leave as early as this week for wide-ranging trade talks in Tokyo. High-level multinational economic conclave is slated for early May in London, and U.S. will push for lowering of international trade barriers there. Cooperation of Japan is critical to success of U.S. policy at that meeting, s-

Strauss wants quick solution to present U.S.-Japan trade problems.

Voluntary export package would be highly acceptable to Administration, since it comes very close to original demand of U.S. industry for color-only import quota, also eliminates need to grant offsetting concessions on imports of other products as set out in ITC plan. Industry here will accept deal if limit is low enough. Japanese are looking for 1.7-1.8 million quota. Committee to Preserve American Color TV (COMPACT), labor-industry group that brought import-relief case to ITC, had asked limit of 1.3 million, with just over million allocated to Japan. COMPACT, we've learned, has made repeated requests to meet with Strauss before he leaves for Japan. Any doubts over how Administration policy leans were resolved April 1 when President Carter said he was rejecting ITC recommendation for shoe import quotas in favor of export agreements with major source countries.

While law gives President Carter only 60 days from receipt of ITC import-relief recommendation to take action, it provides additional 90 days if he decides to negotiate export quota or other orderly-marketing agreement. That moves deadline up to Aug. 19—though Congress can override him any time after May 22 if he doesn't follow ITC proposal. Fact that Japan has election in July, could have new govt., means no package is likely to be signed before then. Meanwhile, Strauss' Trade Policy Staff Committee, in charge of investigating TV case for President, has issued call for public comment on ITC recommendations & findings by April 15.

Timetable gives Japanese 5 months to stockpile color sets here if they want, but Commerce Dept. Feb. import figures give no hint they plan to. Though color imports were up significantly from year earlier, shipments from Japan showed first decline in 18 months—all of increase was represented by color chassis coming in from Mexico.

Feb. total TV imports of 521,300 were up 40.9%, with color up 47.1% to 193,400, b&w up 37.5% to 327,900. Included in figures are 70,400 unfinished color sets (62,700 from Mexico), 25,800 unfinished b&w, virtually all from Taiwan. Reporting of unfinished TV imports didn't start until July 1976, so no comparable results are available. Jan.-Feb. TV total of 1.13 million was up 35.2%, color up 78% to 454,400, b&w up 16.3% to 674,900.

Japan supplied 194,000 sets in month, off just 1%, for 2-month total of 523,800, up 38.8%. Color in Feb. fell 2.6% to 114,100, b&w squeaked up 1.4% to 79,900, for respective 2-month totals of 341,200 (up 49.2%) & 182,600 (up 22.9%). Don't read anything into that Feb. color drop; it may just be statistical quirk. Our analysis of Japanese-color-export vs. U.S.-import figures indicate nearly 100,000 more sets were on their way here, should have entered in Feb. So March imports should more than make up for slippage.

Taiwan supplied 209,100 sets in Feb., up 39.3%, with color at 9,900 (down 17%), b&w at 199,200 (up 44.2%), bringing 2-month total TV to 423,000 (up 4.9%), including 21,400 color (up 6.3%), 401,700 b&w (up 6.3%). Korea picked up steam in Feb. with 49,500 TVs (up 111.1%), as color climbed 151.2% to 5,700, b&w 106.8% to 43,900. For 2 months, Korea was source of 100,400 TVs (up 86.1%), including 14,500 color (up 321.4%) & 85,800 b&w (up 70%). Also in Feb., Singapore supplied 750 color sets for 2-month total of 1,250, while Hong Kong, which hasn't had a TV export operation in 8 years and isn't known to have one now, is indicated as having supplied 4,700 b&w.

Advent has quit EIA, Pres. Pierre Lamond saying: "After taking a long, hard look, we decided membership was not of sufficient benefit to us." Advent will not exhibit at Summer CES—"we have nothing startlingly new," said spokesman—but will show VideoBeam 750 at Drake Hotel during Chicago show. EIA admitted 12 new members, including Global (satellite TV), Hitachi Sales, Lafayette, Radio Shack & Soundesign.

Ricing policies will be subject of April by Rep. Breckinridge's (D-Ky.) Antitrust Subcommittee. Hearing complaints by broadcasters and small

manufacturers of after-market car radios that auto companies' policies are anticompetitive, harming both manufacturers & FM radio. During congressional consideration of all-channel radio bill in 1974, several witnesses alleged that selling prices for AM, AM-FM monophonic, and AM-FM stereo receivers are in 1:2:3 ratio, though actual cost differences are much less.

Sign of CB Times: Discounts ranging up to \$90 are being offered by Motorola in limited-time 40-channel promotion. Sale shows Motorola's "commitment to the growth of its dealers," according to Chmn. Robert Galvin, but it's also clearly aimed at getting 40-channel sales off dead center.

CB—BETTER, BUT...: Market for 40-channel has improved over past month—now about 20-40% of total CB sales at distributor level—but no-profit 23-channel "hangover" inventories remain dominant influence. "It's taking us a lot longer to clear them through the pipelines than we expected," southern distributor told us. "It looks like they'll be with us until late summer."

Cheap 23s are tightening pressure on fragile 40-channel pricing structure, with \$89 & \$99 leaders becoming commonplace, and several distributors forecast further deterioration. Buyer for Southern Cal. wholesaler said he's now offering brand-name 40 at \$57 dealer cost, predicted that same price would appear at retail on leader models within 90 days. "By the June CES, you'll see manufacturers & reps going to \$35 dealer pricing on low-end 40s."

Otherwise gloomy picture does have bright spots. "Our cheaper 23s are washing out," leading midwest CB distributor said. "Sales are holding up well at retail, and that should take care of our 23 inventories in the next month. We've seen some low ball pricing on 40s, but I don't expect to see any super dumps coming along."

As long as 23s are in pipelines, however, problem will remain same—consumers won't pay premium for 40-channel when under-\$50 23-channel units are being promoted. "There are too many newspaper ads blowing out 23 dumps," east coast distributor said. "When the customer comes into the store, and the salesman tries to sell him a \$149 40-channel, his reaction is: 'Wait a second, CB costs \$59. I can get it 3 times as cheap somewhere else.'"

Any hope that CB pipelines will soon be emptied of 23-channel inventories are just pipe dreams, Commerce Dept. Feb. import totals indicate. Of some 690,000 mobile CBs imported in month, only 350,000 were 40-channel, and of 1.26 million imported in first 2 months, less than half (618,000) were 40-channel. Month's total transceiver imports of 2.2 million were up 124.4%, for 2-month total of 3.86 million, up 94.2%. But virtually all increase was logged by hand-held models, which in Jan.-Feb. totaled 1.95 million, up fivefold, while base & mobiles combined for 1.92 million, up just 18.2%. Of total transceiver imports in 2 months, 2.48 million, or 64%, were designed for operation on CB frequencies (including new toy 49 MHz).

GE IMPORT AID: GE TV workers at Portsmouth, Va. plant still are eligible to apply for import adjustment assistance since GE hasn't bounced back from import-induced state of depression of past 2 years, Labor Dept. has said. LD first cleared workers there for help in July 1975.

Now LD study said color production at Portsmouth in 1975 was down 32% from 1974, rose average of 25% in first 2 quarters last year, but still trailed 1974 by about 31%. Color sales were down 24% in 1975, rose 19% & 8% in opening 1976 quarters, but stayed 34% & 26% behind respective results for 1974. For b&w, LD found 1975 output down 44%, with additional 12% decline in first 1976 quarter, followed by 2% rise in 2nd, but still less than half that of 1974.

Sales showed somewhat better picture, declining 37% in 1975, rising 20% & 1% in opening 1976 quarters, lagging 1974 periods by 42% & 28%.

Production worker employment for color dropped 30% in 1975, and while there was 16% gain in first 1976 quarter, it was cut 7% in 2nd quarter, averaging 31% below 1974 for 6-month period. In b&w, force was trimmed 44% in 1975, was 41% lower in first 1976 quarter, 33% lower in 2nd, for average decrease of 64% from same 1974 period. GE customers told LD that in first 10 months of 1976 they switched more of their orders to imports because of high quality, lower prices.

In similar case, LD approved continued eligibility for workers at Stackpole Carbon plants in St. Marys & Kane, Pa., opened new case for workers making carbon resistors at Airco Speer plants in St. Marys & Bradford, Pa. LD also declared former workers at Fairchild Camera's S. Portland, Me. IC plant eligible for assistance. Report shows employment at plant dropped 41% in 1975, was down additional 16% in first 9 months last year, notes Fairchild transferred some work from S. Portland to overseas facilities.

NEW-LINE CALENDAR: First trade exposure of new TV lines will be later for most this year than 1976—our survey indicating 10 brands will show later, 3 earlier, 3 about same date. Favorite location this year is Las Vegas, site of 4 meetings, followed by Chicago with 3. Two manufacturers are having press previews before trade showings—GE, which aired new line's major features in N. Y. March 23 (Vol. 17:13 p9), and Magnavox, which will demonstrate line in Chicago June 12, opening day of CES.

Here's rundown on starting dates for first showings of new lines to trade—either field personnel, distributors or dealers:

Admiral	June 5	3 regions
GE	Mid-May	4 regions
Hitachi	June 5	Chicago
JVC	April 12	3 regions
Magnavox	July 25	9 regions
MGA	April 12	Long Beach, Cal.
Panasonic	April 25	Grand Bahama Is.
Philco	May 19	Las Vegas
Quasar	Late May	Chicago
RCA	May 15	Las Vegas
Sanyo	April 27	Compton, Cal.
Sharp	April 14	Chicago
Sony	May 2	Colorado Springs
Sylvania	May 24	Las Vegas
Toshiba	April 27	16 cities
Zenith	May 11	Las Vegas

WEMA is suffering same fate as EIA did at hands of semiconductor members. Most of semiconductor firms, which became active in WEMA after quitting EIA in early 1970s, are leaving to form new Semiconductor Industry Assn. to be headed by Exec. Dir. Bernard Narren, ex-American Microsystems pres. Firms are withdrawing support from WEMA's statistical program, joining one being established by SIA. Hq for new group will be in Cal.

Trade Personals

Joseph Cesaretti advanced at Zenith to Special Markets Div. (institutional TV) field sales mgr., reporting to **Joseph Stephano**, SMD mgr... **Carl Gates**, one-time Sharp national sales mgr., appointed President Electronics distribution mgr... **Curt Howard**, ex-Muntz Stereo, appointed national sales mgr. of Harada America, U.S. arm of Japanese CB antenna maker... **Edwin Hirsch** advanced to staff vp & senior counsel of RCA Picture Tube Div... **William Fisher**, Rockford, Ill., elected NARDA pres., succeeding **F. Hardy Rickbell**; **John Borlaug**, Sylvania national service mgr., named NARDA "Man of the Year".... **Peter Dawson**, ex-Hitachi-Canada, joins Sylvania Canada as Entertainment Products Div. vp-mktg.

Thomas Paonessa advanced at Sharp from eastern sales coordinator to audio product national sales administrator... **Paul Glass**, ex-Netro Mktg., joins Cobra Communications as product mgr. for expanding in-dash CB line... **Robert Wiles** resigns as SBE exec. vp... **Sandy Gordon**, ex-Sanyo, appointed Funai Electric sales mgr... **Robert Norrill**, ex-Hy-Gain, named Phase Linear mktg. dir.

William Hegyi resigns as Juliette Far East purchasing dir., plans unannounced... **Elliott Scheff** leaves April 15 as Capehart Service Div. gen. mgr. to enter executive placement field... **Samuel Borofsky** resigns as Unitrex mktg. dir. to form IMC Ltd., N.Y. rep firm handling Atari TV game line... **Franz Edelman**, RCA business systems & analysis dir., named staff vp.

Bert Franzblau, ex-Admiral physical distribution vp, named Phonodisc operations vp... **Richard Aquilina**, ex-Sam Goody, joins Panasonic as northeastern mgr. for Technics hi-fi... **June Hencsey** named N. American Philips videodisc demonstration mgr... **Leonard Feldman**, audio consultant, appointed dir. of seminars for Audio/Communications Show Corp., which has postponed first N.Y. hi-fi show from May to Sept.

Jason Farrow, ex-Acoustic Research, named Harman-Kardon ad dir... **Scott Conroy** promoted at GE Credit Corp. to mktg. vp... **Rudy Flores** advanced at Tandy from Mfg. Div. credit mgr. to Radio Shack mgr. for newspaper ads in South... **John Dale** promoted from Fuji Video Tape Div. mgr. to gen. mgr. of new Magnetic Tape Div., also assuming responsibility for audio tape; **George Saddler**, ex-mktg. mgr. of former Audio Div., becomes consultant.

Capehart is restructuring top management & finances. Present long-term debt of \$24 million is being converted to \$13-million, \$11 million in preferred stock. Deal includes receipt of \$7.5-million 6-year loan from Manufacturers Hanover, secured by 90% repayment guarantee from Economic Development Admin., to be used as working capital. Capehart didn't detail planned management changes... **Pioneer** says sluggish sales in Japan and expected continuing rise in value of yen should result in flat earnings for year to Sept. 30, despite anticipated sales gains in overseas markets.

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
Advance Ross			
1976-year to Dec. 31 ^b	26,547,170	1,986,855 ^a	.58
1975-year to Dec. 31 ^b	18,770,975	518,444 ^a	.14
1976-qtr. to Dec. 31 ^b	8,974,319	1,043,885 ^a	.31
1975-qtr. to Dec. 31 ^b	5,419,772	677,182 ^a	.20
Chris-Craft Industries			
1977-6 mo. to Feb. 28	39,105,000 ^c	2,832,000 ^a	.52
1976-6 mo. to Feb. 29	30,018,000 ^c	(386,000)	--
1977-qtr. to Feb. 28	18,876,000 ^c	292,000 ^a	.01
1976-qtr. to Feb. 29	14,174,000 ^c	(244,000)	--
Comcast			
1976-year to Dec. 31	10,910,853	929,581	.54
1975-year to Dec. 31	8,678,073	621,853	.36
A.C. Nielsen			
1977-6 mo. to Feb. 28	127,403,000	8,865,000	.82
1976-6 mo. to Feb. 29	111,376,000	8,043,000	.76
1977-qtr. to Feb. 28	65,331,000	4,323,000	.40
1976-qtr. to Feb. 29	56,429,000	4,128,000	.39
Outlet Co.			
1977-year to Jan. 31	148,458,017	5,370,159	3.50
1976-year to Jan. 31	121,991,028	4,730,506	3.15
1977-qtr. to Jan. 31	49,542,348	3,172,712	2.13
1976-qtr. to Jan. 31	42,827,097	2,498,577	1.72
Tektronix			
1977-40 wk. to March 5	329,650,000	29,799,000	3.38
1976-40 wk. to March 6	270,914,000	21,422,000	2.44
1977-16 wk. to March 5	140,100,000	12,658,000	1.43
1976-16 wk. to March 6	113,846,000	9,502,000	1.08
Telecor			
1977-9 mo. to Feb. 28	72,373,000	3,230,000	.77 ^e
1976-9 mo. to Feb. 29	57,586,000	2,330,000	.56 ^e
1977-qtr. to Feb. 28	18,915,000	711,000	.17 ^e
1976-qtr. to Feb. 29	15,742,000	554,000	.13 ^e
Wells-Gardner			
1976-year to Dec. 31	14,707,717	(1,148,772)	--
1975-year to Dec. 31	15,367,456	(1,517,961)	--

Note: ^aIncludes special credit. ^bRestated. ^cFrom operations.

^dAfter special charge. ^eAdjusted.

Industrial videodisc player was demonstrated to govt. officials in 10 private showings last week in Washington, MCA Disco-Vision offering to loan them experimental units for their suggestions on additional features and exploration of possible uses. Unit demonstrated was 2-piece, with electronics in separate cabinet, had hand-held wired remote unit to call up any of 54,000 separate frames. Turntable moved on sled under stationary laser pickup assembly. Disco-Vision officials said "several machines" already had been delivered to first govt. customer, CIA (Vol. 17:9 p9), put price of industrial unit at somewhere above \$1,000, said point at which discs can compete with videotape is about 40 copies (\$30 per copy). Simultaneous with demonstration, Washington Consortium of Universities & Disco-Vision announced agreement to develop college-level courses formatted for optical videodiscs, which eventually could lead to degrees based on home-study discs.

Korean color TV manufacturers, concerned that possible U.S. import restrictions could mean virtual end to their export-only operations, have asked their govt. to authorize colorcasting this year, 4 years ahead of schedule.

WEEKLY

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APRIL 11, 1977

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 15

Broadcast

NETWORK PROFITS JUMP 41.8% in 1975, net revenues up 26.5%, FCC reports. Networks pay \$264.8 million to affiliates, up 3.3%. Owned stations' profits up 49.7% to \$158.2 million. (P. 1)

CARTER LETTERS' PROTEST TV SEX: White House sending over 400 letters complaining about TV sex & violence to FCC weekly. Most want immediate action by President. PTA gives networks 6-month 'probationary period.' (P. 2)

WTOP-TV VIOLATED FD in repeated airings of Texaco spot, FCC rules. (P. 3)

MILLER—TAKE WXPN LICENSE: U. of Pa. repeatedly failed to exercise control, many rules violated, FCC judge finds. (P. 3)

WHITE HOUSE REORGANIZATION deadline of mid-June is set by OMB for presentation to Congress of plan which might alter OTP, Domestic Council. (P. 4)

ACT SEEKS FTC BAN on TV candy ads directed toward children. Group also files complaints against Nestle, Fox-Cross, Squibb & Mars spots. (P. 4)

RURAL TV SERVICE: Govt. & public groups make plea for federal grants, but associations differ over who should benefit. (P. 5)

HUGE JUMP FOR NETWORK REVENUES, PROFITS: Combined pre-tax profits of 3 TV networks jumped 41.8% last year—to \$295.6 million—on net broadcast revenues of \$2.1 billion (up 26.5%), according to FCC. Network ad revenues (before affiliate compensation & commissions) were \$2.7 billion, up 23.9%.

Network compensation to non-owned stations was up only 3.3% to \$224.6 million, while 15 network-owned stations got \$40.2 million. Networks spent \$218 million on news & public affairs, up 36.7% (because of presidential primaries, political conventions & elections) from \$160 million in 1975. Before-tax profits of network-owned TV stations jumped nearly 50% to \$158 million on net revenues of \$486 million, up 22.9%.

FCC doesn't break out individual network figures; however, all 3 earlier predicted record profits for 1976 (Vol. 16:24 p1).

Last figures available—for 1975—showed profits of CBS & ABC both dropped in 1975 from 1974 although revenues were up. For 1975, ABC had \$29 million profit (down from \$49 million) on revenues of \$510 million; CBS profit was \$106 million (down from \$110 million) on \$596 million revenues; NBC profit increased 11.36% to \$73.5 million (from \$66 million) on \$573 million revenues.

CARTER LETTERS PROTEST TV SEX: FCC's mail was "up substantially" in March (over Feb.)—and it's all because of President Carter. For last month, White House routinely has been forwarding to Commission letters to President on TV—over 400 per week. Most deal with sex & violence, with too much sex on TV being dominant concern of letter writers.

Letters come from all over U.S., many from children, and most praise President's religious beliefs. Without exception, writers want Carter to use his good office & prestige to reduce sex & violence on TV. Many are form letters, but large majority are individually written. Here are some samples:

"I wish to express my concern over all the illicit sex, homosexuality, violence, drinking, swearing and blasphemous statements against the Bible, Jesus Christ and the new birth on TV." Writer, from Mass., asked Carter to put "pressure" on FCC & Congress to force networks to improve. Another asked Carter to "please use your influence to limit or stop...so much violence, indecency, drinking & profanity."

One correspondent asked for total ban on war movies, while 10-year-old from N.J. told President "you should get the networks to take off all the shows that nobody likes and put war movies on." N.Y. writer asked Carter to make prime-time hour speech criticizing network programming and to require networks to air weekly movie without commercials. From Miss.: "Could you help Anita Bryant get her job back through Singer Sewing Machine Co.?"

A Texan was unhappy because program "All's Fair... was making remarks against your Administration." Ohio: "The FCC should not allow filth like Mary Hartman to be aired." Cal.: "God will hold all these people responsible for not condemning evil." Pa. petition, with over 100 signatures: We're "fed up with the flow of smut..." Cal. writer complained about showing nude woman (rear view, seated) at 9 p.m., added: "Will you take drastic & immediate steps to clean up TV?"

Several complained because Carter afternoon news conferences pre-empted their favorite soap operas. Other subjects mentioned often were NBC's "Jesus Christ of Nazareth"—which most condemned—and letters supporting Rev. Carl McIntyre.

Most of children asked President to please write back. Mass. child wrote that he couldn't watch TV "due to the machure [sic] subject matter. People strip and swear and do bad things." Ill. 11-year-old wrote that "I'm sick of the dope killing, swearing and prostitution." And this, from Ventura, Cal., just as written:

"Dear Mr. Presedent, We think a law should be put agenst putting on comershles about programs that kids can't even watch, in between kids programs. we have a one year old next door nabor and he watches cartoons and the bad comershles are a bad influince on him. And we have to change the chanel when the bad comershles are on. Me and Cynthia are both nine. Sincerely, Lindsay Myers, Cynthia Hills."

* * * *

Meanwhile, National PTA will announce next week it will give networks and NAB TV Code 6-month "probationary period," during which time "they'll have the opportunity to respond to the demands of the PTA's 6-1/2 million members for less mayhem and better shows." During "probation," PTA members will undertake unspecified activities in their own homes as well as contact stations & networks, according to PR Dir. Sandra Fink. She declined to give details, except to explain that activities were taken from suggestions & testimony made during PTA's 8 regional hearings on TV violence (Vol. 17:4 p5). "If we don't get a substantial response from the networks by Jan. 1, we'll go into our 2nd action plan," Fink told us, "which will be a more dramatic response."

Broadcast industry will be scrutinized by Senate Communications Subcommittee in May 9-11 hearing (delayed from May 2-4 [Vol. 17:11 p2]). Session will look into network practices & structure, local broadcast stations, and social impacts of broadcasting. Communications panel also plans June 13-15 hearing on cable.

Sony is promising prospective customers for its 1" broadcast VTRs that it will retrofit them to future SMPTE standard for maximum of \$1,000 each. Meanwhile, SMPTE working group on 1" non-segmented helical-scan VTR standards (Vol. 17:14 p3) has scheduled next meeting during June 3-10 International TV Symposium at Montreux, Switzerland.

WTOP-TV, TEXACO VIOLATE FD: Texaco spot which stressed vertical integration of oil company discussed controversial issue of public importance (forced divestiture by oil companies), thus WTOP-TV Washington violated fairness doctrine (FD) when it aired spot 53 times, comprising 45 min., without adequately discussing other side of issue. This was 6-1 decision (Comr. White dissenting) of FCC last week.

However, Commission cleared NBC, ABC & WRC-TV Washington of FD violations since all 3 aired same ad only few times and "presented a considerable amount of pro-divestiture discussion." WTOP-TV, FCC said, could cite only 7 mentions (totaling 5 min.) of divestiture coverage in CBS news to counter Texaco ad. And, agency added, network "merely discussed the divestiture legislation in general terms, reporting the progress of divesture legislation." WTOP-TV was ordered to inform FCC how it intends to comply within 10 days.

Complaints were filed by Energy Action Committee and Sens. Bayh (D-Ind.) & Abourezk (D-S.D.) Commission ruled Texaco ads weren't merely "institutional messages"—as claimed by networks & stations—that "the assertions made concerning the economy and efficiency of vertical integration went to the very essence of the divestiture issue." White disagreed that commercial "presents a meaningful, obvious or substantial statement on the issue of divestiture."

D.C. Appeals Court has stayed its order on newspaper-TV cross-ownership (Vol. 17:10 p1) to permit FCC to file direct appeal to Supreme Court. Commission has until April 22, will be joined by NAB, broadcasters, publishers. Last week, Commission asked Appeals Court for 10-day stay of pay-cable order (Vol. 17:13 p1), hasn't decided whether to seek en banc rehearing or go straight to Supreme Court. Meanwhile, FCC general counsel has advised commissioners, bureau chiefs and other top staffers not to talk to outsiders on pay-cable decision "and all other rulemakings...until further advised" because of ex parte implications of cable decision.

NBC-TV has postponed May 15 Emmy awards telecast—because of planned boycott by many top stars, producers & directors—and industry sources say it's doubtful show will be rescheduled. NBC-TV Pres. Robert Howard wrote NATAS Pres. Robert Rector giving Academy until April 15 to "satisfy" network that program can be supplied. NATAS expelled Hollywood chapter—which has formed new Academy of TV Arts & Sciences, plans its own awards show in Sept.—in bitter dispute over control.

Fla. courts will be open to TV cameras, recorders & photographers for year, effective July 1, state Supreme Court ruled. Court acted on petition by Post-Newsweek TV stations in Jacksonville (WJXT) & Miami (WPLG), gave stations until May 15 to submit proposed guidelines for TV coverage.

ABC Sports will receive "Honor Medal for Distinguished Service to Journalism" from U. of Mo. School of Journalism, first sports organization so honored. ABC Sports Pres. Roone Arledge will accept award April 15.

MILLER—TAKE WXPN LICENSE: Citing consistent failure to exercise adequate control over students who run WXPN(FM) Philadelphia, FCC Judge Walter Miller last week recommended that license not be renewed. Station is owned by U. of Pa.; licensee is 45-member Board of Trustees.

Miller said licensee had "delegated, subdelegated and sub-subdelegated" authority to point where no one exercised supervision. He also said station failed to respond to FCC violations notices, violated repeatedly many rules and that it "was purely fortuitous" if Commission or University's own rules were ever followed. He also said WXPN had failed to broadcast "any meritorious programming" and that students had used hashish, marijuana & alcohol on station premises.

Judge also said Trustees waited 2 years to act on repeated broadcasts of "licentious slime and nauseating verbiage...sordid utterances of the most vile type" (Vol. 15:43 p5). And, he said, even after University attempted to crack down, students continued to air materials "unsuitable for public broadcast."

Vertical interval (VI) signals to identify program source, origination point, date & time of original broadcast were proposed to FCC last week by NBC, which, along with other networks, has been testing such transmissions. NBC asked Commission to amend rules on use of VI to permit identification of signals. Network suggested that Source Identification Signal (SID) be permitted on VI line 20, where it would require just 2 frames per second in odd fields only. NBC said signal would provide accurate information on program or parts of program broadcast by individual stations and would be useful for: (1) Faster & more accurate program ratings. (2) Automatic program logging by stations. (3) Automatic deletion by cable systems of simultaneous network program broadcasts to furnish protection against duplication.

Circular polarization transmissions by TV stations could solve many problems inherent in horizontal polarization, FCC said last week in changing rules to permit it. Horizontal polarization has been required since 1941, but in changing rule Commission noted horizontal doesn't solve such problems as ghosting, spotty coverage, etc. and it requires critical antenna orientation for maximum reception. Change follows successful circular polarization experiments by WLS-TV Chicago & KLOC-TV Modesto, Cal.

Network ad revenues rose 18.2% to \$272.4 million during Feb., TvB reports. Total for Jan. & Feb. was \$559 million. Of 2-month total, ABC revenues were \$188.8 million, NBC \$187.5 million, CBS \$182.8 million.

While in Chicago for NCTA convention, come see us at the Television Digest, Factbook & CATV Atlas suite, 1235-36A, Conrad Hilton Hotel. In Chicago for Television Digest will be Mila Albertson, Irwin Arieff, Dave Lachenbruch, Paul Levine & Tack Nail. We'll also be in the Exhibit Hall, Booth 410.

CARTER REORGANIZATION BEGINS: Legislation granting Administration authority to reorganize Executive Branch below departmental level has been signed by President, and Carter has indicated first target will be his own Executive Office. Office includes Domestic Council, OTP, White House staff, and some 15 other component parts.

OMB Dir. Bert Lance announced that 32-member reorganization task force, head by OMB Exec. Assoc. Dir. Harrison Wellford, will have target of mid-June for presentation to Congress of Executive Office reorganization plan. "I think we can come out with a smaller bureaucracy," Lance said. Task force already has begun review of budget, personnel needs & goals. One member of reorganization effort expected to have policy role in telecommunications area will be Samuel Carradine, ex-Cable Communications Resource Center.

Lance said Administration intends to apply same reorganization philosophy to regulatory agencies like FCC & FTC as to other Executive branch agencies, despite fact that bill specifically bars President from altering them. He said that present law would help identify problem areas, enable Administration to prepare additional legislation to deal with needed regulatory agency changes.

Meanwhile, President has nominated Frank Press, MIT Earth & Planetary Sciences Dept. chmn., to be dir. of White House Office of Science & Technology Policy (OSTP) and to serve as science & technology adviser to the President. Under one Administration proposal, OTP would be split into 2 parts, one to go to OMB, other to go to OSTP (Vol. 17:5 p3).

Advance registration for NCTA's April 17-20 convention in Chicago's Conrad Hilton Hotel reached 2,500 April 8, up 225 from year ago. Assn. is predicting attendance of over 4,500. FCC Chmn. Wiley has been moved to April 19 luncheon speaker; ex-OTP Dir. John Eger takes over April 20 slot. Reporters Tom Wicker (N.Y. Times), Kevin Phillips (King Syndicate) & Gary Deeb (Chicago Tribune) will quiz House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) in April 19 session to be telecast by ETV WTTW Chicago.

"Appropriate steps" should be taken by State Dept. to name "at least the initial nucleus" of U.S. delegation to 1979 WARC in Geneva, according to FCC. Commission noted that it began preparing for conference in late 1974, said "it is of vital importance" that U.S. participants be named now so American position can "be thoroughly prepared well in advance." Comr. Lee was co-chmn. of U.S. delegation at Jan.-Feb. preliminary WARC, is expected to play similar role in 1979.

"The Programmers—Who Really Programs TV... Networks, Studios, Stations or Audience?" highlights April 27-May 3 AWRT convention in Minneapolis. Panelists include CBS-TV Pres. Robert Wussler, MTM Enterprises Pres. Grant Tinker, NBC Dramatic Shows Vp Deanne Barkley, WVEC-TV Hampton, Va. Pres.-Gen. Mgr. Thomas Chisman; moderator is Allen Ginsberg, vp-gen., WXIX-TV Cincinnati.

ACT SEEKS CANDY AD BAN: Action for Children's TV (ACT) has petitioned FTC to move against TV ads for candy that are directed toward children. Only last month, organization asked that NAB change TV Code "to protect children from unfair program & advertising practices" (Vol. 17:12 p2).

In 2-part petition, ACT seeks: (1) Rule prohibiting TV advertising of candy if ad's dominant appeal is to children, or if it appears during programs for which children comprise at least half of audience, or if ad appears before 9:05 p.m. (2) FTC action against 4 companies: Nestle, for "\$100,000 bar" ads; Fox-Cross Candy for Charleston Chews ads; Squibb Corp. for Life Savers spots; and Mars Inc. for Snickers bars, Starburst Fruit Chews and Marathon Candy bar commercials.

According to ACT attorney Rachel Wolkin, ads were selected because they use phrases such as "a really chewy chew" and "they're fun on your tongue and made to last." Such products, she said, "are the worst in terms of tooth decay."

Copyright Office has set April 12-13 hearing to seek public help in drafting rules for cable compulsory license for secondary transmissions of copyrighted programs. Under last year's Copyright Act revisions, Copyright Office will require extensive semiannual filings from all cable systems; hearing is designed to help office determine what information will be required and how it will be filed. Meanwhile, Copyright Office issued final rule requiring systems in operation on April 17 to file by April 18 name & address of system owner or operator and location of transmitters whose signals system carries.

Renewal applicants whose minority and/or female employees total less than half of their percentage in local labor force will be reviewed by FCC staff after April 1, Commission has directed. Also under revised criteria to be used, at least 25% of minorities-women must be in top-4 jobs categories (professional, management, technical, sales). Licensees whose EEO program is "passive" and without adequate explanation will be referred to full Commission for action.

KBSC (Ch. 52) L. A. -Glendale went on air April 1 as pay operation with Dodgers-Angels baseball game, followed by movies "The Fortune" & "Bite the Bullet." Station will operate as pay outlet 28 hours weekly, is jointly owned by Pres. Jerry Perenchio and Oak Industries. Subscribers are charged \$29.95 installation fee, \$17 monthly. KBSC is 2nd over-the-air pay operation; WBTB-TV Newark started month ago (Vol. 17:11 p6).

Supreme Court again declined to review FCC's 1975 equal-time ruling that cleared way for 1976 presidential debates, (Vol. 15:39 p1), this time in brief order turning down appeal by independent candidate Eugene McCarthy. Justices gave no explanation, registered no dissent. McCarthy had argued that his exclusion from debates deprived him of equal time, gave Republican & Democratic parties "shared monopoly" on presidency.

WHY & HOW OF RURAL TV: Senate Communications Subcommittee learned last week that everybody seems to favor better rural TV service, but not everybody agrees on how to achieve it or who should pay. Panel heard variety of govt. & public groups make plea for federal demonstration grant program enabling flexible approach to technological & economic barriers. On other hand, industry groups—cable, phone & translators—took narrower view, each seemingly opposing others in arguing that technology they represent would solve rural problems.

National Telephone Cooperative Assn. (NTCA), U.S. Independent Telephone Assn. & REA argued that phone companies were best-suited to serve areas with fewer than 4 subscribers per mile. National Translator Assn. argued for combination of phone & translators. However, NCTA representative—Don Mackin, operator of cable systems in Moscow, Ida. & Pullman, Wash.—argued against liberalizing FCC rules on translators because changes would allow translators to do things cable can't.

OTP Acting Dir. William Thaler said that rural communities "should be able to choose freely among available technological possibilities on the basis of economic and technical criteria, not the presence of needless regulatory barriers" such as ban on microwave importation of distant signals for translators and on cable-phone cross-ownership. He said FCC "has a constant responsibility" to help eliminate disparities between rural & urban communications services, said OTP now is forming task force with Agriculture, Commerce & HEW Depts. to study options available to rural areas.

Warner Cable's operating income rose 84% and pre-tax income more than tripled from 1975 to 1976, Warner Communications says in annual report. Gross operating income per subscriber more than quadrupled to \$42 from \$10 in 1973. For 1976, revenues rose to \$51.6 million from \$38.1 million year earlier, operating income to \$12 million from \$6.5 million, pre-tax profit to \$6.4 million from \$2 million. At year's end, Warner Cable had 553,500 subscribers, up from 532,400. R&D costs for Columbus, O. 2-way system (Vol. 17:7 p2) totaled \$1.2 million in 1976, up from \$900,000 in 1975 and "will be substantially greater in 1977." Star Channel pay-TV service has nearly 40,000 subscribers.

April 25-26 FCC conference on minority ownership of TV-radio stations & cable systems features addresses by Chmn. Wiley & Comr. Hooks, panels on sources of financing, access to and use of professional help, operational problems and barriers to entry, public policy relating to minority ownership.

U.S. Appeals Court (2nd Circuit) in N. Y. has been asked to over-turn FCC ruling prohibiting State Cable Commission from collecting fees from CATV systems if state fee combined with local franchise fee exceeds 5% of subscriber revenues.

Greene/Field is new CATV broker formed by Jerry Greene, ex-Teleprompter, and Paul Field, ex-LaRue Media: Box 530, Bronxville, N.Y. 10708, 914-793-2390.

Reorganization plan for British broadcasting has been submitted to govt. by Annan Committee, formed in 1974 to study future of broadcasting in Great Britain. Committee, chaired by Lord Annan, proposes creation of 4th TV & FM network under Open Bcstg. Authority independent of IBA & BBC. Network would allow commercial sponsorship of shows, couldn't produce any of its own programming. Other recommendations: Ban ads in children's programs; strip BBC of its 20 local radio stations; greater advance warning for violent shows (report noted that 89% of American programs shown in England contain violence vs. 46% of British shows); establish 2 boards, one to investigate fairness complaints, 2nd to review operations of various broadcasting authorities. BBC & IBA charters lapse in 1979.

Madison Square Garden's entire sports schedule—115-125 events—plus several specials will be offered to CATV systems next fall by UA-Columbia Cablevision. Systems have option of offering events on pay or regular cable channel. UA-Columbia will retain 8 min. for commercials in 2 hour sports events, turn 8 min. over to systems for local sale. RCA Satcom will be used to distribute signal to earth stations at cost of \$150,000 annually. UA-Columbia will offer package to systems during NCTA convention in Chicago April 17-20. HBO formerly held rights to Garden events, offered them on pay cable, but reportedly didn't bid for new package.

Storer has started offering Viacom's Showtime pay-TV service on its Manhattan/Hermosa Beach & Laguna Beach, Cal. CATV systems, will substitute Showtime for present premium service with some 8,000 subscribers in Thousand Oaks, West Lake, Fillmore, Santa Paula, Ojai & Fairfield, Cal. by June 7. Eight systems have 43,085 subscribers, pass 65,000 homes. Storer has 22 Cal. CATVs. Showtime says service is now on 22 CATVs, up from 5 last June, subscribers have grown from 8,000 to more than 40,000.

Black should be appointed to Copyright Royalty Tribunal, Congressional Black Caucus Chmn. Mitchell (D-Md.) wrote President Carter. Appointment could "have immense benefits for America's creative community and particularly so for America's black people," Mitchell said. Statutory deadline for nominations to tribunal is April 19.

Ex-Washington Post Co. Pres. Larry Israel received \$260,000 last year in salary & bonus. According to proxy statement, Israel & Post reached "termination agreement" (effective Feb. 1) calling for Israel to receive \$250,000 each in 1977-78, plus \$200,000 "severance" in Jan. 1979. He'll also get \$20,000 annual pension at age 65.

FCC Comr. Fogarty would like to argue case "I'm particularly interested in" before D.C. Appeals Court and/or Supreme Court. He said there's no ban against commissioner arguing FCC case, cited Sen. Ervin's (D-N.C.) appearances before Supreme Court as precedent.

KBMA-TV Kansas City appoints Blair as rep.

Personals

Michael Pertschuk confirmed by Senate as FTC chmn.; Harold Williams confirmed as SEC chmn... David Gardam, NBC exec. vp, and Jack Thayer, NBC Radio Div. pres., elected NBC dirs... Leavitt Pope, WPIX N. Y. pres., elected a dir. of parent Chicago Tribune Co., succeeding ex-Tribune Pres. Frederick Nichols, retired.

Elected to NCTA board: Harry Greenberg, Cable Communications of Iowa (Dist. 4), 3-year term; Joseph Benes, Coachella Valley TV, Palm Desert, Cal. (Dist. 2), 3-year term; Lee Wallenhaupt, Summit Communications, Winston-Salem, N.C. (Dist. 5), 2-year term. Re-elected: Patrick Nugent, Karnack Corp., Austin, Tex. (Dist. 3), 2-year term; John Raines, Teleprompter northeast region (Dist. 9), one-year term.

Joan Showalter advanced to vp-recruitment & placement, CBS; Jerry Golod, CBS-TV vp-children's programs, and Michael Ogiens, vp-daytime programs, join other network program & business execs. in shift from N. Y. to Hollywood (Vol. 17:14 p10).

David Chase, ex-WIIC-TV Pittsburgh, appointed program dir., WNBC-TV N. Y... Gary Elion, ex-WJZ-TV Baltimore, named news dir., KPIX San Francisco, replacing Joe Russin, appointed senior editor & reporter... Bill Kline, ex-KTXL Sacramento, named promotion mgr., WTCN-TV Minneapolis... C. Robert Thompson, ex-WGR-TV Buffalo, joins WSPA-TV Spartanburg, S.C. as local-regional sales mgr.

Kenneth Croken promoted to managing editor, Television Factbook and CATV Atlas... Loomis Irish, ex-WGBH-TV-FM Boston, named PBS national program underwriting dir.

Jack Underwood, ex-RCA Mobile Communications Systems, named vp-communications services, RCA Americom; Dirk Freeman promoted to RCA Bcst. Systems sales development & proposals mgr.; Charles Gaydos advanced to teleproduction systems sales mgr.; Roy Edenson, ex-WHY-TV Wilmington, Del., appointed southwest teleproduction sales rep.

Ronald Ferguson named Telemation customer service mgr.; H. Dan Von Jenef appointed mfg. dir... Mark Dzuban, ex-Gamco Industries, named RF devices engineering mgr., Cerro Communication Products; Lance Belcher appointed southwest sales mgr... Glen LeComte named accounting operations mgr., Magnavox CATV Systems.

Michael Lambert named Viacom Enterprises south central div. district mgr... David Britt elected vp-planning & development, new post, Children's TV Workshop... John Tupper, ex-Price Waterhouse, joins William Kepper Assoc., communications broker.

Thomas Treloggen promoted to Warner Bros. TV estimating & financial control dir... Jedidiah Horner, ex-U. of Southern Cal., appointed movies & long-form programming mgr., Columbia Pictures TV... Robert Lissit, ex-ABC producer, named consultant to OTP on federal audio-visual program funding policy.

Howard O'Leary, Senate Antitrust Subcommittee

chief counsel & staff dir. under late chmn. Philip Hart (D-Mich.), joins Dickstein, Shapiro & Morin, Washington law firm... Bernard Nash, Antitrust asst. counsel, Jack Blum, assoc. counsel of Senate Foreign Relations Subcommittee on Multinational Corporations, and Rich's Inc. Gen. Counsel Benjamin Parker form Washington law firm Blum, Parker & Nash.

S. L. Thomas promoted to mktg. dir., SC Electronics, New Brighton, Minn. manufacturer of broadcast monitors & receivers... Named Ferguson Communications vps: Rex Ferguson, operations; Stan Socia, construction, and William Williams, installations... Scott Dilliard named news & public affairs mgr., WSKG-TV-FM Binghamton, N. Y... John Skouras, ex-Columbia Pictures, appointed vp-advertising & publicity, ITC Entertainment Motion Picture Div.

Package of consumer bills was endorsed by President Carter last week: (1) Agency for Consumer Advocacy. Carter said agency would consolidate "most government consumer functions," would attempt to improve govt. regulation & decisionmaking, seek out inefficient or outmoded programs, and assure that programs serve & protect consumers. (2) Assistance for consumer groups which want to participate in agency proceedings. Concept already has been embraced by FTC, rejected by FCC. (3) Allow federal courts "more discretion" to reimburse costs of suing govt. "in cases of public importance." (4) Broaden ability of citizens to sue govt. (5) Expand opportunities for "responsible class actions" by consumers.

FCC has extended effective date of new AM-FM non-duplication rules from May 1 to June 1. ARB pointed out original date falls in middle of radio sweeps and argued format changes then would cause problems & confusion. At same time, Commission granted full or partial waivers of new rules to 18 of 19 combinations which sought them; only stations turned down were KVIL-AM-FM Highland Park, Tex. Generally, waivers were granted for financial or technical reasons, are valid through current licenses.

"A record of superior service to the community should [not] be outweighed by one serious but isolated transgression," NAB told FCC in asking agency to overturn initial decision denying renewal to WSTC(AM) Stamford, Conn. In amicus filing, NAB also argued decision is "inconsistent with the renewal expectancies of Communications Act" and with Commission renewal of WESH-TV Daytona Beach (Vol. 17:2 p5).

UPITN is supplying Japan with 10-min. video feed of U.S. news stories 5 days a week via satellite. Program is fed from UPITN hq in N. Y. via Westar to West Coast, then to Tokyo via Intelsat's Pacific satellite. Westar time is purchased from bulk-user Robert Wold Co.

FCC has accorded "special treatment" for educational KYUK-TV Bethel, Alaska, to permit station to air commercial network programs—including commercials—for year. Waiver permits KYUK-TV to participate in experiment via RCA Satcom II satellite.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 25 (12th week of 1977):

	March 19-25	1976 week	% change	March 12-18	1977 to date	1976 to date	% change
Total TV.....	253,655	216,541	+17.1	247,220	2,963,123	2,564,865	+15.5
color	150,915	118,279	+27.6	150,924	1,819,467	1,500,607	+21.2
monochrome	102,740	98,262	+4.6	96,296	1,143,656	1,064,258	+7.5
Total radio	727,617	1,278,566	-43.1	757,408	7,710,659	7,551,957	+2.1
home, portable ..	497,990	1,068,428	-53.4	487,398	4,730,590	4,692,891	+0.8
AM-only	94,452	200,468	-52.9	121,929	1,205,797	935,179	+28.9
FM & FM-AM ..	403,538	867,960	-53.5	365,469	3,524,793	3,757,712	-6.2
auto.....	229,627	210,138	+9.3	270,010	2,980,069	2,859,066	+4.2

Color TV 5-week moving average: 1977-154,550; 1976-128,765 (up 20.0%).

AUDIO MANUFACTURERS ADOPT HOME VTR: TV manufacturers are mistaken if they think they're going to have videocassette recorder market to themselves. Traditional audio dealers have done good job selling Sony Betamax—Sony survey indicated more than 20% of sales last year were made by hi-fi retailers—and last week audio manufacturers Pioneer & Aiwa said they would field Beta-format machines and possibly manufacture them themselves.

Pioneer said in Japan that it "will participate with Sony in marketing the Beta format," will "study manufacture under license in the future" and has signed agreement to share technical VTR knowhow. An RCA videodisc licensee, Pioneer said it's still interested in discs and "actively engaged in R&D" on both capacitance & optical systems. U.S. Pioneer Pres. Bernie Mitchell told us his company would market Beta-format VTR in U.S., didn't yet have introduction date.

Aiwa is Sony subsidiary, distributed in U.S. by Meriton, another Sony company. At press-time, officials of the 2 U.S. companies couldn't be reached for American distribution plans. Also considered likely candidate to offer Beta decks through audio dealers is TEAC, which has joint venture with Sony for production of U-Matic VTRs. Superscope official said possibility of entering VTR market was being explored.

Lining up Pioneer & Aiwa for Beta format is part of war of the brandnames between Sony & Matsushita—boxscore now standing at 6 apiece: Beta format also has Sony, Zenith, Sanyo & Toshiba. Matsushita-JVC VHS format has Panasonic, JVC, RCA, Hitachi, Mitsubishi & Sharp.

RCA is expected to introduce its 4-hour VHS deck to distributors at special convention in June. Best guess (not at all certain) as to introductory price: \$1,095. RCA Consumer Electronics will rejoin Consumer Electronics Show next winter in Las Vegas with large display, presumably geared to videocassette recorder. It's believed Zenith is considering similar move as showcase for its Beta-format 2-hour machine. Incidentally, last shot probably hasn't yet been fired in battle of playing time. We understand work is in progress in Japan on extended-play Beta cassette, compatible with both 1- & 2-hour machines, which potentially could double recording/playing time.

Home video—tape & discs—was top attraction at ITA conference at Hilton Head, S.C. last week. Details are on p. 11.

JAPAN & U.S. AGREE TO AGREE ON TV: Japanese & U.S. officials wrapped up 2 days of trade talks in Tokyo last week with agreement that negotiated settlement offers best solution to

color TV import problem. "You could look at it as an agreement to agree," spokesman for office of Special Trade Representative (STR) Robert Strauss told us. Despite press reports to contrary, there is no Japanese commitment to a voluntary color export quota program, spokesman said.

Talks were general—"something like an extension of earlier ones in Washington" between President Carter & Prime Minister Fukuda—we were told, "though the Japanese appeared agreeable to imposing restrictions." Both sides feel there's wide range of possibilities for settlement and "we look forward to a settlement of the issue in the next few weeks." Further negotiations, aimed at obviating need for imposition of International Trade Commission (ITC) recommended 25% duty rate on color imports as protective measure for U.S. producers, could start in Washington or Tokyo as early as this week, he said.

No method of policing voluntary agreement or specific export limits was discussed, we were told, although it was indicated Japan probably would start negotiating downward from 2.96-million export total of last year, while U.S. would start off in neighborhood of 1.2 million recommended by ITC staff. If no acceptable agreement is reached, "we still have the option to take unilateral action," STR spokesman said. By way of confirmation that negotiations still are wide open, Japanese Embassy in Washington last week, commenting on our report Japan had informally indicated 1.7-1.8 million limit might be acceptable (Vol. 17:13 p7), said "no such offer was made by any authorized spokesman for Japan."

Just before leaving for Japan last week, Strauss met with representative of COMPACT, TV industry-labor group whose request for color import quotas resulted in ITC recommendation for higher duty rates. In addition, union leaders have been meeting with STR staff on their own in effort to get import restrictions imposed on b&w TV as well. In final report to President Carter, all 6 ITC commissioners voted for barriers on color imports (5 for increased duty, one for quota), while 3 broadened recommendation to call for higher duties on b&w (Vol. 17:12 p7).

Meanwhile, ITC's reopened investigation into Sylvania's unfair import competition complaint against Japanese TV producers is back in stride. Attorneys for all sides were in Japan last week collecting depositions. Sylvania's attempt to send lawyers to Japan last Nov. were hampered by inability to get Japanese visas, and were halted in Dec. when ITC suspended case while it looked into COMPACT import relief petition (Vol. 16:51 p8).

Certainty that some restrictions will be placed on color imports, from Japan at least, have prompted 2 more Japanese companies—Mitsubishi & Toshiba—to start work on U.S. production facilities, joining Sony, Sanyo & Matsushita (Quasar), which already are here. Melco Sales, Mitsubishi's U.S. subsidiary, has started installing equipment in leased 40,100-sq.-ft. Irvine, Cal. plant, hopes to begin production by mid-June. Company initially will make 19" models, probably expand to 25" consoles, turn out some 5,000 sets monthly under MGA brand. Consoles won't be new for Mitsubishi—it marketed units sourced from Wells-Gardner in 1970-72, when sales operation here was controlled by Mitsubishi International. At that time, Mitsubishi was considering Mexican border color TV assembly plant. Toshiba currently is negotiating for plant in Tenn.-Ky. area, where it hopes to turn out some 10,000 color sets monthly by next year, presumably both for itself & private-label customers. Like MGA, Toshiba will start with 19" models. Both indicated that, initially at least, they'd buy picture tubes from parents in Japan.

CB MAKERS MOVE AGAINST IMPORTS: In so-far disjointed effort, tiny domestic CB industry is seeking help of FTC, Congress and possibly ITC in drive to stem rising tide of CB imports. Immediate concern is continuing flood of 23-channel units, as Far East producers "sweep floors" in attempt to clean out factories before FCC's Aug. 1 cut-off date on CB production under current specs. But moves to protect long-term interest of domestic industry also are being studied.

ITC officials were approached informally by several firms, it's known, about possible appeal for import tariffs or quotas. General feeling was that—even if injury to domestic market by 23 imports were established—lengthy procedural timetable (at least 5 months) would render decision all but academic. ITC may still be asked to consider appeal under Sec. 201 of Trade Act, however, since domestic firms fear repeat of 23-channel debacle in 40-channel market.

FTC is getting into act indirectly. Compliance Div. now is studying complaint by major domestic producer—understood to be E. F. Johnson—that: (1) Shakeouts among importers may result in sale of "orphaned" CBs covered by worthless warranties. (2) Imported CBs are being sold on U.S. market in violation of FCC's type-acceptance rules.

Latter complaint apparently revolves around practice of selling CBs to 2nd OEM customer after original order has been canceled. According to recent reports, 2nd buyer is often told units already have FCC type acceptance, which buyer indicates on customs form when they're brought into U.S.—technical violation of FCC rules. Compliance Div. wouldn't comment on complaint, said only that it's looking into situation.

Another type-acceptance problem involving Japanese CB industry was brought to attention of Congress last week by Rep. Levitas (D-Ga.). He attacked FCC plan to permit type-acceptance & certification testing by Japanese labs (Vols. 17:6 p11, 17:12 p10). Commerce Committee should investigate plan, determine what occurred and whether it's proper, Levitas said. "Compact" between chief engineer & MITI changes FCC's type-acceptance & certification rules without required rulemaking, Levitas added, which he finds "unusual, if not illegal."

CB suppliers have expressed concern that move may lead to shift in design & engineering influence to Far East. FCC spokesman said plan hasn't been implemented, that Gen. Counsel now is studying situation to determine whether FCC should go ahead.

Levitas, whose district encompasses Ga. facilities of E. F. Johnson, also wants Committee to investigate possibility of FCC conflict of interest in dealings with the CB industry. Private report prepared for Levitas charges that FCC's posture in dealing with CB is dominated by fact that many in authority are longtime amateur radio buffs, responsive to anti-CB lobbying efforts of American Radio Relay League. Administrative aide to Levitas wouldn't discuss full content of report, but acknowledged it deals with conflict-of-interest question. "We just want CBers, along with everybody else, to have equal footing with the FCC," he said.

1976 TRADE DEFICIT: Reversing trend of last 6 years, industry imports of selected consumer electronics grew faster than comparable exports, leaving record \$1.27-billion deficit in international trade, up 88.2% from red ink logged in 1975, and accounting for significant portion of \$5.9-billion over-all merchandise trade imbalance U.S. logged last year, Commerce figures show.

Total 1976 exports of TV, radios & phonos in complete & kit form were valued at \$287.5 million, up 32.5%, while comparable imports jumped 74.7% to \$1.56 billion. Large chunk of deficit came in final quarter, when exports posted unusual decline, slipping 1% to \$69.5 million, at time imports rose 70% to \$473.2. Resulting \$403.7-million imbalance was up 93.9%.

Color picture tube exports enjoyed another boom year, with shipments rising 37.1% to 1.15 million, value increasing 46.5% to \$105.8 million. For 2nd consecutive year, b&w tube exports dropped by half, shrinking to 85,600 units, though value decline (to \$1.7 million) was held to 34.6%. Shipments of over-22" color tubes climbed 52.3% to 787,000, worth \$84.1 million (up 59.9%), while gain in smaller units was only 12.6% to 362,400, with value rising 10.7% to \$21.7 million. U. K. was leading customer for big-screen color tubes, taking 265,100, followed by West Germany (173,600), South Africa (80,200), Canada (55,800), Finland (52,100) & Australia-New Zealand (40,800). Big customer for smaller tubes was France, with 208,100, followed by Canada (53,400), Brazil (41,600).

Canada was largest customer for color exports, taking 114,900, while Mexico bought 22,400. In b&w, Bolivia topped list with 38,800, trailed by Mexico (31,200), Canada (15,800) & Venezuela (14,200). Just over 2 million of TV chassis & kit exports went to Mexico and just under million went to Taiwan; presumably most of those were re-exported back to U. S. in more finished form.

Average prices of consumer electronics exports were generally up, exceptions being drop to \$46.67 from \$48.04 for TV chassis & kits, slip to \$52.50 from \$54.40 for auto radios. Averages for other products, with 1975 averages in parentheses: Color TV \$382.50 (\$355.28), b&w

\$128.40 (\$104.14), home radio \$14.06 (\$13.89), radio kits \$14.44 (\$12.77), radio-phonos \$118.28 (\$113.20), phonos \$75.56 (\$71.13). Also up were export prices of large-screen color tubes, to \$106.90 from \$101.75, and b&w tubes, to \$19.84 from \$15.29. Pricing of smaller color tubes edged down to \$59.81 from \$61.05.

Here's how consumer electronics export picture shaped up for 1976:

U. S. CONSUMER ELECTRONICS EXPORTS

Product	Units		%	\$ Value (add 000)		%
	1976	1975		1976	1975	
Total TV.	3,375,944	2,526,810	+33.6	223,905	169,744	+31.9
color.	159,727	140,766	+13.5	61,096	50,012	+22.2
monochrome. . . .	155,655	91,141	+70.8	19,986	9,492	+110.6
chassis & kits. . .	3,060,562	2,294,903	+33.4	142,823	110,240	+29.6
Total radio.	1,182,699	1,165,135	+1.5	34,781	27,897	+24.7
home.	327,756	351,198	-6.7	4,607	4,877	-5.5
automobile.	472,192	303,276	+55.7	24,648	16,498	+49.4
chassis & kits. . .	382,751	510,661	-25.0	5,526	6,522	-15.3
Total phono.	333,449	221,105	+50.8	28,863	19,251	+49.9
radio-phono.	85,853	83,760	+2.5	10,155	9,481	+7.1
phono-only.	247,596	137,345	+80.3	18,708	9,770	+91.5

CB Scene: EIA Communications Div. sponsors Telecommunications Seminar May 31-June 2, including land-mobile & CB panels, in Hyannis, Mass... Pioneer study says typical CB buyer has median age of 35.9 and income of \$14,900, with 13% earning over \$25,000. Survey also indicates that 38% of CB owners intend to buy 2nd unit, 59% of those planning to buy first CB will do so within 6 months... **Personal Communications** Div. of E. F. Johnson has been reorganized into Johnson America Inc., wholly-owned subsidiary. Mktg. Vp Craig Reitan & Gen. Mgr. Carl Insel retain current titles... No 23-channel CB will outperform "properly engineered" 40, President Electronics Pres. Mal Parrish said, joining ranks of CB suppliers struggling to knock down persistent rumor that 23s are better (Vol. 17:8 p11). Reason is superior engineering needed to meet stiffened FCC specs for 40-channel units, Parrish said... **Hy-Gain** establishes Consumer Affairs Unit to deal with estimated 13,000 annual questions, inquiries & complaints about Hy-Gain products... **CB** has emerged as leading object of larceny in U.S., according to National Crime Prevention Assoc. Exec. Dir. Wilbur Rykert... **Radio Shack** adds \$170 PLL unit as top of 40-channel line.

Anthony Conrad, former RCA chmn.-pres., has been charged with misdemeanors by N. Y. state for failing to file income tax returns in 1973-75. He didn't make scheduled appearance in N. Y. C. Criminal Court last week and judge granted defense attorney's request to postpone arraignment until June 6. IRS is investigating, but no federal charges are known to have been filed.

Bowmar has been discharged from Chapter XI bankruptcy proceedings, plans to move hq to Newbury Park, Cal. plant. Former calculator & watch manufacturer now makes electronic & electro-mechanical parts. Roland Underwood, a former div. controller, has been elected finance vp.

Game Plans: Magnavox game plan is hinted in recent ad seeking real-time programmer for "software design of microprocessor home entertainment games"... **Unknown** Southern Cal. firm advertises for engineers & designers to work on development of video games... Recent FCC approvals: Lloyd's (E801), Phonemate (6), Applied Electronics (T200), Coleco (6046), International Merchandising (999), Accurate Electronics (TVG 104-4)... **Unstable OEM** market and price competition from Far East forced Plessey to drop video game filter line... **Syndicated** columnist Sylvia Porter did her part in fueling controversy over game-related picture tube damage (Vol. 17:13 p9 et seq.) by urging consumers to play games on used b&w sets rather than new color ones... **Integrated Technology** enters chip market with device which can be programmed for 4 games and 8 variations. Chip, identical to one MOS Technology introduced earlier, is made under cross licensing agreement with Commodore, MOS parent... **Day-long seminar** covering marketing concepts & impact of new technologies is scheduled May 24 in N. Y. by Frost & Sullivan.

Salaries plus deferred compensation (including post-retirement consulting fees) earned in 1976 by Zenith officers, as listed in proxy statement for April 26 annual meeting: Chmn.-Pres. John Nevin, \$423,488; Exec. Vp Walter Fisher, \$266,980; Senior Vp Eugene Kinney, \$106,486; Senior Vp Revone Kluckman, \$225,181; Senior Vp Karl Horn, \$225,-513; Former Chmn. Joseph Wright, now consultant, \$167,381.

General Meeting of PURAC set for April 20 was canceled in favor of 2-day (April 20-21) round of meetings by 11 task force committees. Next general meeting is planned July 27. Short administrative meetings between task force coordinators & FCC representatives will be included in 2-day agenda.

VIDEODISC VS. VTR: Disc & tape can coexist in home video market—this was basic area of agreement at ITA conference's highlight session on home video last week by Sony Pres. Harvey Schein, N. American Philips Vp Robert Cavanagh & MCA Vp Normann Glenn. (Schein said Sony would enter market with "highest quality, and probably the highest priced" disc player when time was right.)

But harmony ended there. Schein triggered brief but heated debate when he said Sony sold nearly 500,000 Betamax cassettes in final quarter last year, and called on industry to make pre-recorded entertainment tapes available. He cast doubt on future of disc by asserting cost differential between disc & recorded tape "will be only a few dollars, or insignificant," while tape, which can be re-recorded, "has residual value" after consumer tires of program.

Glenn responded by asking why, if potential is so great, Sony hasn't offered program tapes, noting Sony & Paramount announced joint software deal last Aug. (Vol. 16:32 p9). "Where are the Sony-Paramount movies?" he asked. Schein said distribution was still being studied. Cavanagh threw cold water on extended VTR playing time (and incidentally on RCA's effort to boost playing time of its disc to one hour per side) when he stated: "In a system sense, you pay a price when you go from one hour to 2 or 2 to 4." Also ruffling some feathers was Panasonic Video Systems Gen. Mgr. Irwin Tarr, who responded to query on problem of 3 non-compatible VTR systems with: "People are so impatient they rush to market."

Attendees at Hilton Head, S.C. conference overflowed at private demonstrations of Philips/MCA/Magnavox optical videodisc system, packed hospitality suites where Sony one-hour Betamax, JVC 2-hour home VHS, Panasonic 2-hour institutional VHS and Quasar 2-hour VX-2000 VTRs were put through paces.

At workshop session, Bell & Howell Communications Div. Pres. Robert Pfannkuch said 10-to-1 reduction in tape consumption over last few years has made VTR a consumer item. He noted 2-hour Betamax uses 10 sq. ft. per hour, 4-hour VHS 8 sq. ft., while C-90 audio cassette contains about 9 sq. ft. He cautioned VTR producers for industrial market they might have hard time justifying high prices for ruggedized versions of consumer VTRs.

* * * *

Unfair-competition charges in Universal-Disney suit against Sony (Vol. 16:46 p7 et seq.) were dismissed by L.A. Dist. Court Judge Walter Ferguson. Plaintiffs had accused Sony, its dealers & ad agency of violating federal law by failing to adequately warn Betamax purchasers they might be infringing copyrights. In dismissing charges, Ferguson said court hadn't yet ruled whether taping programs off air infringes copyright. Unaffected were unfair-competition charges under state law and basic complaint of encouraging copyright infringement.

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Omron is dropping retail end of calculator business, will continue to sell desktop models on OEM basis. Move is part of reorganization by parent Omron Tateishi.

MAGNAVOX TV IN BLACK: Magnavox consumer electronics showed profit for 1976, N. American Philips annual statement reports, indicating that Magnavox's operating net income totaled about \$15 million compared with \$500,000 in 1975.

NAP no longer breaks out Magnavox sales & earnings figures, but shows "electrical & electronic" consumer products (including Norelco) accounted for \$497.7 million sales & \$46.1 million pre-tax income in 1976 vs. \$394.2 million & \$11.4 million in 1975. Sales of Magnavox consumer electronics "increased substantially" in 1976, particularly in color TV & video games. Magnavox's color TV market share was maintained despite increase in imports; company claims it "maintained its strong first position in the video game market" and that licensing income from game patents "became an important source of revenue during 1976." Report says NAP's equity in Magnavox's net assets exceeded acquisition cost by \$21,783,000.

Soundesign reported increased sales in all product categories contributed to its record sales & earnings in 1976. Annual report gives this breakdown of sales by product group in millions of dollars and as percentage of total sales:

	1976	1975		
Stereo systems . . .	\$ 69.0	52%	\$ 59.4	57%
Consoles.	23.3	18%	14.3	14%
Clock & table radios	22.7	17%	15.5	15%
Portable radios . . .	11.8	9%	10.6	10%
Other products. . . .	6.0	4%	3.9	4%
Total	\$132.8	100%	\$109.7	100%

Company said its expense-to-sales ratio was reduced to 15% in 1976 from 18% in 1975 and 22% in 1974. In 1976, Soundesign doubled size of Ind. console plant to 250,000 sq. ft., bringing capacity to 200,000 units per year; it manufactures all of own speaker requirements (over 800,000 pairs in 1976) in expanded N.J. facilities; new stereo consolette line (\$99 up) is being made at N.J. and Cal. plant (latter being enlarged). Company employs 1,200.

Soundesign's 1976 procurement: Japan 33%, Hong Kong 22%, U.S. 20%, Great Britain 10%, Korea 6%, Taiwan 5%, Singapore 4%. Products with U.S. labor or materials added accounted for 60% of sales.

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Labor Dept. approved import adjustment assistance for ex-workers at Electro Motive's Florence, S.C. capacitor plant. In report, LD said that while employment at plant recently increased, trend is temporary, and continuation of job losses & production declines shown throughout 1975-76 will resume as EM carries through current program of transferring production equipment & assembly operations for mica & film capacitors to facility in Haiti. In addition, LD found, customers of EM's trimmer capacitors have been switching to imports. New cases opened by LD cover workers at Adams Electronics, Bangor, Mich. (color TV circuit boards, coils & components); CTS, Elkhart, Ind. (electronic & electromechanical components); Optel, Princeton, N.J. (digital watches). Optel recently completed phaseout of digital watch business to concentrate on production of liquid crystal displays.

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Trade Personals

Ralph Jones, ex-Quasar PR dir., appointed communications dir. for EIA Consumer Electronics Group & Consumer Electronics Show, succeeding **William Kucera**, now with N. American Precis Service (Vol. 17:2 p12)... **Phil Stack**, ex-Magnavox, appointed asst. vp & national sales mgr., Sony Video Products Div.; **James Young**, ex-north Texas sales mgr., is new Sony southwest gen. mgr., succeeding **Gus Ishida**, now hi-fi products gen. mgr. (Vol. 17:3 p14)... **Philip Cohen** promoted from Coleco mdsg. vp to senior vp... **Oscar Kusisto** retires as Motorola vp, establishes electronic & auto industries consulting firm in Los Altos, Cal.

Lloyd Marshall, ex-American Mktg. Systems, appointed Browning ad mgr. (CB)... **Tom Conely** promoted to Dynascan Cobra northeast sales mgr., **Vince Martin** mid-Atlantic, **William Shepard** southeast, **Dan Gale** north-central, **Patrick Flynn** mid-central, **Michael Hyde** south-central... **John Greene** & **Robin Roberts** named Hy-Gain eastern accounts mgrs., **Larry Sanders** southeast, **Fredrick Roddin** central, **James Farley** west; all are from Rockwell calculator operation, will handle mass-merchandiser sales.

Timothy da Silva, ex-vp-gen. mgr. of GI Entertainment Products Group Far Eastern operations, appointed vp-gen. mgr. of F.W. Sickles Div., succeeding **Eli Cohen**, who becomes Microelectronics Group vp-gen. mgr. for entertainment products; **Richard Norwood**, who formerly handled Cohen's duties, continues product responsibility for ICs for video games, appliances, musical instruments & industrial markets... **George Rutland** named National Semiconductor dir. of hybrid circuits & transducers, succeeding **Mike Scott**, who leaves company to start own business; Rutland's previous responsi-

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
Corning Glass 1977-12 wk. to March 27 1976-12 wk. to March 21	269,390,000 239,085,000	24,107,000 19,016,000	1.36 1.08
MGM 1977-6 mo. to Feb. 28 1976-6 mo. to Feb. 29 1977-qtr. to Feb. 28 1976-qtr. to Feb. 29	146,896,000 132,367,000 75,234,000 66,753,000	13,710,000 11,512,000 6,335,000 5,421,000	.97 .81 ^a .45 ⁱ .38 ^a
Movielab 1977-year to Jan. 1 1975-year to Dec. 27 1977-qtr. to Jan. 1 1975-qtr. to Dec. 27	26,802,816 22,940,997 6,915,732 5,964,494	449,554 ^b 587,32 ^b 17,202 ^b 185,770	.32 .42 .01 .13

Notes: ^aAdjusted. ^bIncludes special credit.

bility for Far East mfg. operations is assumed by **Max Stanton**.

Fred Pendleton, ex-Collins, named mktg. dir. for hybrid microelectronics in Rockwell's new Electronic Devices Div., formed by combining Micro-electronic Device Div. with units of Collins & Autonetics... **Dennis Chant** promoted to gen. mgr. of Plessey Semiconductors' U.S. operation, succeeding **Ray Sonners**, now operations mgr., new post... **Dick Sudges**, ex-Admiral, appointed Molex product mgr. for home entertainment (connectors, terminals), succeeding **Dick Pierce**, now mgr. of new Switch Div... **Thomas Browne** assumes new post of European operations dir., Sprague World Trade Corp.

Edward Hanson shifts at N. American Philips from Audio-Video Systems Div. to Amperex OEM speaker products mgr... **Marshall Cox** resigns as Advance Micro Devices vp-Europe; his duties assumed by Mktg. Vp **Terry Jones**... **C. K. Morehouse** named Globe Union technology dir. with abolition of International Div., which he formerly headed.

Harry Estersohn, Willow Grove, Pa., elected ERA pres.; **Ed Miller**, Dallas, named Consumer Products Div. vp... **Edward DeMatteo** advanced at Radio Shack to retail ad creative dir... **Ron Van Meter**, ex-Superscope, joins Eliot Davis Assoc. as sales rep.

Edward Egert promoted at Sylvania to Electronic Components Group senior counsel; **Alfred Heitner** advanced to quality control mgr., new post; **Robert Hyde** shifts from Sylvania Tube Div. to Components Group as accounting operations mgr.

Donald Sorchych advanced at Harris from Semiconductor Div. vp-gen. mgr. to vp of new Semiconductor Group; **James Dykes** named vp-gen. mgr. of Semiconductor Div. (standard ICs); **T. Lamar Clark** assumes same post for Semiconductor Programs Div. (govt. & custom markets).

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TRW has agreed to sell IRC Potentiometer Div. to Vernitron.

WEEKLY

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APRIL 18, 1977

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 16

Broadcast

PAY CABLE IS NCTA STAR: Chicago convention spotlight is on pay future, 5 commissioners, 9 members of Congress, name entertainers. Wiley wants study of cable-TV economic relationship; Fogarty seeks sports legislation. (P. 1) Innovations on equipment level. (P. 5)

PTA ANTI-VIOLENCE PLAN stresses mass letter-writing campaign, program monitoring & rating, and participation in station license renewals & ascertainment process. (P. 2)

FCC VISITS SUPREME COURT: Appeals Court will be bypassed on pay cable, but FCC throws in sponge on movie restrictions. 'Finality' sought on what's 'indecent' to broadcast. (P. 3)

SUBSTANTIAL REALLOCATION of UHF spectrum possible, according to Rand, which sees number of stations doubled by 1990. (P. 3)

JUSTICE REMAINS KEEN on promoting competition in communications despite change in Administration, will stay active in regulated industries area, push innovative antitrust actions, Baker & Shenefield state. (P. 4)

FCC 'DEFICIENCIES' in judgment cited by Waxman in recent court overturns; asks Carter to consult Congress on appointments. (P. 4)

PAY CABLE IS NCTA CHICAGO STAR: Wherever you turn at this week's 26th NCTA convention in Chicago, pay cable will be the byword and rallying cry. And with Court of Appeals gift last month in throwing out FCC restrictions (Vol. 17:13 p1)—and Commission's decision not to appeal Court action on movies and to immediately remove those restrictions (see p. 3)—mood undoubtedly will be very much upbeat.

As indication of how pay will dominate—and many sessions were changed after Court's decision—panel titles include: "Pay Cable—Turning a Profit"; "Pay TV—A Look Ahead"; "Pay Cable—Turning a Corner"; "Pay TV—Let's Do it Right." HBO will be there too, presenting Ann Corio in "This Was Burlesque" on Conrad Hilton Hotel's closed-circuit TV, a Woody Allen movie premiere and David Steinberg at banquet; HBO also will provide NCTA delegates with Playboy Club keys to see comic Shelley Berman.

Nine members of Congress, 5 commissioners and many Cable Bureau staffers are on April 17-20 convention agenda. Senate Communications Subcommittee Chmn. Hollings (D-S.C.) speaks at Mon. lunch, FCC Chmn. Wiley Tues. and ex-Notre Dame football coach Ara Parseghian (replacing ex-Acting OTP Dir. John Eger) Wed. House Communications Subcommittee Chmn. Van

Consumer Electronics

TV IMPORTERS HIT with 2 bond orders: Customs Court rules Japan's tax rebates subject to countervailing duties, requiring 5-15% bonds on most consumer electronics imports. Treasury demands 100% dumping-duty bonds on Japanese TV. (P. 7)

FIRST-QUARTER COLOR sales to dealers exceeded 2 million for 2nd time in history. (P. 8)

25" SLOT-MASK TUBES, all with 100° deflection, tri-potential gun and conventional glass, to be offered by RCA, Sylvania & Zenith. (P. 9)

CB EMISSIONS concern govt.—BRH, FCC, other agencies study hand-holds, linear amps, look at radiation implications of proposed 220- & 900-MHz bands. (P. 10)

CB WOES continue, marked by Gladding's Chapter XI, Matsushita cutback, end to Johnson-Magnavox deal. (P. 10)

SHARP HIKES starting prices \$10 on most color sizes in 1978 line. MGA holds price line. (P. 11)

SUPERSCOPE AIMS at No. 1 in mid- & low-fi stereo, to enter private-label in June. (P. 11)

GE PROFIT UP in opening quarter. Sanyo posts loss in 2-month operation of U.S. TV plant. (P. 12)

Deerlin will be interviewed by reporters Tues. afternoon; session will be telecast by WTTW Chicago, offered to other PBS stations. Other members of Congress on various panels include Sen. Riegle (D-Mich.), Reps. Frey (R-Fla.), Wirth (D-Colo.), Brown (R-O.), Florio (D-N.J.) & Murphy (D-N.Y.).

Wiley will make "major proposal" involving the economic relationship of broadcasting & cable which will have effect on signal carriage and other rules. He'll also review 1972 cable rules and their enforcement under his chairmanship. At Mon. "President's Roundtable"—moderated by NCTA Pres. Robert Schmidt—Comr. Fogarty will remind cable industry that it has disclaimed any desire to siphon major sports, note that Van Deerlin has said Congress won't allow that to happen, and suggest that NCTA support legislation to prohibit sports siphoning.

Schmidt will stress importance of Communications Act rewrite, promise NCTA will work closely "to insure that cable is not lost in the shuffle of the issues." He'll attack Bell Bill, urge passage of pole attachment bill (although he won't mention cable forfeiture legislation), seek continued de-regulation of cable. (Schmidt also will begin new "President's Special Service Award," give first 4 in Chicago. NCTA's Idell Kaitz Award to outstanding woman in cable won't be given this year; Larry Boggs & Robert Beisswenger Awards will.)

Popular panel likely will be Wed. session on "Greening of the Industry—An incisive look at the past & future of CATV through the eyes of innovators who have made cable history." Innovators include Bill Daniels (moderator), Bob Magness, Ted Turner, Irving Kahn & Henry Geller; latter played major role in drafting FCC rules as gen. counsel. Other major panels include Communications Act rewrite, access vs. pornography, public perceptions of cable, rate increases, state regulation.

NCTA is expecting 4,500; has sold 37,000 sq. ft. to 107 exhibitors—latter down slightly from last year. (For technical highlights, see p. 5).

* * * *

Our annual list of top 50 MSOs—included in Special NCTA Convention Supplement with this issue of Television Digest—shows they served 7.93 million subscribers (top 25 have 6.43 million) March 1, up 500,000 from year ago. They pass 14.94 million homes, with 20.6 million in franchised areas, and expect to add 13,208 miles of plant in next 12 months.

PTA'S TOUGH 'ACTION PLAN': Mass letter-writing campaign, program monitoring & rating, and participation in TV station license renewals form backbone of National PTA's first "action plan" for reducing TV violence. Announced in Chicago last week, plan is to unfold during 6-month "probationary period" July 1-Jan. 1 set by PTA for networks, NAB TV Code, and stations. It will be followed by "more dramatic" 2nd action if industry response isn't "substantial," according to PTA officials.

Plan will begin to go into effect almost immediately, with series of 6 training sessions set for Assn.'s May 15-18 convention in Anaheim, Cal., and immediate establishment of "TV Action Center" planned for PTA's Chicago hq. Those trained at national convention will in turn teach local unit members how to monitor TV programs their children watch. Results of individual monitoring will be turned over to local unit presidents, who will in turn issue "consensus reports" on specific programs to national hq. National office will then create rating system similar to MPAA movie code, rate programs, make these ratings available to public & media.

Other key ingredients of plan: (1) Letter-writing campaign to top TV execs. and marked to be placed in stations' public files, with copies sent to networks, sponsors and National PTA. Writers will be asked to comment on both good & bad programs. (2) Workshops in cities "all over the country" to train parents in monitoring techniques. (3) Instruct members to participate in stations' license renewal proceedings and in ascertainment process.

PTA officials said regional hearings convinced them to attack following problems they conclude are caused by televised violence: (1) Aggression—caused by children acting out hostility they see on TV. (2) Imitative behavior—children who commit crimes by imitating what they've seen on TV. (3) Desensitization—"There is growing callousness and indifference to violence and the suffering it causes because of the quantity and intensity of violence on TV."

(4) Distortion--TV portrays violence as "sure and easy way to solve problems," ignores non-violent solutions. (5) Paranoia--"Youth and adults who regularly view TV violence are becoming more fearful of violence occurring in real life." Although violence occurs in real life, TV violence "surpasses reality." (6) Quality of life--"Continual exposure to TV violence diminishes the quality of life for both children & adults."

PTA leaders said they rejected broadcasters' reasoning that parents should be held responsible for what children view: "Essentially, the broadcasters--both the local stations and the networks--have the responsibility to present programs which are in the public interest and not injurious to children and youth. The burden of proof that program content is not injurious lies with the broadcaster, not the public. The advertiser has a similar responsibility in the choice of programs he sponsors." If first action plan fails, 2nd might try boycotts of programs, advertisers & stations, petitions to deny, and civil litigation--for example, seeking damages from station if crime is committed which has been modeled after crime committed on TV.

FCC VISITS SUPREME COURT: Deciding to go straight to Supreme Court, FCC will bypass possible en banc rehearing before D.C. Appeals Court in appealing lower Court's decision throwing out pay-cable rules (Vol. 17:13 p1). Commission is taking same course--going direct to Supreme Court--in newspaper-broadcast cross-ownership appeal but will seek Appeals Court rehearing of WBAI(FM) N. Y. indecency case (Vol. 17:12 p1).

NAB, ABC and other broadcasters are expected to follow FCC's lead and take pay-cable case direct to Supreme Court--with one major difference: Commission won't appeal portion of order striking down restrictions on movies, broadcasters will. (NAB Exec. Committee meets April 21 to decide course of action.) "As far as I'm concerned, there are no longer any movie restrictions on pay cable," commissioner told us. Also last week, FCC said it "will take steps to vacate the pay-TV movie rules" because it believes "stringent anti-siphoning" rules shouldn't be applied to over-the-air pay that don't apply to cable.

FCC has asked Appeals Court to stay pay-cable ruling, action Court already has taken on newspaper cross-ownership to permit Commission to go to Supreme Court. Of particular concern to FCC are Appeals Court's restrictions on ex parte contacts in rulemakings (Vol. 17:14 p9). Agency, over objections of its Cable Bureau, also is appealing that portion of Appeals Court ruling which strikes down restrictions on sports siphoning.

In WBAI case (decided 2-1, while others went 3-0 against FCC), commissioner told us FCC "just wants to know what the law is...We want finality." He said Appeals Court has issued 3 conflicting rulings on indecency & obscenity and that Commission will seek legislation if full Court rules against it again.

FCC has denied Group W request that agency sever & expedite mandatory pre-screening of network programs from overall network inquiry (Vol. 17:9 p4). Commission didn't find "urgency"--action before new fall network seasons begin--that Group W cited, said "it would be necessary to study the matter further and gather information on current industry practices." FCC said it "assumed" that networks will provide pre-screening when feasible while rulemaking is pending. Group W Pres. Donald McGannon said he was "amazed at the decision and especially how it was arrived at in view of the important issues involved--crime & violence...Now it's on ice for a protracted period of time." FCC voted down proposal on circulation vote, thus avoiding public discussion under sunshine law, McGannon said.

ETVs KMTF (Ch. 18) Fresno and KTIN (Ch. 21) Ft. Dodge, Ia. have gone on air, bringing total operating TV stations to 976--711 commercial, 265 non-commercial. KVFD-TV (commercial) Ft. Dodge switched to Ch. 50 to make room for KTIN.

"Substantial reallocation of UHF spectrum to other users should be possible without unduly restricting the growth of TV broadcasting," according to Rand Corp. study by Rolla Park & Barry Fishman. Authors conclude UHF stations will double (there now are 358 operating, see TV Addenda) by 1990 and "even this remarkable growth would leave about half of the present channel assignments unused." Contradicting earlier Rand studies, report concludes that UHF set saturation won't have "much effect" on number of stations but that "increasing income levels will." Study also finds "weak evidence" that CATV helps UHF stations; concludes that "new developments" such as pay TV & videodiscs "make no inroads on the audience for conventional commercial programs."

Local origination services of 609 cable systems serving 1,565 communities are presented in NCTA Cable Services Directory available for \$4 (\$2 for NCTA members) from Assn.'s Washington office. Locally-originated cable programs now reach more than 5 million subscribers, survey found.

JD KEEN ON COMMUNICATIONS: Change in leadership apparently won't affect Justice Dept. (JD) Anti-trust Div.'s activities to promote competition in communications. Richmond lawyer John Shenefield, recently appointed Antitrust Div. deputy asst. atty. gen. for administrative matters—and considered likely successor to Div. Chief Donald Baker when he leaves post at end of May (Vol. 17:10 p7)—told us he supports Dept.'s past role in pushing competition in communications. Further, if he's named Div. chief, he said, he'll consider "turning up the volume a little" on communications matters.

(Baker, in speech to Harvard Law School Assn.-Princeton Club joint meeting, said JD's commitment to regulated industry area "is so institutionalized today, and so recognized by our overseers in Congress, that it is almost inevitable that it will continue.")

At recent luncheon sponsored by Ralph Nader's Public Citizen Forum, Atty. Gen. Griffin Bell brought along Shenefield, concentrated on antitrust matters in his remarks, causing speculation that Bell was trying to "sell" Shenefield. Shenefield reportedly is opposed for top antitrust post by public interest groups as well as Senate Antitrust Subcommittee Chmn. Kennedy (D-Mass.) because he had represented parties opposing JD in 2 key antitrust cases. "My role as a private lawyer prior to joining government will have no effect on my views and performance now that I'm with Justice," Shenefield commented.

Bell told Nader luncheon that JD is considering stressing legislative solutions to antitrust problems involving very large companies—because their ability to mount massive legal defense renders them "virtually immune" from prosecution. He also said Dept. may seek court test to determine whether present antitrust laws can be used to bust up "shared monopolies"—where industry is viewed as being within control of a few large firms. Baker classifies TV networks as possible shared monopoly.

CATA will oppose pole attachment legislation if it's tied to forfeiture bill—as suggested by NAB (Vol. 17:13 p4)—CATA Gen. Counsel Richard Brown wrote House Communications Subcommittee Chmn. Van Deerlin (D-Cal.). Latter sought comments on NARUC-NCTA compromise pole bill proposed to Subcommittee last month (Vol. 17:11 p5). Brown further stated: "CATA believes the paramount concern of the Committee should be a Communications Act rewrite. We are concerned about the impact of any piecemeal legislation on that effort..." CATA was instrumental in killing pole attachment bill last year because it was tied to forfeitures (Vol. 16:39 p5).

"Alternative transmission facilities to AT&T are making program acquisition easier and less expensive for independent stations and making the possibility of a 4th network a reality," INTV Pres. Herman Land wrote House Communications Subcommittee Chmn. Van Deerlin (D-Cal.). In commenting on "Bell Bill," Land said INTV isn't "anti-AT&T," but that independent stations would be harmed by eliminating competition in miscellaneous common-carrier area.

FCC's "deficiencies in judgment" are underlined by 3 recent federal court decisions reversing FCC—on TV violence, obscenity & pay cable—according to Communications Subcommittee's Rep. Waxman (D-Cal.). In letter to President, he says decisions should convince Carter of need for "new leadership" at FCC, asked that White House engage in "broad consultations" with Congress, public & industry "in order to ensure that your appointees will reflect the highest standards of integrity and understanding of these issues." Waxman said 2 of 3 recent decisions—on family viewing & WBAI(FM) N. Y. obscenity case—found FCC "wholly insensitive to basic First Amendment protections," while 3rd—appeal of pay-cable rules—ruled Commission had "engaged in the systematic contravention of basic administrative procedures designed to guarantee due process and establish a sound basis for rulemaking."

Teleprompter stock was suspended for half day by N. Y. Stock Exchange last week following report by Dow Jones News Service that firm had "a serious cash insufficiency." Report was based on footnote in 10-K form submitted to SEC, outlining its use of cash to satisfy compensating balance requirements, but Teleprompter officials noted that same footnote had appeared in annually-filed 10-K form for past 3 years. Day after trading was suspended, stock's volume of trading rose from usual 15,000-30,000 shares to 223,800 shares, while price fell by one-quarter to 7-1/4. "We're horrified by what's happened," Financial Vp Richard Sykes told us. He said banks with outstanding loans to company "recognize this for what it was—a mistake," but that he expected effect on stock market price & trading to linger.

NSF survey to determine what is known of effects of TV ads on children and to recommend directions for further research has been completed and is being prepared for printing. Final version is substantially same as we reported earlier (Vol. 16:40 p1). However, missing from final version is statement that magnitude of children's reactions to TV ads "is generally modest. These findings seem at variance with the strongly-held convictions of a number of critics that TV advertising is a powerful force." Statement was stricken from draft at insistence of public interest group members of research project's advisory committee.

Creative community hasn't been outspoken enough against threat of "external censorship of the creative process" that is posed by such groups as AMA & PTA, ABC-TV Pres. Frederick Pierce told Hollywood RTS. He said proper solution to problems—such as televised violence—is for producers & writers to work together with networks. "If we are to dissipate the cloud of censorship that now looms over our business, if we are to preserve the creative freedoms we now enjoy, we must all speak with one voice." He said ABC plans June 7 symposium to bring together network management and Hollywood creative community to discuss such problems.

WOKR (Ch. 13) Rochester has been sold to Post Corp., Appleton, Wis. for \$15.8 million cash. Post owns 4 TV stations, several newspapers & radios; V. I. Minahan is pres. Broker Howard Stark.

TECHNOLOGY AT NCTA: Small earth-station dishes, fiber optics, pay TV & 2-way cable are expected to highlight NCTA convention's technical sessions and equipment exhibits.

Most spectacular exhibit may well be demonstration of working fiber-optic cable TV system at price "competitive" with conventional systems by Times Fiber Communications. Times Fiber's Irving Kahn says company now has source for unique & practical solid-state laser as fiber-optic light source. Times' new fiber plant in Wallingford, Conn. will be "on stream in June," he adds.

In 2-way pay cable, attention-getter will be Warner Cable demonstration of its 30-channel interactive system, which goes into operation in Columbus, O. this year (Vol. 17:7 p2). Sony will unveil 2-hour U-Matic 3/4" videocassette system, which doubles recording & playing time of standard cassette, using same techniques employed in Betamax. New VTRs will have 1- & 2-hour switch to maintain compatibility with standard U-Matics.

Guidelines for coverage of terrorists have been issued by CBS News Pres. Richard Salant. He suggests that reporter avoid being used as "an unedited platform" for terrorists' demands or rhetoric, but present paraphrased demands or views instead; seek expert guidance to determine how to cover potentially dangerous situations; be careful not to interfere with telephone communications between authorities & terrorists; avoid sensationalism. Terrorist-hostage stories must be covered, Salant says, because not to cover them would give rise to accusations of cover-up, promote "erroneous word-of-mouth rumors."

Broker Frank Allen has acquired Castro Valley, Cal. cable system from Televents for \$2.7 million; Ronald Sutherland, ex-Teleprompter & TCI, named gen. mgr. System has 6,600 subscribers, passes 13,000 homes; pay channel will be added, according to Allen... Viacom Cablevision of Dayton has purchased Southwest Cable, announced plans to build system to serve entire city. Floyd Johnson, ex-Southwest pres., has joined Viacom as Dayton mktg. dir.

CBS affiliate WPRI-TV Providence plans switch to ABC this fall, but current ABC affiliate WTEV isn't ready to let go, reportedly is exploring legal action. WPRI-TV Vp-Gen. Mgr. Edwin Pfeiffer is past chmn. of CBS-TV Affiliates' Board. Carl Ward, CBS-TV affiliates vp, said: "I can only speculate that ABC was willing to pay an extraordinary price... It would have been imprudent for us to grant an increase in station payments beyond business realities."

"Exploratory discussions looking toward possible merger [Vol. 17:12 p2] have not proven productive and such discussions have been terminated," Time Inc. and ATC announced last week. Time presently owns 10% of ATC, 2nd largest MSO with 585,000 subscribers.

Quest Communications (program syndicator) has been formed by James Hardy & Thomas Holland, both ex-Alcare Communications—Box 514, King of Prussia, Pa. 19406, 215-265-8888.

Compulsory license granted cable in recent Copyright Law revision won't solve problem of cable's copyright obligations, according to Rand Communications Policy Program study written by Stanley Besen, Willard Manning & Bridger Mitchell under grant from Markle Foundation. Full copyright liability would have been preferable solution, authors state, for following reasons: (1) Payments won't reflect consumers' desire for programs. (2) Program suppliers will argue over how to allocate fees. (3) As cable grows, importation of distant signals "will erode both the revenue base of independent stations and the syndication fees paid by independents for non-network programs." Authors predict need for another revision of law or further FCC restrictions on distant signal imports, conclude: "Since FCC regulation appears the more likely outcome, the ultimate effect of the general revision may be to increase the amount of regulation that restricts consumers' ability to view programs of their choice."

Copyright Office should be guided by "simplicity" & "flexibility" in designing forms for cable industry to fulfill requirements of new copyright compulsory license, Comcast Vp Daniel Aaron told Copyright Office hearing last week (Vol. 17:15 p4). Appearing on behalf of NCTA, Aaron said cable "already is bogged down in regulatory paperwork," doesn't need more. MPAA Pres. Jack Valenti joined NCTA in suggesting that Office form industry advisory panel to help it design forms.

Consent decree proposed as settlement against NBC in Justice Dept.'s network antitrust suit is cause for concern to Senate Antitrust Subcommittee Chmn. Kennedy (D-Mass.). He wrote Antitrust Div. Chief Donald Baker that provision permitting network to acquire rights for 2 showings of movie with 2-year exclusivity period against pay cable, additional year of exclusivity for every additional exhibition, should be deleted from final agreement.

NBC has canceled 1977 Emmy telecast, as expected (Vol. 17:15 p3), and asked NATAS for its money back—some \$300,000. NBC-TV Pres. Robert Howard wrote Academy that it "has not met its obligations" under contract—citing fact over 75 major performers told NBC they wouldn't participate. Network said it would go ahead with daytime Emmy awards telecast May 12 from N.Y.

Northern CATV Distributors (8016 Chatham Dr., Manlius, N.Y. 13104; phone 315-682-2670) has been formed by Andy Tresness (pres.), ex-Magnavox & Jerrold. Northern will distribute Theta-Com/Texscan products in northern states from Me. to Wis. Jim Emerson, ex-Magnavox, is sales mgr.

HBO now serves 330 cable & master antenna TV systems in 43 states. Firm's pay programming is available to 3 million subscribers, uses 99 earth stations for satellite delivery. HBO added 14 affiliates in March, 12 so far in April.

FCC has granted earth stations in Peru, Ill. (TV Transmission), Marion, Ind. (ATC) and Racine, Wis. (Racine TeleCable). For listing of all earth stations, see special NCTA supplement with this issue of Television Digest.

Personals

Senate Communications Subcommittee Chmn. **Ernest Hollings** (D-S.C.) will be honored at April 27 National Bcstrs. Club reception, Washington; newly-elected Club officers: Pres. Roy Easley, AMST; First Vp-Treas. Leonard Tuft, RCA; 2nd Vp Wallace Dunlap, Group W; Secy. Patti Grace, NAB.

John Mazzie, WREX-TV Rockford, Ill. vp-gen. mgr., appointed exec. vp-operations, parent Gilmore Bcstg., replacing Richard Reed, resigned; **Jack McWeeny**, WREX-TV gen. sales mgr., named acting gen. mgr.

Lee Gannon advanced to gen. sales mgr., WXYZ-TV Detroit, replacing Dick Taylor, now WLS-TV Chicago gen. sales mgr... **Jerry Kunkel**, ex-WIFE-AM-FM Indianapolis, named gen. sales mgr., WEHT Evansville, Ind... **Susan Lack** promoted to dir. of business information-broadcasting, ABC.

Bill Fyffe elected vp-news, ABC-owned TV stations; **Peter Desnoes** elected vp-sales & mktg.; **David Vondrak** elected ABC asst. treas... **Singer Jane Pickens Langley** elected a Metromedia dir... **Paul Freas**, ex-WMAL-TV Washington vp-treas., joins WPIX N. Y. as controller; **John Catlett**, ex-WBBM-TV Chicago, named WPIX(FM) vp-gen. mgr.

Ned Paddock promoted to national sales mgr., WRC-TV Washington... **Ellen Shuler** advanced to local sales mgr., WWBT Richmond... **Candace Caruthers** named editorial dir., WABC-TV N. Y.

Thomas Williamson promoted to operations mgr., WDTN Dayton, O., replacing **Steve Womack**, now with WLWT Cincinnati... **Midge Ramsey**, ex-WGBY-TV Springfield, Mass., named vp-community relations, Conn. PTV Network; **Stan Levy** advanced to program mgr.

Robert Hessler, ex-Dymo Products pres., named Optical Systems vp-mktg... **Peter Gross**, HBO chief counsel and parent Time Inc. asst. counsel, appointed HBO vp-counsel... **William Van Huss** promoted to vp-communication finance div. mgr., Firstmark Financial.

James Kingsdale, gen. mgr. of Viacom Communications suburban Cleveland cable system, appointed Viacom vp-development... **Richard Wilborg** promoted to Boston technical operations mgr., Warner Cable.

CBS Bcst. Group Pres. **John Schneider** keynotes June 13-15 BPA convention, Beverly Hilton Hotel, L.A... **Charles Bray**, State Dept. deputy asst. secy., appointed USIA deputy dir... **Walda Roseman** promoted to OTP public affairs dir. with over-all responsibility for congressional & media liaison.

Lloyd Proctor advanced to AEL Bcst. Transmitter Div. mgr... **Frank Santucci**, ex-Ampex, joins Orban Assoc., broadcast equipment mfr., as mktg. coordinator... **David Kuropatwa** appointed business mgr., new post, MetroTape West.

Robert Bordley, ex-Post-Newsweek Stations, named Arbitron TV southeastern station sales mgr., Atlanta; **Alvin Pariser**, ex-ABC Radio Network,

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with

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joins Arbitron Radio as vp-market development... **Martin Newman**, NATO membership services dir., resigns to become exec. dir. of Will Rogers Hospital, White Plains, N. Y... **Arthur Gross**, ex-VIP-TV, named vp-domestic sales mgr., NTA... **Keith Cunningham** appointed a vp, Communications Properties.

Richard Herzog, FTC National Advertising Div. dir., shifts to Federal Energy Administration as deputy asst. administrator compliance... **Douglas Essman** joins Continental Cablevision as northern mgr... **Robert Blair**, ex-Robert Bosch Fernseh Group, appointed broadcast equipment national mktg. mgr., Hitachi Densi America.

James Young, ex-Tektronix, appointed Telemet video communications products western sales mgr.

In PBS structural reorganization, Vice Chmn. **Hartford Gunn** moves from Washington to N. Y. to devote full time to long-range system & corp. planning; all PBS operating depts. now report directly to Pres. **Lawrence Grossman**.

FCC has proposed more uniform financial reporting requirement for cable systems, including disclosure of accounting policies for specified accounts. Commission said current requirements don't produce significant information because of lack of uniformity. Comments are due June 3, replies June 13.

While in Chicago for NCTA convention, come see us at the Television Digest, Factbook & CATV Atlas suite, 1235-36A, Conrad Hilton Hotel. In Chicago for Television Digest will be Mila Albertson, Irwin Arief, Kenneth Croken, Dave Lachenbruch, Paul Levine, Tack Nail & Ed Sellers. We'll also be in the Exhibit Hall, Booth 410.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 1 (13th week of 1977):

	March 26- April 1	1976 week	% change	March 19-25	1st quarter 1977	1st quarter 1976	% change
Total TV.....	319,085	197,909	+61.2	253,655	3,282,208	2,762,774	+18.8
color	187,550	110,961	+69.0	150,915	2,007,017	1,611,568	+24.5
monochrome ..	131,535	86,948	+51.3	102,740	1,275,191	1,151,206	+10.8
Total radio	1,174,852	516,035	+127.7	727,617	8,885,511	8,067,992	+10.1
home, portable .	970,041	334,362	+190.1	497,990	5,700,631	5,027,253	+13.4
AM-only	181,063	148,063	+22.3	94,452	1,386,860	1,083,242	+28.0
FM & FM-AM .	788,978	186,299	+323.5	403,538	4,313,771	3,944,011	+9.4
auto.....	204,811	181,673	+12.7	229,627	3,184,880	3,040,739	+4.7

Color TV 5-week moving average: 1977-154,195; 1976-118,575 (up 30.0%).

TREASURY, CUSTOMS COURT HIT JAPAN TV: This is the year TV importers are wondering why they didn't listen to their mothers and become doctors.

As if they didn't have enough trouble with (1) 10% rise in yen value over past 6 months, (2) pending imposition of import quotas and/or higher duty rates, (3) uncertainties over outcome of Zenith's \$1-billion antitrust suit & International Trade Commission probe into Sylvania's unfair import competition complaint, they found themselves with 2 new headaches last week: (1) U.S. Customs Court ruled 5-15% commodity tax refund Japanese govt. gives consumer electronics exporters is "bounty or grant" which should be offset by extra duty, ordered importers to post bonds covering additional duty liability pending outcome of Treasury appeal of verdict to higher courts. (2) At almost same time, Treasury started requiring importers of Japanese-made TV to come up with bonds as guarantee of payment of any dumping duties Customs may assess.

Court verdict is seen as least serious long-range problem importers face. Case is outcome of complaint filed with Treasury by Zenith in 1970. Treasury stalled 6 years before ruling that tax rebate, similar to ones given many U.S. exporters, isn't subject to countervailing-duty levies. Zenith took Treasury to court in Jan. 1976. Decision was no surprise. Legal authorities we talked with all said law and past Supreme Court rulings were on Zenith's side. But law hasn't been enforced for years, mainly because U.S. has signed international trade pacts agreeing not to. Change would increase duties on some 90% of merchandise imports from all countries—not just Japan—and cause problems with foreign-trade structure. Treasury's game plan is to appeal to Supreme Court, and if it loses there, seek change in law.

Meanwhile, importers of Japanese consumer electronics are stuck with burden of posting entry bonds ranging from 5% of value (for radios) to 15% (TV & picture tubes) and are being charged 1.5% of face value for bonds, or 45¢ for average \$200-value 19" color set, which could add more than \$1 to retail price. Japan doesn't tax CBs so they're not affected by case.

Where outcome of tax-rebate case and need to post bonds was anticipated by most importers, Treasury's sudden demand for dumping-duty bonds came as surprise, and expensive one at that. Bonds, at same 1.5% face-value charge, initially in most cases will have to be for 100% of shipment value, costing importers about \$3 for each typical 19" color set, translating to \$6 or more at retail. Size of bond required is expected to be cut to 20% of value later.

Law requires 100% dumping bond when exporter & importer are related and resale price in

U.S. (from which dumping margins are calculated) isn't known. Treasury spokesman said agency is trying to develop system that would let Japanese-owned marketers here use some acceptable estimate of actual resale price (Treasury doesn't consider printed price sheets acceptable) to base bond on, resulting in lower bonds. Bonds on most private-label sets are only 20% because U.S. purchaser generally isn't subsidiary of supplier. Customs says it's also requiring Japanese importers here to post bonds for sets imported from related manufacturers in Taiwan & Korea. Sony, exempted from dumping finding by Treasury, is only Japanese company not posting bonds.

Japanese TV imports have been subject to dumping duties since Treasury issued tentative positive determination of sales at less than fair value in 1970, but bonding hasn't been required until now. When asked why change was ordered, Treasury spokesman, who said he had instructions not to discuss case further, stated "it was to protect the revenues of the United States." In 1971, Treasury started calculating fair-value figure for every Japanese color and b&w model imported, supplying data to Customs for pricing comparison. As of now, it's still working on 1973 imports.

In Washington last week, U.S. & Japanese negotiators started staff work on what they hope will result in Japanese policing of voluntary color export agreement. Minoru Masuda, Japan's international trade & industry vice minister, may be in Washington this week to resume talks opened 2 weeks ago in Tokyo with Special Trade Representative Robert Strauss. Spokesman for STR's office told us "there's no factual basis" for reports Tokyo talks resulted in stalemate or rift, said aim of both sides is still to reach general agreement on settlement, subject to further negotiations, before high-level international trade talks start in Geneva May 8.

Congress has final approval over adequacy of any voluntary TV export arrangement President Carter may propose as alternative to ITC's recommendation for duty rate boost from 5% to 25%, also is likely to be asked to change countervailing-duty law. That such requests will meet with mixed reaction is shown by recent statements of congressional leaders. At talk before union leaders in Philadelphia, Rep. Eilberg (D-Pa.) called for congressional override of any voluntary pacts negotiated by Administration, while in floor speech Rep. Bolling (D-Mo.) warned that international trade restrictions could lead to increased inflation.

COLOR'S 1ST QTR—2ND BEST IN HISTORY: Color TV sales to dealers for 1977 broke through 2-million mark at end of March—2nd time that has happened in any first quarter. Sales were 9% below those of record first-quarter 1973, but high enough to make it 2nd-best showing for any such period. (See State of the Industry for figures.)

Sales for quarter ran very close to 9-million annual rate (using seasonal factors based on trends of last 6 years)—8.96 million, to be exact. March sales of 770,977 were 3rd best for any March, working out to 8.89 million annual rate, slightly below 9.02 million of Feb. and 8.98 million of Jan. Although March sales were perhaps slightly weaker than Jan. & Feb. on seasonally adjusted basis, they were 30% ahead of same 1976 month (which marked start of 3-month mini-slump last year). And April started off with record first-week sales of about 130,000, up 25% from 1976 week.

With March sales to dealers up 30% from year earlier, and production (including imports) at about 855,000 up 28%, factory & distributor inventories are at fairly comfortable 15-week supply, same as year ago. At factory-plus-distributor level, figure of about 2,191,000 for end of March is up 20.8% from year earlier, with factory stocks at 1,243,000 up 32.4% and distributors' 948,000 up 8.3%. During March, total inventories climbed 2.9%, factory 1.6%, distributor 4.5%.

Final March week's color sales—187,550—marked biggest 1976-to-1977 weekly gain of year (69%), but were far from record for that week, trailing all-time 13th-week high (211,338 in 1973) by more than 11%. Our Early Warning Report for March (mailed at week's end to EWR subscribers) showed retail sales fairly strong, particularly toward end of month, boding well for April, which in last few years has been unexpectedly strong color TV month at retail.

Monochrome sales registered 10% increase in month, close to 11% for first quarter, and all radio products were in the black compared with March 1976. Here's EIA retail sales-to-

dealer picture for March, with 1976 & 1975 comparisons:

Product	March 1977	March 1976	% change	March 1975
Total TV.....	1,273,546	1,049,940	+21.3	987,436
color.....	770,977	592,876	+30.0	549,905
monochrome.....	502,569	457,064	+10.0	437,531
Total radio.....	3,990,035	3,501,516	+14.0	2,432,572
home, portable.....	2,769,093	2,387,630	+16.0	1,658,254
AM-only.....	583,227	553,281	+5.4	541,656
FM & FM-AM.....	2,185,866	1,834,349	+19.2	1,116,598
auto.....	1,220,942	1,113,886	+9.6	774,318

NEW TUBES FROM RCA, SYLVANIA, ZENITH: After all of last year's fuss—with Big 3 tube makers going in different directions in large-screen slot-masks—it now appears that they'll be offering essentially same tube. It will be 25" with 100° deflection, picture-sharpening tri-potential gun, using conventional glass.

Zenith originally had indicated it planned to use new Mark IV glass for its 25" (Vol. 16:10 p7); RCA had chosen 90° deflection conventional glass (Vol. 16:27 p7); Sylvania alone had opted for 100° conventional glass (Vol. 16:24 p9). Now, at least for time being, some form of standardization appears to be at hand for 25" slots.

In response to our query, Zenith said it would offer planned 100° Extended Field Lens (EFL) slot-mask in standard glass during 2nd half, confirming our report of last Sept. that any new Mark IV sizes would be delayed beyond 1977 (Vol. 16:39 p13). Company said last week that 20-25% of its total tube production, or 50-60% of 19" output, now consists of tubes with Mark IV glass—indicating it's running about 9 months behind its projection of March 1976 (20% of Aug.-Dec. 1976 tube output, or 60% of 19").

Sylvania will be delivering both 19" & 25" 100° slots to undisclosed customer around mid-year. Tube is premium priced—official quipped "we'll sell it for as much as we can get, but not as much as it's worth."

RCA reversed itself, came into 100° race, apparently grudgingly. In answer to our question, Picture Tube Div. said it "plans to have available for any of its OEM customer needs 25" 100° tri-potential-gun color tubes in the first half of 1978," but has no plans for any tri-potential 100° tubes in other sizes. "Because of customer concern regarding costs & energy consumption," it added pointedly, "the majority of RCA's domestic tube production will be 90° product, and in larger sizes the delta-gun system." Between the lines, this means: Don't look for 100° slots in RCA's new TV set line.

But you can look for them in others: Certainly Zenith's fall console line. And, as good guess, Magnavox & Quasar, this spring or later; Sylvania, eventually, but maybe not now.

Corporate video operations now outnumber commercial TV stations in U.S. (711) and the amount of programming they produce is twice that carried in prime time by networks, according to new study by D/J Brush Assoc., "Private TV Communications: 1977." Preliminary report on study, to be published in May by International Industrial TV Assn. (ITVA), was presented at ITVA Washington convention by co-authors Judith & Douglas Brush. Study shows number of viewing locations in corp. VTR networks is expanding at more than 22% annually and that video operations are being shifted by many firms from personnel to communications & public affairs depts.

BSR is being sued by coin-op phono maker Seeburg, which claims programmable Accutrac turntable violates Seeburg disc-track selection patent.

CB approvals: Fanon/Courier, with 29 units, leads new FCC list of 448 type-accepted & certified 40-channel units as of March 25. Others: Hy-Gain (23), Midland (21), Kraco (18), Pathcom & Matsushita (17), Radio Shack (12), Royce, SBE & Sears (11), GE & Penney (10), RCA & Dynascan (9), E.F. Johnson (8), Lafayette & Uniden (6), Ward (3). Also on list is Volvo of America, which will offer first own-brand CB optional accessory on new cars "in next few months." List is available from FCC's Public Information Office.

Energy program due from President Carter this week is expected to call for mandatory efficiency improvement for major appliances, but not TV, though it will give FEA authority to set efficiency standards for products not specified in program.

CB EMISSIONS PROBED: Is chaotic CB industry about to get some more "help" from Washington? FCC now is looking at question of CB radiation, and whether proposed shift of CB service from 27 MHz to 220 or 900 MHz could represent health hazard. At same time, BRH researcher says hand-held CBs may be violating OSHA radiation-emission standards and that linear amps are potentially hazardous.

Meanwhile, Senate Commerce Committee plans comprehensive oversight hearing in June to examine entire range of health & safety effects of radiation—including microwave ovens, CB, RF sources, perhaps ionizing radiation—such as X-rays—as well. Hearing currently is in preliminary planning stages, with few details available at week end.

Most officials familiar with initial studies on low-level non-ionizing radiation stress that no concrete evidence of health hazard has emerged, but FCC & OTP officials call BRH finding on hand-held CBs "source of concern." Concern stems from study done by Paul Ruggera of BRH Electronics Products Div., which found that typical hand-held CB operating at 2.5 watts created free-space density of 11.1 milliwatts per sq. cm at distance of 12 cm. At full legal output of 4 watts, this would rise to 18.2 mw and soar to 100 mw at distance of 5 cm—distance from antenna to operator's eye in typical use of hand-held unit. OSHA has set exposure standard at 10 mw.

Widespread use of illegal linear amps also is potential problem, according to Ruggera. Though definitive biological evidence isn't in, he says particular concern is danger to eyes from auto-mounted antennas since eye tissue is especially sensitive to radiation effects. OTP Deputy Asst. Dir. Samuel Probst, who coordinates all govt. work in non-ionizing radiation area, said radiation levels from hand-helds are "matter of growing concern," but stressed that so far no hazardous effects have been found. There is definite hazard in linear amps, he said—"but of course these units are illegal."

"Very little evidence exists concerning the actual danger, if any, to exposure at radio frequencies," we were told by Will McGibbon, acting chmn. of FCC's new committee on biological effects of electromagnetic radiation. He said 10 mw standard is average over 6-min. period, adding that "duty cycle of the hand-held portable has to be taken into account." McGibbon also said reports don't indicate high level of absorbed power by humans at 27 MHz. "We are concerned about the effects of RF radiation of not only CB, but all other devices that we license."

FCC's Office of Plans & Policy has asked other govt. agencies to help evaluate possible health hazards if band is shifted to 220 or 900 MHz. "We certainly would be remiss if we were to ignore this aspect of the proposed expansion," OPP's Carlos Roberts said. "We just aren't experts in this area." Probst said he'll tell FCC that, "based on everything we've seen to date, a legally-operated CB radio limited to its maximum authorized power—with the possible exception of the hand-held portable—should be no problem."

CB WOES CONTINUE: Gladding's Chapter XI, sharp cutback in production by Matsushita, dissolution of E. F. Johnson-Magnavox OEM deal—all point to continuation of soft CB market and heavy 23-channel inventories.

Gladding problems (Vol. 17:13 p10) stem from "industry-wide slump in 40-channel radio sales," firm said, resulting in cash flow "significantly below forecasts." Debt of \$32 million is owed 21 banks & insurance companies, and efforts to negotiate continuation of standstill financing agreement failed after lenders insisted that domestic receivables, inventories & fixed assets, etc. be required as collateral.

Under temporary court order, Gladding will continue to operate all plants until it comes up with recovery plan. Diversified producer of sporting goods & electronics products, Gladding markets CBs under Pearce-Simpson brand, received FCC approval for ten 40-channel radios through March 25.

Production cutback of 3,000-5,000 units monthly by Matsushita Electric involves under-dash 40-channel CBs marketed through Consumer Products Group of Panasonic, apparently doesn't affect output of Matsushita Communication for Panasonic Auto Products Div. Since 3 CB production lines were added to Matsushita Kadoma plant in December, about 50,000 units have been produced & shipped to U.S.

Magnavox has gone out of CB business entirely. Contract to produce 23-channel units for E. F. Johnson at Morristown, Tenn. plant (Vol. 15:42 p9) hasn't been renewed due to phaseout of 23-channel market, completion of new Johnson facilities in Waseca, Minn. & Clear Lake, Ia. Carl Insel, pres. of new Johnson America subsidiary in Clear Lake, said Morristown plant produced 500-600 23s daily during peak period, and about 15,000 40-channel units were made there until deal was canceled. Johnson CB production now is split about evenly between Waseca & Clear Lake plants, he said, adding that "prices on 23s appear to be creeping up as the market dries up."

Note: Preferred CPSC CB antenna warning label is headlined "Danger," carries words "you can be killed," "watch for wires" and "read instructions." Label will be included in labeling & instruction rule now being drafted, and could be applied to TV antennas. Finney Co. jumped gun on CPSC, says it started including safety warnings in all installation instruction sheets packed with CB base station, TV & FM antennas.

Atari will introduce full line of new home video games for Christmas market, including "programmable microprocessor system allowing numerous games to be added later," parent Warner Communications says in annual report. Game cartridges will be developed & marketed "on continuing basis," report says, adding that 3 assembly lines in new 100,000-sq.-ft. Sunnyvale factory will be devoted entirely to home games... Bally will introduce programmable in June, release \$20 cartridges monthly. Firm also is planning 2 new home pinball machines retailing for about \$800 each.

SHARP, MGA LINES: First import color lines were unveiled by Sharp & MGA last week, and pricing on Sharp clearly reflects impact of chaotic international trade scene (see p. 7). Both have new chassis throughout, Sharp introducing Sigma 1000, making heavy use of ICs, with claimed 10.5% to 18.2% cut in power consumption. MGA abandoned modular construction in favor of new single-board "P" chassis. Both claim improved sound for most sets.

Sharp managed to raise & lower color suggested retail prices at same time. Compared with 1976 introductions, most starting prices are up \$10, but in many instances pricing on comparable-feature basis is down. Carryover 9", only set with old Sigma 500 chassis, continues at \$300. New models start with 13" AFT leader at \$330 (up \$10 for price but down \$10 for opening AFT); first step with automatic color is \$370, high end with auto color & light sensor (LS) is \$380 (up \$10). Starting 15" price is up \$10 at \$400 for AFT, step-up with auto color & LS is \$420 (up \$30). Starting 19" is up \$20 to \$380, but down \$20 for AFT, step-up with auto color is \$410 (down \$20); models equipped with both auto color & LS are \$450 & \$470. Electronically tuned 19" remote is unchanged at \$560, top-of-line remote with on-screen time & channel display is \$630 (up \$30). B&w line has AC-DC 7", 9" & 12" models, 3 AC-only 12", two 19", all unpriced. Sharp will use "The Smart Set" as ad theme.

MGA is holding price line for time being at least, emphasizing electronic remote control in color. Line starts with 13" at \$330, step-up with auto color is \$350, electronic 4-function remote \$450; 15" is \$390, 4-function remote \$500; 17" is \$440, with 6-function remote at \$550; 19" starts at \$470, auto color version \$500, remote \$600, down \$30. Slated to come later in year is MGA console line assembled in new Irvine, Cal. plant (Vol. 17:15 p7). MGA also introduced flat-faced 12" b&w AC-DC portable at \$119.

First peek at new videocassette systems by distributors and some key dealers is scheduled next month by Sony, RCA & Zenith at regular conventions. RCA won't have special June convention as we reported last week (Vol. 17:15 p7), but is expected to demonstrate its VHS deck in Chicago during June Consumer Electronics Show. Meanwhile, Sanyo points out that it still is offering its V-Cord II here for industrial-institutional use, for which it originally was designed, although company will go with 2-hour Beta format for consumer market in U.S. "very late this year." Sanyo video chief Russell Maywurm says more than 50% of V-Cord II sales in U.S. have been to consumers.

Oak Industries' Selectronics Div. was reorganized in 1976 "to substantially reduce Oak's participation in the U.S. TV tuner market," annual report states, adding that manufacturing, engineering & research will continue for offshore customers. "The U.S. market no longer offers profit opportunity for Oak, since most set manufacturers have either begun making their own tuners or are importing TV chassis with built-in tuners from offshore facilities." Report says Oak is negotiating joint venture in Korea to make TV tuners, also has new tuner parts operation in Brazil.

SUPERSCOPE'S PLANS: Superscope, industry's largest independent audio marketer, plans to increase its dominant position by becoming No. 1 in compact & console stereo through startup of private-label sales in June and offering of new low-priced, high-style Imperial line next Jan.

Robert Neichin, former Morse Console Mfg. Div. vp, joined Superscope last week to direct console cabinet production operations at firm's new Chatsworth, Cal. hq. Superscope currently produces cabinets for compact systems & speakers there.

Superscope is moving into low-end systems at a time others are upgrading lines, and those firms are "looking for big trouble" according to Pres. Joseph Tushinsky. Brand-name component systems "are extending down into mid-fi price ranges" and should make selling \$300 compact difficult. At same time, he said, "our customers are asking us for \$125, \$150 & \$200 systems." As for private-label operation, "we are ready to start aggressive marketing and will be taking orders at CES in June." Superscope also plans "a major audio product announcement in May," Tushinsky said, declining specifics.

As for longer-term future, Superscope is looking into home VTR—"Sony is willing to license us but I'm not sure we have the capability to manufacture them at this time"—and videodisc. Tushinsky is avid supporter of both products, is eyeing disc in particular as coming Superscope product. He says he's in close contact with MCA, feels "they're doing a magnificent job." He says he feels player price will be cut from initial \$500 planned for Magnavox unit to \$395 in about 2 years with help of semiconductor laser. "At that price, and with 99¢ discs" programmed for children (which he says MCA has told him will be coming) "the videodisc player will be a world-beater," Tushinsky says.

Solid-state picture display in color can be developed without any further technological breakthroughs, according to T. P. Brody, head of group at Westinghouse Research Lab which has developed working real-time thin-film monochrome electroluminescent TV panel. First announced in 1974 (Vol. 14:49 p12), development now has progressed to point where "good quality TV imagery with no visible smear" and good grey scale has been obtained. The 1/8" thick display panels currently measure 6x6 in., have 20 & 30 lines per inch—actually a large IC with 12,000 phosphor dots in 110-x-110-element format. Now being built is 3.75-x-5-in. panel designed specifically for TV with 262 lines and more than 80,000 elements. Color panel will take "several more years of concentrated effort," says Brody, who envisions initial uses of flat TV screens in novel forms impossible with picture tubes, such as pocket sets or large wall screens.

TI's new CB probably will be introduced at NEWCOM Show May 3-5 in Las Vegas. Reportedly miniaturized unit using microprocessor, TI's CB line will focus on high-end, sophisticated segment of market. NEWCOM spokesman confirmed that TI, which hasn't been in show since 1965, will exhibit "consumer products." Spokesman wouldn't comment on report, but did say "personal communications is an exciting area of investigation."

Trade Personals

Walter Goodman advanced at Harman International from senior vp to chmn.-chief exec.; **Herbert Paige**, ex-finance vp, now pres.-chief operating officer. Both posts formerly were held by **Sidney Harman**, now Commerce undersecy... **Edward Walsh**, former Craig Communications Div. mgr., joins JBL as mktg. vp, succeeding **Rod Bell**, resigned.

Tony Cunha, ex-Capitol Industries, and **Edward Koepp**, ex-Certron, form Corporex, L.A.-based management consulting firm... **Jerold Rubinstein** resigns as ABC Records chmn. over policy differences.

Carl Insel advanced at E. F. Johnson from gen. mgr. to pres. of new subsidiary Johnson America; **Richard Connor** named national distributor sales mgr., succeeding Roy Myers, retired... **Jack Craven**, ex-Kris, joins Antenna Specialists as personal product sales dir... **Jeff Martini**, ex-CES Publishing, joins Pioneer America (car stereo, CB) as mdsg. services dir.; **Dennis Fischel** appointed asst. controller.

Richard Sheldon, ex-Epicure Products, joins Sherwood Labs as national sales mgr., succeeding Tom Pickett, opening San Francisco rep firm... **Robert Ziselman**, ex-Amico, appointed RCA Service mktg. services dir... **John Neider**, ex-Advent, joins Epicure as service mgr., succeeding **Jeff Stoehr**, who shifts to sales post in Microtower speaker operation; **Nancy Berry**, international sales administrator, adds duties as mktg. services mgr... **Russell McNaughton**, 3M Electronic Products Div. gen. mgr., named vp; **William Linscott** named national sales mgr.; **John Taylor** resigns as 3M Scotch audio tape mktg. mgr.

Robert Ligouri, ex-Sharp, named N. American Philips Norelco Microwave Oven Div. mgr... **Edward Neubauer** advanced at Raytheon Semiconductor Div. to mktg. dir.; **Don Woroner** promoted from southeast mgr. to national sales mgr., succeeding Neubauer... **Thomas McGeough** appointed Siemens (U.S.) Components Group sales admin. mgr... **Stanley Friedman** is Toshiba national sales mgr.; in earlier report his name was incorrect.

FDA amended radiation control rules to: (1) Eliminate requirement that dealers & distributors notify Bureau of Radiological Health when they choose to keep customer lists for radiation hazard notification purposes rather than turn them over to manufacturers. Manufacturers still must be notified. (2) Specify that certification and manufacturer identification tags & labels be in English. (3) Require that manufacturer test, model-change and other reports conform to BRH reporting guidelines unless specific exception is granted. Changes are effective May 5.

Taiwan plans to increase incentives for foreigners willing to invest in new high-technology & capital-intensive ventures. Expected features include extension of present 5-year tax holiday, increase to 20% from 15% maximum annual fund repatriation, accelerated depreciation of fixed assets, elimination of duty on imports of equipment needed for R&D.

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
Craig			
1977-9 mo. to March 31	93,011,000	7,262,000	2.32
1976-9 mo. to March 31	83,394,000	5,965,000	1.94
Fuqua Industries			
1977-qtr. to March 31	137,845,000	3,411,000	.37
1976-qtr. to March 31 ^a	124,870,000	2,834,000	.32
GE			
1977-qtr. to March 31	4,063,000,000	215,400,000	.95
1976-qtr. to March 31	3,483,500,000	172,500,000	.77
General Instrument			
1977-year to Feb. 28	466,073,136	16,530,199 ^b	2.04
1976-year to Feb. 29	375,811,325	7,189,313 ^b	.77
Harte-Hanks Newspapers			
1977-qtr. to March 31	32,034,000	2,301,000	.51
1976-qtr. to March 31	24,372,000	1,903,000	.43
Multimedia			
1977-qtr. to March 31	19,718,000	2,036,000	.46
1976-qtr. to March 31	15,419,000	1,602,000	.36
North American Philips			
1977-qtr. to March 31	418,110,000	12,071,000 ^b	.94
1976-qtr. to March 31	383,328,000	9,777,000	.77
Owens-Illinois			
1977-qtr. to March 31	679,354,000	17,893,000 ^b	.60 ^c
1976-qtr. to March 31	633,153,000	31,604,000 ^b	1.07 ^c
Raytheon			
1977-qtr. to April 3	661,596,000	23,038,000	1.50
1976-qtr. to March 28	572,416,000	17,900,000	1.18
Rust Craft Greeting Cards			
1977-year to Feb. 27	88,324,000	3,333,000	1.45
1976-year to Feb. 29	82,913,000	2,773,000	1.21

Notes: ^a Restated. ^b Includes special credit. ^c Adjusted.

GE NET UP: GE reported sharp first quarter sales & earnings gains (see financial table), said that while results from consumer operations were well ahead of last year, rate of improvement slowed.

Sanyo said U.S. subsidiary Sanyo Mfg. Corp., which is operating former Warwick TV business, lost \$315,000 in Jan. 4-Feb. 28 period on sales of \$4.8 million (all sales to Sears). Sanyo Pres. Satoshi Iue said loss was lower than expected, announced SMC will produce 19" table model color as well as consoles.

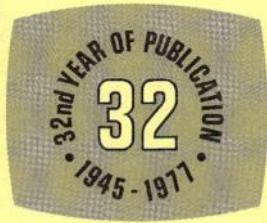
Superscope expects to report slightly higher sales but lower profits in opening quarter. Company said severe winter weather cut down on consumer buying, trimmed company sales by estimated \$5-\$6 million. Superscope also said it was forced to absorb higher product costs resulting from increase in value of Japanese yen. Robert Gintel, stockbroker who claims to represent holders of about 7% of shares, said he will head 3-man slate seeking seats on Superscope board. He said Superscope told him May 5 annual meeting has been postponed, no new date set.

WEMA-sponsored Micro Fair showcase for microprocessors, planned for Chicago in Oct. (Vol. 16:50 p12), has been canceled. Most semiconductor producers are pulling out of WEMA to join Semiconductor Industry Assn. (Vol. 17:14 p15), and SIA refused to give event its blessing.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

TECHNOLOGY RIVALS PAY AT NCTA: Exhibit halls create most excitement in Chicago, although traditional issues aren't ignored. Wiley seeks TV-radio economic inquiry. Van Deerlin exempts pole attachments & forfeiture from 'piece-meal' Act rewrite. Hollings would leave cable alone. (P. 1)

COURT SOCKS FCC—AGAIN: Subject this time is renewals of WTVR-TV-AM-FM, KONO(AM), WCBS (AM). Citizens' protests EEO record of 295 stations, 16 groups. (P. 3)

STRENGTHENED PROGRAM GUIDES are rejected by NAB TV Code Board, as well as changes in Code sought by ACT to 'protect children.' (P. 4)

CABLE SOURING ON REWRITE? Industry may be re-evaluating costs-vs.-benefits of new Communications Act, especially if separations principle is imposed. (P. 5)

FIBER OPTICS FURORE stirs NCTA convention as Times Fiber promises trunk deliveries this year at prices below cable. Competitors call feat impossible; some say fiber competition is still 10 years off. (P. 6) Technology centers on small-dish earth stations, 2-way cable developments, lower-cost pay decoders. (P. 7)

FTC's PERTSCHUK MOVES FAST after swearing-in as chmn. and praise from Carter. Kramer to head Consumer Protection Bureau; other staff appointments made. (P. 6)

CSAE NOW 'SATELLITE NETWORK' as cable operators decide to continue search for non-broadcast program source. Bradley is named pres.; his report finds concept feasible. (P. 7)

TECHNOLOGY RIVALS PAY AT NCTA: New developments in technology—principally fiber optics, lasers & satellites—just about took spotlight away from such normal leaders as pay cable, govt. regulation, copyright, rates, pole attachments, EEO, etc., at last week's NCTA convention in Chicago. This isn't to say that these subjects were ignored, it's just that most of excitement at Conrad Hilton Hotel last week was in 3 exhibit halls (see pp. 6, 7).

"This was by far the best convention, businesswise, I've ever attended," software exhibitor told us, and his sentiments were echoed by hardware people. "We were selling on the floor like never before," we were told by equipment manufacturer. "The traffic and interest were tremendous." Latter belies fact registration was down over 100 from year ago in Dallas—4,308 vs. 4,184—much to surprise of NCTA.

HOUSE REWRITE OPTIONS are transmitted to members of Communications Subcommittee. Broadcasting paper deflates 'localism.' Cable de-regulation experiment sought. (P. 8)

Consumer Electronics

COLOR TV QUOTA talks between Japan & U.S. suspended over disagreement on limiting Japan's exports of kits & subassemblies. Japan's March TV shipments to U.S. set record. (P. 10) Details of countervailing & dumping duty bond procedures & problems. (P. 15)

HOME COMPUTER market catching fire, as game producers ready advanced programmables for June CES. APF, Atari, Ball & Magnavox among contenders. Others push timetables forward for reaching market. (P. 11)

VIDEO SOFTWARE marketing at starting line, with 4 different approaches scheduled to woo home VTR owners in next few weeks. (P. 12)

ZENITH NET OFF sharply in first quarter. RCA posts records. Thomas International (Warwick) shows profit from TV. GTE, Rockwell, Mathes report. (P. 14)

CANADIAN COLOR market topped million for first time in 1976 with imports accounting for virtually all of increase. Domestic color TV factory sales slipped. (P. 14)

FIRST-QUARTER consumer electronics sales—at-a-glance. (P. 14)

ZENITH'S CANADIAN AD claiming repairmen there find Zenith color sets easiest to service is found misleading by Toronto judge. (P. 15)

In stark contrast to excitement at exhibits, delegates never came close to even half filling Hilton's Grand Ballroom (1,100 seats), while nearly all 8 a.m. concurrent sessions had standing-room only crowds (in much smaller rooms). And, one MSO told us, "pay cable was over-played to the ridiculous... I attended 4 sessions and didn't see or hear a damned thing interesting or new."

President Carter wasn't in Chicago, but he sent message: "Coming from a small rural community, I know how important it is to give our citizens wider access to information, entertainment and culture... You have added a new dimension to the goals of local expression, minority involvement and diversity of programming."

FCC Chmn. Wiley was there, and as expected, called for "a general economic inquiry into the relationship between cable and TV" (Vol. 17:16 p1). He said Commission's problem in trying to regulate cable is that it has "never had an adequate empirical base for projecting potential harm to the broadcasting industry from cable competition... It seems to me that the FCC now is in a position to develop a much more fundamental analysis of this entire area... It is time to determine whether the potential danger of widespread local audience diversion, or fragmentation, through cable's offerings of non-local signals is correct in theory and demonstrable in fact."

"It is time to utilize the considerable data and experience that have been accumulated over the past 5 or 6 years for a basic evaluation of the relation between TV station audiences and TV station revenues. And it is time... to recall that our regulatory purpose has never been--and never should be--to protect broadcast revenues." Wiley discussed existing cable rules, said Commission has come to conclusion they "involved considerable regulatory overkill."

Wiley's proposal for economic inquiry was received with mixed reactions. Ex-FCC Gen. Counsel Henry Geller said it was unneeded and "a delaying tactic," particularly in major markets. He predicted FCC will lose many more court cases, said it's "inevitable" there'll be continued erosion of cable rules even if Commission doesn't relax them.

Communications Act rewrite came in for considerable attention in Chicago—and it developed that since D.C. Appeals Court pay-cable decision, many cable operators are no longer enthusiastic (see p. 8). House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) said "if we start moving in bits and pieces, you can forget any overall rewrite." (He told us later amendments covering pole attachments and cable forfeiture wouldn't be moving in "bits and pieces" because they are "pending legislation" from last Congress. However, he said, license renewals and all-channel radio wouldn't be considered separately but tied into over-all rewrite.)

In "Meet the Press" format, Van Deerlin defended actions of Wiley in adoption of family viewing format by NAB TV Code. "There's no question but what Wiley did was done with the best possible motives," congressman said. "Let's not write Dick Wiley off as a man who willfully violates the Constitution"—as alleged by questioner, Chicago Tribune TV critic Gary Deeb. Van Deerlin, in saying fairness doctrine and Sec. 315 are no longer needed, said rewrite will give First Amendment "more prominence than ever."

"I can't see for the life of me why we don't let cable run free for a while," Senate Communications Subcommittee Chmn. Hollings (D-S.C.) said. He noted that FCC "backed into" cable regulation as a medium "ancillary" to broadcasting, questioned: "Should not cable be regulated as a medium in its own right?... I am not advocating regulation for its own sake," he said, but supports giving FCC "background" for regulation. His goal in providing FCC with guidance on cable regulation will be: "Let the marketplace operate, and impose only such regulations as are needed to protect the public interest... We're going to be very careful not to bog down cable in regulation."

Hollings seemed more open to idea of Communications Act rewrite than he did at NAB convention (Vol. 17:14 p10), referring at one point to House Subcommittee's plan as "a salutary development... We think they'll provide valuable guidelines if they succeed."

Other NCTA happenings included pay cable panels, president's roundtable (p. 7) and satellites (p. 7). One "happening" NCTA wasn't very happy about was Tonya Tonti of Condor Films, who was very much in evidence selling "Adult Cinema"—what she called "soft-core porno." She

was offering screenings in Sheraton Blackstone Hotel, said she had 5 clients prior to convention and that "many showed interest in Chicago"—although she reported no on-the-scene sales.

COURT SOCKS FCC—AGAIN: Subject was broadcast renewals this time around as D.C. Appeals Court again reversed FCC in 3 cases—all involving equal employment opportunities. Court ordered FCC to hold hearing in renewal of WTVR-TV-AM-FM Richmond and told agency to provide pre-hearing discovery opportunities in renewals of KCBS(AM) San Francisco & KONO(AM) San Antonio.

Panel for 3 cases was same—Circuit Judges Wright & Wilkey, D.C. Dist. Judge Gesell (sitting by designation). Wilkey dissented in KCBS because "nowhere [in majority opinion] is there any recognition of the highly significant action the FCC has taken in promulgating a new model EEO plan for all licensees." He said "no discovery is warranted" in KCBS case—cited same Court's decision week earlier approving license renewals of WRC-TV Washington & WABC-TV N.Y. He said discovery was appropriate in KONO.

Unanimous Court was particularly harsh with FCC in Richmond remand, stating "no amount of pre-hearing discovery would have obviated the need for a hearing... If the 'curious neutrality-in-favor-of-the-licensee' which this Court has previously noted is to end, there must be a more meaningful accounting for conduct" by station during previous license period.

WTVR renewals were appealed by Black Bcst. Coalition of Richmond (BBC), with assistance of Citizen's Communications Center (which also participated in other 2 cases), involved 1969-72 license period. Court ruled it "did not require much analysis for the Commission to

NEW TELEVISION FACTBOOK PUBLISHED: New Television Factbook No. 46 now is being delivered to subscribers—its 2,160 pages in 2 volumes providing industry's basic reference work for 32nd year. Use enclosed order card for immediate shipment.

Factbook comprises 150-plus directories, includes full page for each commercial U.S. TV station, with map displaying Grade A & B contours (the only document providing such contours), county-by-county Arbitron data, personnel, ownership, technical facilities, representatives (legal, engineering, sales), address, phone, TWX, digest of rate card, etc., as well as listing of all operating U.S. public-educational TV stations and instructional TV stations. In addition, all TV stations of world are listed—with data obtained directly from each country—including top personnel, addresses, phone, hours of operation, color and b&w standards and number of receivers, sales reps, technical facilities, etc.

Cable directory in Factbook (issued continuously for 25 years) is most extensive ever published, covers 580 pages. Directory includes details of operating systems, franchises, applications for franchises. Data cover number of subscribers, potential, miles of plant, miles planned, homes in front of plant, stations carried (microwave or off-air) with affiliation, origination facilities, subscriber rates, city fee, manager, ownership, population, counties, communities involved, brands of equipment, channel capacity, channel utilization, date of start.

Among other features of Factbook: Complete tabulation of station & receiver growth since start of TV; official FCC reports on financial performance of TV stations market-by-market, year-by-year; station-by-station tabulation of studio equipment (cameras, video recorders, etc.); details of all TV station sales since 1949; directory of CPs & pending applications; directories of communications attorneys, engineers, management consultants, sales reps, brokers; for each network, directories of executives, affiliates & affiliate boards, rates; trade associations; publications; equipment manufacturers; ad agencies; TV channel allocations; translators; group station & CATV system owners; multi-point distribution services licensees, permittees & applicants, etc.

perceive that the situation...called for a hard look and for prompt decisive action in the public interest. But the Commission delayed for 3 years." Court hit WTVR EEO record, and FCC for renewing without hearing, in following areas:

- (1) No training programs for blacks. Stations "simply waited for them to come to it."
- (2) "Passivity" in minority hiring. (3) Amended ascertainment survey--and Commission acceptance of it--after protest was filed. (4) "Erratic" hiring & advancement policies for blacks. (5) Allegations of discrimination in hiring & firing remained "contested & unsatisfied" through renewal. (6) WTVR didn't keep minority applications on file and didn't "establish contacts" in community to help find black employees.

In other 2 cases, Court hit FCC for leaving "differences of fact...unresolved," said agency often explores major contested issues "only superficially...No hearings were held, although serious factual disputes persisted...It is difficult to see how the Commission can renew a license when presented with...discrimination that raises substantial and material questions of fact without first resolving those questions in a responsible manner...Discovery...at the very least was essential in these instances."

KONO renewal was protested by Coalition on Mass Media (Spanish-American group); KCBS case was brought by Chinese for Affirmative Action.

* * * *

At FCC last week, NAACP, NOW, Urban League and several other groups filed "informal objection" against 295 stations and 16 group owners because of alleged deficiencies in EEO performances. Protesting groups asked for inquiry, said licensees are "clearly and undeniably outside any zone of reasonableness standard" in minority employment. FCC was accused of "benign neglect...reflecting its less than full commitment to ensuring that minorities and women have equal employment opportunities."

Most of stations listed have no fulltime minority and/or women employes or none in "high pay" categories. Groups listed include Combined Communications, Gilmore Bcstg., McGraw-Hill Bcstg., Summit Communications, Ohio ETV Network & Outlet Bcstg. Complaint was filed by Citizens' Communications Center.

NAB WON'T REWRITE PROGRAM GUIDES: In reversal of previous plans, NAB TV Code Board has decided not to strengthen advisory program guidelines—as TV Board urged at Jan. meeting in Hawaii (Vol. 17:5 p1). New program guidelines were to have strengthened—but voluntarily—Code strictures in wake of L.A. federal judge's decision that Code rules can't be mandatory and in light of steadily increasing pressure on broadcasters to act to decrease excessive sex & violence on TV.

Decision to reject tougher guidelines followed series of consultations by Code with representatives of networks, public interest groups, Hollywood creative community and pressure groups opposing televised violence such as PTA & AMA. Board was "just unable to come up with a set of guidelines that would be objective and definitive," NAB Pres. Vincent Wasilewski told us. Decision wasn't derived from recommendations made by groups consulted by board members, he said. "It was an independent decision." Stated Exec. Vp John Summers: "They're looking for results, rather than change for change's sake. They determined that the existing guidelines are sufficient to do the job."

NAB Chmn. Wilson Wearn, Multimedia pres., reportedly was most difficult to convince that no major changes were needed. He was strongly in favor of specific guidelines, but finally "more or less accepted the Code Review Board's decision," participant said. Wearn acquiesced "because he accepts the fact that the Code Review Board is the expert in these matters," we were told.

Code Board also plans series of regional hearings modeled after FCC public meetings, to be held concurrently with NAB fall conferences. Public will be invited to testify, ask questions, complain, etc. "If people can point out places where the Code may be deficient, the Code Board would be receptive to making changes," Summers said.

In other actions, TV Code Review Board: (1) Met with ACT Pres. Peggy Charren and Gen. Counsel Rachel Wolkin, rejected each of ACT's requests for changes in Code "to protect children" (Vol. 17:12 p2). However, board asked Charren to compile catalog of PSAs appropriate for children, promised to distribute catalog to Code stations. (2) Approved on-air test of International Playtex bra commercials using live model "subject to scheduling limitations" on those Code stations willing to accept spot. (3) Decided to discuss with church group representatives formulation of test for contraceptive ads using "responsible parenthood" theme. (4) Denied request by Schaper Mfg. Co. & Toy Mfrs. of America to ease toy ad guidelines.

Following Code Board meeting, Charren told us she'd hoped that industry "would have stepped forward and taken some of these actions without the need for expensive and lengthy government action." She said next step for ACT will be to address same issues before regulatory agencies. She cited petition seeking ban on children's TV candy spots filed recently at FTC (Vol. 17:15 p4), said ACT is compiling 2nd petition on problems of pre-school TV viewers. She said ACT will wait until Appeals Court hands down decision on ACT's pending appeal of FCC's children's TV policy statement (Vol. 14:43 p2) before deciding next move at FCC.

CABLE SOURING ON REWRITE? Having gained much of what it sought in way of deregulation from Appeals Court decision vacating FCC's pay cable rules (Vol. 17:13 p1), cable industry is re-evaluating its previous strong support for Communications Act rewrite planned by House Communications Subcommittee. Industry executives we talked with are growing skeptical of benefits of rewrite, fearful of possible harmful effects—if, for example, principle of separating programming & distribution functions were imposed on industry. Commented one: "Thank God the broadcasters oppose it too. They'll take a lot of the pressure for us. We can rest confident that it will be stopped if it ever gets far enough along." (For details of House Communications Subcommittee option papers on rewrite, see p. 8.)

Though NCTA Communications Act Rewrite Committee has just completed position paper outlining industry's goals for revision legislation, Assn. clearly hasn't ruled out turn-around. Exec. Vp. Thomas Wheeler told us: "There has been no industry position taken in opposition to a rewrite. We continue to believe that the FCC philosophy of cable regulation needs to be changed, and guidance needs to come from the Congress. But if the rewrite is going to make the cable industry some kind of a common carrier or—worse yet—at the mercy of the Bell system, then the industry certainly has to ask itself whether there needs to be a rewrite."

At NCTA convention, Warner Cable Chmn. Gustave Hauser argued against industry being forced to supply communities with surplus channels when there are no services to put on them, or to lease surplus channels to competing suppliers of pay-cable programming. He also criticized House Communications Subcommittee staff for being overly idealistic and too eager to "make their marks" to formulate realistic policy. As alternatives to rewrite, he told us, industry could seek pole attachment bill from Congress, easing of distant signal carriage rules from FCC, perhaps even separate cable legislation from Senate.

Ex-FCC Cable Bureau Chief Sol Schildhause—now Washington communications lawyer—commented: "The Communications Act works. It's the Commission that doesn't work." He recommended that industry seek separate cable legislation, or FCC re-

form bill. "Any number of existing proposals would do the trick."

NCTA rewrite committee goals, as outlined during convention panel session by Robert Hughes, Communications Properties, include no distant signal limits; no syndicated exclusivity rules; no sports or movie rules; pole attachment legislation; marketplace determination of cable's role with burden of proof of economic harm on broadcaster rather than on cable, and ability of system operator to control access to leased channels. In discussion that followed, Cape Cod Cablevision owner Richard Leghorn said he was "disappointed" that industry would seek to control leased channels, asked for further industry debate on matter. He was joined by House Communications staffer Karen Possner, who reminded Hauser of Escondido, Cal. system which refused access to Pacific Cablevision, allegedly because it offered competing service (Vol. 16:44 p3). Replied Hauser: "Quit beating us over the head with Escondido." (He later explained that operator should be able to control leased channel programming solely to be able to keep off those channels "something that will bring down our business"—such as X-rated programming.) Following his remarks to Possner, Hauser was surrounded by appreciative cable operators thanking him for "saying what needed to be said."

Report criticizing EEO performance of public broadcasting (Vol. 17:13 p4) was approved by House Communications Subcommittee with minor technical changes. Most important alteration softened to a "recommendation" draft report's suggestion that Congress require that all PTV & public radio stations have public boards established solely for purpose of overseeing stations. Recommendation affects mainly those stations licensed to local govts. or educational institutions.

WTOP-TV Washington has agreed to provide free spots to proponents of oil company divestiture to satisfy FCC ruling that station violated fairness doctrine (Vol. 17:15 p3). At same time, station denied that it had violated doctrine under "previously-stated" FCC policy. WTOP-TV will give away sixteen 60-sec. and fourteen 30-sec. spots over 3 months to counter commercials for Texaco.

FIBER OPTICS FURORE: Revolutionary technology of fiber optics will be practical for CATV and competitive with coaxial cable (choose one): (1) In the 1980s. (2) By 1980. (3) Never. (4) Next Aug. Equipment manufacturers & engineers at NCTA convention in Chicago last week chose all of the above.

Times Fiber Communications startled & galvanized convention—and touched off hot engineering brouhaha—with display of 12 TV signals transmitted through kilometer of single fiber and guaranteeing delivery this year of main-line fiber trunk at cost lower than coax. Times Fiber Dir. & sparkplug Irving Kahn (Vol. 16:14 p3) displayed solid-state laser, which he said Times was buying from unidentified "closely-affiliated company," quoted trunk-line price of \$7,000 per mile, installed.

Using analog transmission, single fiber can carry up to 30 channels with only 12 repeaters per 10-mile stretch (vs. 30 amplifiers required for 30-channel 3/4" coax), according to technical paper presented by Times engineers. Times said its new linear laser is guaranteed for 100,000 hours—10 times that promised by others. It's believed Times is prepared to accommodate up to 50 orders for trunks up to 10 miles long, start installation within 120 days. It also was telling prospective customers it would even be prepared to install house drops by end of next year.

Times' new fiber plant will be on stream in June, Kahn commented. On Corning Glass widely-circulated forecast that fiber's cost will drop from \$1 to 10¢ per meter in large-scale production: "We're more than halfway down Corning's road already... All coax will be obsolete in 10 years."

But competitors weren't even certain that fiber would be practical for CATV in 10 years. Almost obscured by furore over Times' demonstration & announcements was preparation for strong entry into CATV fiber market by 10-year-old Valtec Corp. through new affiliation with Comm/Scope Co. Valtec is longtime fiber-optics manufacturer and pioneer maker of semiconductor lasers, which it now turns out at 4,000-a-month rate (lowest price now \$50 a unit in quantity). Valtec will add 30,000 sq. ft. to its present fiber-optic facility.

Valtec will have some fiber-optic CATV trunks & supertrunks operating before year's end, Pres. James Godbey told us, can achieve as many as 100 channels per fiber in analog mode, 5 in digital—but fiber won't be competitive with coaxial for 3-4 years. Godbey & Comm/Scope Pres. Frank Drendel told news conference that data transmission currently is sole fruitful area for fibers, but foresaw all major trunks—high-capacity, heavy-use applications—using fiber in 10 years. They said current 10,000-hour laser life just isn't long enough, and satisfactory connectors haven't been developed. As to Times' claim of linear laser & 100,000-hour life: "An absolute impossibility," Godbey told us.

Other exhibitors displayed fiber-optic demonstrations, assured shoppers that they were up-to-date on the art, but uniformly expressed disbelief in Times promises. Scientific-Atlanta put out position paper pointing out difficulties in splicing, connections, re-

peaters, high fiber prices, concluding fiber offers "great hope for the future." How far a future? "Won't be competitive in 10 years," company spokesman told us.

Delta-Benco-Cascade displayed optical CATV trunk developed by its British affiliate Rediffusion for first such fiber line used anywhere. Said spokesman, referring to Times' promises: "I don't believe it's right to raise people's hopes. Nobody can deliver what they're talking about by the end of this year. The lowest quote I've seen on fiber is 65¢ a meter. A laser diode just doesn't have more than 10,000 hours life today."

Belden Corp., which supplied fibers for Teleprompter's N.Y. test, was equally doubting. "You can't do it today—it's still in the future," said Electronic Products Mktg. Mgr. Jack McCarthy. "Many technical developments are required—such as connectors. Field splicing is difficult. Laser life is still a big unknown. The economics are questionable. We don't feel it will be commercially viable until the early 1980s." Teleprompter's test was described in technical paper as highly successful in 8 months of operation, with no down time, no signal degradation, and it was indicated company soon will add more fiber to its N.Y. plant.

Fiber controversy is going to remain hot. Many more words will be said on subject, and it's inevitable that before year is out some will be eaten. (For NCTA equipment & engineering highlights, see p. 7.)

FTC's PERTSCHUK MOVES FAST: Basking in praise of President, new FTC Chmn. Michael Pertschuk wasted no time in taking over after swearing-in ceremony in White House Rose Garden April 21 attended by Carter. With 3 others sworn in at same time (including Harold Williams at SEC), Carter said one of his most difficult jobs is appointing people to "those very difficult positions where conflicts of interest come into play and where sound judgment and absolute integrity are absolutely necessary."

President said he appointed Pertschuk "with a great deal of pride" because new FTC chmn. "has demonstrated his sound judgment and own integrity." In message to FTC personnel, Pertschuk said "the consumer must be considered sovereign," urged staff to "take risks for excellency," promised "I'll back you, even if you fail."

Pertschuk will name Albert Kramer, Arnold & Porter and former exec. dir. of Citizens' Communications Center, chief of FTC Consumer Protection Bureau; current Acting Bureau Chief Margery Smith will shift to exec. dir. Another Arnold & Porter attorney—Michael Sohn—has been offered general counsel post. Theodore Cron, ex-HEW, was named FTC public information officer; acting PIO Chief Leonard McEnnis remains as deputy. Expected to be named to Pertschuk's personal staff are Christian White as special asst. and William Baer as attorney.

"How to sell against newspapers" is subject of 10 spring seminars to be conducted by National Radio Cstrs. Assn. (NRBA), starting in Atlanta May 24. Maurie Webster, president of Webster Group and ex-CBS Radio exec., will design & conduct seminars.

TECHNOLOGY AT NCTA: Increasing sophistication of CATV systems and the engineers who keep them going was reflected in technical papers and equipment exhibits at NCTA. Except for strong curiosity & controversy in fiber-optics area (see p. 6), if there was any dominant product & subject it probably was growing interest in satellite earth stations. Most of the earth-station exhibitors were offering 4.5-meter dishes, receive-only stations being quoted in \$20,000-\$30,000 range. Couple of exhibitors even were showing 3-meter dishes for use with powerful new CTS satellite.

Once again, pay-TV scrambling-descrambling systems received strong attention at exhibits, with decoders dropping in price. Among these: Stern Telecommunications' "Promo," which uses indoor or outdoor descrambler (\$7.50-\$9.50), permits use of audio track on pay channel for promotional announcements for non-subscribers, as well as occasional "previews" of pay programs. Blonder-Tongue's production-model system also provides separate "barker" capability along with scrambled picture & sound. TEST (Tanner Systems) tiny wall-mounted decoder has self-destruct feature if customer tries to remove it from wall, at \$7.50 complete. Oak Mini-Code single-channel decoder at about \$19 in quantity. Magnavox's tiny descrambler for Ch. 1-36 at \$16.95. Tocom 2-channel converter-descrambler at \$24.95. Gamco key-lock descrambler \$25. Telcin one-channel converter-decoder at \$25.

Exhibitors also suggested new ways for operators to add to their revenues by leasing, or even selling, deluxe converters—including units which convert set to wireless remote operation, with top-of-set LED channel readout units. Jerrold calculator-like digital unit, made by GI of Canada, provides complete random-access tuning, costs operator \$100, for sale to subscribers at about \$150. Similar-appearing unit by Selectra, using Nitron circuit and infrared transmission to set, was offered in various versions (including mid- & super-band) at \$66 & up. Sylvania displayed hand-held wired digital microprocessor unit with built-in LED readout and feature which permits viewer to pre-program up to 8 channels for sequential selection, at under \$50. Telcin showed deluxe 36-pushbutton cordless remote unit with digital readout at about \$105.

At other end of converter scale, Sylvania introduced series of compact units which convert midband channels to UHF, permitting viewer to pick up midband channels with UHF tuner on set—price \$19 in large quantities.

Sony showed 2-hour-per-cassette U-Matic VTR "to get reaction." If it goes into production, it will cost \$4,000-\$5,000 about year's end (vs. \$3,400 for comparable one-hour machine).

CSEA NOW 'SATELLITE NETWORK': Some 40 cable operators—including most major MSOs—looking for major sources of programming to be delivered by satellite decided last week to continue their efforts, changed name to Cable Satellite Network (CSN). Consultant Rex Bradley (ex-NCTA chmn.) was named pres.; his aide Beverly Land was named secy.

CSN Chmn. Carter Page said studies to date (by

Bradley & Land) "hold great promise" that new programming will be available via satellites. At meetings during NCTA convention in Chicago last week, Bradley submitted \$22,500 study showing "great interest" in non-broadcast source of cable programming. He also said many stations want additional independent TV station signals, but "regulatory restrictions" are a deterrent.

Bradley said programming "appears to be available," that "advertiser support can probably be created" for non-broadcast TV channels and that "no regulatory restrictions have been identified." Study was based on 182 questionnaires to system operators; 92 companies responded representing 456 systems, 3.36 million subscribers. Bradley said 5 companies in top 25 with 2.25 million subscribers didn't respond.

In addition to questionnaire, about 120 others were contacted to determine program sources, advertiser interest, etc. Also contacted were RCA Americom & Western Union on tariffs and availability of satellites, transponders & earth stations. Study determined that "a substantial amount of programming" is available for CSN, although "exact quantity or exact costs couldn't be determined... It does appear that certain sporting events of both regional & national interest can be obtained." Bradley said programming produced by TV stations isn't available "in sufficient quantity or quality to provide a significant source."

Study envisioned day when "affiliate relationship" would develop where systems would be paid for carrying CSN programming. It found most expressing "enthusiasm" for dealing with single entity, said past attempts to deal with individual cable operators "have resulted in universal discouragement on the part of program suppliers."

Bradley said ad agencies are expressing "active (though cautious) interest" and that "some willingness to put money on the line to get started is evident." He said many advertisers would like to use national TV but can't afford "the exorbitant costs that networks charge. The formation of a cable satellite network would allow this group of advertisers to buy time at a reasonable cost and still reach a national audience."

NCTA 'PRESIDENT'S ROUNDTABLE': "How much regulation do you really want?" FCC Comr. Quello asked at last week's NCTA convention. He then cited several areas—franchise fees, translators, MATVs, pole attachments—where industry is likely to oppose de-regulation. Comr. Fogarty provoked most comment with his proposal that NCTA help develop legislation to ban siphoning of major sports (Vol. 17:16 p1).

Both commissioners hit excessive FCC restrictions on CATV. Fogarty said agency shouldn't regulate until problem has been identified, suggested limited de-regulation experiment, "perhaps even nationwide." He attacked distant signal restrictions designed to foster UHF, added only 345 UHFs are on air and that "I think it's legitimate to raise the question of whether the FCC's concern over fractionalization of UHF audiences is warranted."

HOUSE REWRITE OPTIONS DETAILED: House Communications Subcommittee staff has transmitted 500-page 2-volume set of "options papers" to Subcommittee members in preparation for planned Communications Act rewrite. Chmn. Van Deerlin (D-Cal.) set April 28 meeting to discuss them, made limited number of copies available to affected industries. By week end, one Rosslyn, Va. trade association offered single copies at \$75, additional copies at \$40 each, copies for press at \$25. Subcommittee plans to have GPO print copies in near future.

Papers were planned as "policy-neutral," each simply laying out various directions Subcommittee could go in fashioning new Communications Act. Though some papers lead reader down paths intended by their authors, they generally describe in some detail controversies in each area. Here are highlights:

Broadcast—FCC plan for broadcast station localism "appears to have produced results that differ significantly from those that were intended." FCC underestimated population base needed to support proposed 2,000 outlets, permits "local stations" to feature programming "over 80%" of which is derived from either networks or national syndicators.

As result, Congress "should distinguish between localism as a tenet of industry structure and localism as a goal of broadcast programming service itself. This distinction is important. For example, it is difficult to justify limiting competition among media outlets if all that is being protected is the local station per se."

Broadcast paper, drafted by Subcommittee Chief Counsel Harry Shooshan, makes pitch for marketplace regulation to avoid direct or indirect regulation of programming content, lists following basic options: (1) Licensing, including determination of what information should be required of licensees for renewal, deciding renewal term, considering staggering renewals within same market to help citizens review licensee performance. (2) Leasing, with contract negotiated between govt. and lessee, provisions of which could require certain EEO performance, fairness or equal time obligations, etc., with station regulation governed by contract law, funds from lease to go to public broadcasting. (3) Regulate like a public utility by setting fixed rate of return. (4) "Quasi-common carrier," treating station like common carrier for certain part of broadcast day to provide access time on free or paid basis.

Appendix on broadcast license renewals notes that FCC "has never, on its own motion, failed to renew a license on the ground that the applicant has failed to serve the needs and interests of his community." Paper cites 97.7% renewal rate for TVs, 98.8% renewal rate for AMs, and 99.4% rate for FMs. High renewal rate might lead to conclusion that broadcasters are serving public interest, paper states, while in fact it may simply be due to FCC delays, backlogs, uncertainties, etc. Because of this, whole area of license renewals needs "comprehensive re-evaluation," paper concludes.

Cable paper—drafted by staffer Karen Possner, ex-FCC & Rand Corp.—says Subcommittee must

clearly determine what cable is, how it should relate to other services, on what basis it should be regulated, and appropriate state, local & federal roles. One alternative might be to regulate cable according to the types of services each system offers. If regulated like common carrier, technical regulation would be appropriate but program regulation could be dropped. If regulated like multi-channel broadcaster, such requirements as fairness, equal time, etc., might be appropriate, but rate regulation wouldn't be needed because operator would want to keep rates as low as possible to maximize audience. Or cable can be regulated as hybrid.

In any case, "as even the FCC admits, it is now appropriate to revisit these rules and examine whether their demonstrated effect is as it was envisioned in 1972." Paper proposes "substantial cable deregulation" experiment to see if cable can meet its potential if left alone, to "help solve cable's identity problem and... to add to knowledge about the alleged impact of the cable rules on competing technologies."

Public broadcasting—Congress hasn't done good job of enunciating how public broadcasting's lofty goals should be met, according to paper—also prepared by Chief Counsel Shooshan. Yet "for all its problems, the basic system has developed fairly well and is now securely in place. It may be unwise for Congress to attempt to articulate goals." Paper suggests that public broadcasting might improve through use of new technologies, and through definitive settlement of PBS-CPB role conflicts. CPB could be decreased in size & responsibility, paper states, but only if other measures are taken to assure that programs represent other than mass audiences favored by PBS.

Spectrum allocation—Written by engineering asst. Charles Jackson, paper makes strong case for greater role for marketplace—instead of FCC. Because all spectrum allocation decisions are made by Commission, "there is no mechanism for insuring that spectrum is assigned to users in accord with its true value rather than the value claimed by its users."

Both Chmn. William Paley & Pres. John Backe agree that "there can be only one chief executive at CBS," and Paley told CBS stockholders last week in L.A. that he plans to recommend to CBS board May 11 that his resignation as chief exec. be accepted. Paley said he expects to remain chmn., will be "on hand to make my experience in both the private and public sectors available to the company—particularly in such areas as policy questions, acquisitions, planning and creative activities." Paley said that when he recommended to outside dirs. that Backe be elevated to chief exec. instead of then-Pres. Arthur Taylor, and board agreed, Taylor resigned. "I don't want to go into all the gory details, but it was a very tough decision. It upset a lot of people, including me." "Bill and I have a very positive relationship," Backe said. "It's almost a partnership." He said CBS would try to regain lead in network ratings from ABC, but latter "has the momentum, and that's a situation we can't change overnight." Stockholders again defeated AIM resolution to require CBS to appoint ombudsman to assure non-biased news.

Personals

Newly-elected NCTA dirs.: **Douglas Dittrick**, Viacom; **Jerry Greene**, Classic Cable Systems; **John Gwin** (ex-NCTA chmn.), Cox Cable; **Kenneth Gunter**, UA-Columbia; **James Ackerman**, Becker Communications; **Richard Loftus**, AmVideo Corp.; assoc. dirs. **Rodney Hanson**, Cable Data; **Frank Drendel** (alternate), Comm/Scope, **Judith Baer** (alternate), Communications/Engineering Services. NCTA Pres. **Robert Schmidt** also was named a dir.

Sam C. Haddock, who entered CATV in 1953 when he built Moscow, Ida. system, received NCTA's highest honor—the Larry Boggs Award—at last week's convention. Other award winners: **Richard Jackson**, Jackson Communication, Robert Beisswenger Memorial Award; **Thomas Gilchrist**, Fla. Cable TV Assn. exec. dir., for "outstanding contributions" through state & regional activity; **Amos Hostetter** (ex-NCTA chmn.), Outstanding Committee Award; "President's Award for Meritorious Service" (new) went to **Robert Hughes**, CPI; **Russell Karp**, Teleprompter; **George Morrell**, Midwest Video; **John Walson**, Service Electric Co.

National Bcstrs. Club honors FCC Comr. **Robert Lee** at May 19 reception; April 21 Lee set record for Commission service—23 years, 6 months, 15 days—he was first appointed in Oct. 1953 by President Eisenhower.

Thomas Susman, ex-Senate Administrative Practice & Procedure Subcommittee, follows Chmn. **Edward Kennedy** (D-Mass.) to Antitrust Subcommittee as chief counsel... **James Houghton**, chmn.-pres. of Corning International & vice chmn. of Corning Glass Works, elected a CBS Inc. dir., succeeding **Robert Lovett**.

Margita White received honorary Doctorate of Laws degree April 23 from alma mater U. of Redlands (Cal.)... **John Mazzie**, WREX-TV Rockford, Ill. vp-gen. mgr., appointed exec. vp-operations, parent Gilmore Bcst., replacing **Richard Reed**, resigned; **Jack McWeeny**, WREX-TV gen. sales mgr., named acting gen. mgr.

Geoff Mason, ex-coordinator of ABC Olympic telecasts, joins NBC Sports as vp-European production; **James Nottingham** named NBC sports administrator... **David Vondrak** elected asst. treas., ABC; **David Johnson** advanced to sales dir., ABC TV Spot Sales; **Charles Lavery**, ex-Young & Rubicam, named ABC Sports program planning dir.

Donald Barhyte & **Harold Martin**, Multimedia vps, named dirs... **Thomas Wall**, ex-WPRI-TV Providence, R.I., named gen. sales mgr., WROC-TV Rochester.

Thomas Houser, ex-FCC comr. & OTP dir., and Washington attorney **Stephen Weitzman** form Weitzman & Houser law firm: 1735 K St. NW, Washington 20006, 202-467-5424... **Robert Bernstein**, ex-Pittman, Lovett, Ford & Hennessey, joins Washington law firm Brown & Effros, which becomes Brown, Bernstein & Effros... **James Kingsdale**, gen. mgr. of Viacom Communications suburban Cleveland cable system, appointed Viacom vp-development.

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with

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WGAL-TV Lancaster has reached agreement with Feminists for Media Rights (FMR)—under which station will be sold by end of 1981—in effort to avoid FCC renewal hearing (Vol. 16:52 p1). Pres.-Gen. Mgr. Harry Shaub said licensee agreed to sell TV station because of advice of counsel that "continuous common ownership" of TV-newspapers in same market is being "more & more challenged" and that regardless of hearing outcome "forced divestiture of WGAL-TV is close at hand." (Owner Steinman family also owns Lancaster Intelligencer-Journal, New Era and Sunday News, plus Lancaster cable system.) Contingent on FCC approval, WGAL-TV also has agreed to: (1) Name and meet regularly with Women's Advisory Council of up to 10 members; (2) submit twice-yearly reports to FMR on station's EEO progress; (3) appoint women's program dir.; (4) air weekly half-hour prime-time program on women; (5) increase coverage of women's sports, give scores "in same manner as men's"; (6) use investigative reports in regular news on women's activities; (7) run 30- & 60-sec. "free messages" by public on matters of concern; (8) increase number of public service announcements proposed in renewal application by 10%; (9) establish \$100,000 scholarship fund for women; (10) grant KNOW Inc., Pittsburgh, \$150,000 for non-profit women's news service; (11) provide free public access channel on cable system and publish schedule in local papers; (12) reimburse expenses of FMR up to \$50,000.

City of Edwardsville, Ill. (18 miles east of St. Louis) is anxious to have cable, sent Mary Hildebrand & Delores Kauffman to NCTA convention in Chicago to try to talk a cable operator into building system there. Major selling point: Edwardsville is site of a Southern Ill. U. campus.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 8 (14th week of 1977):

	April 2-8	1976 week	% change	March 26- April 1	1977 to date	1976 to date	% change
Total TV.....	203,137	187,269	+8.5	319,085	3,485,345	2,950,043	+18.1
color	129,593	104,110	+24.5	187,550	2,136,610	1,715,678	+24.5
monochrome	73,544	83,159	-11.6	131,535	1,348,735	1,234,365	+9.3
Total radio	576,067	497,367	+15.8	1,174,852	9,461,578	8,565,359	+10.5
home, portable ..	319,377	278,731	+14.6	970,041	6,020,008	5,305,984	+13.5
AM-only	71,490	59,955	+19.2	181,063	1,458,350	1,143,197	+27.6
FM & FM-AM ..	247,887	218,776	+13.3	788,978	4,561,658	4,162,787	+9.6
auto	256,690	218,636	+17.4	204,811	3,441,570	3,259,375	+5.6

Color TV 5-week moving average: 1977—150,488; 1976—114,318 (up 31.6%).

JAPAN TV QUOTA TALKS AT STANDSTILL: Staff-level talks between U.S. & Japanese trade officials were abruptly recessed last week in Washington when it became obvious that 2 sides weren't in agreement on what would be covered in any voluntary Japanese controls on color exports to U.S. No date for resumption of talks was set.

Snag is over definition of "incomplete" sets. Japanese, from MITI, came ready to discuss control of shipments of complete TV sets. Staff from President's Office for Special Trade Negotiations wants initial negotiations to cover unfinished or unassembled sets also, some sub-assemblies as well.

Basic problem stems from ambiguous language in International Trade Commission (ITC) report recommending that duty rate on color TV be hiked from present 5% to 25% as necessary measure to protect domestic manufacturers. ITC urged 25% rate be applied to "complete & incomplete" TV, provided no exact definition of "incomplete" (Vol. 17:12 p7; 13 p10). U.S. Customs classifies sets not fully manufactured as "unfinished or unassembled." This last definition, which American negotiators seem to be working with (because its use wouldn't require any formal change in Tariff Schedules) includes knocked-down kits and some circuit boards, where ITC wording doesn't appear to.

With such Japanese-owned companies as Sony, Quasar, Sanyo, MGA & Toshiba either assembling color sets here from Japan-made parts kits, or planning to, in effort to ease impact of quota, MITI doesn't want those kits & subassemblies included in any export-quota package. MITI also is said to feel that U.S. negotiating package goes beyond ITC's intended area of protection for U.S. makers, so would be an unacceptable alternative to imposition of higher duties.

In related action, Japan plans to lodge formal protest with U.S. over Customs Court order that countervailing duties be imposed to offset commodity-tax rebates received by Japanese consumer electronics exporters (Vol. 17:16 p7), will file complaint with GATT as well. Customs, meanwhile, has moved to ease financial burden on TV importers somewhat with ruling that those putting up 100% dumping duty-bonds don't have to post countervailing duty bonds too (for more on bond situation see p. 15).

Keeping finger in foreign-trade pie, COMPACT, TV industry-labor group whose protection request led to ITC recommendation, said dumping-duty bonds don't eliminate need for import quotas. Group also said it doesn't feel any form of voluntary export restraint agreement reached with Japan will provide adequate safeguards and that it will press for congressional override of

any such deal.

Despite trade uproar, Japanese extended string of record color-export-to-U.S. months to 20 in March, set new first-quarter color & total TV records, Finance Ministry figures show. Japan shipped just under 307,000 TVs to U.S. in month, up 16.6%, with color up 21.2% to 198,-300, b&w up 9.1% to 108,700. First-quarter TV exports to U.S. were up 31.9% to 820,300, color up 23.2% to 501,100, b&w 48.3% to 319,200. Total value of these exports rose 23% to \$110.3 million, as color value rose 22% to \$90.7 million, b&w climbed 28.1% to \$19.5 million. Average color export price in period slipped to \$181.06 from \$182.83, while b&w average edged up to \$61.17 from \$60.65.

CB imports took 29.6% nosedive in March to 746,700—March 1976 was first month that CB shipments to U.S. topped million—leaving 3-month total at 2.06 million, down 14%. Value of exports also dropped 14%, to \$112.2 million.

GAME FIRMS READY HOME COMPUTERS: Some will show up at June CES, others later in year or early 1978, but home computers clearly are in immediate plans of leading firms in fragmented video game industry. Major thrust into unexplored field isn't coming just from vertically-integrated semiconductor houses, but such disparate firms as APF, Atari & Bally (June CES), Coleco ("deep into project"), Magnavox (early 1978).

Line between microprocessor (MPU)-driven programmable games & "computers" is thin one, and some in industry are skeptical about new products being readied. "Many of these are just slightly more sophisticated than the RCA and Fairchild games, but with fancier names like "home computer," game executive said. Nonetheless, CES will see new breed of advance programmables capable of performing complex interactive tasks beyond cartridge games now on market. And many will carry word "computer" as prominent part of name.

Several other companies without imminent plans to introduce home computers are stepping up design, engineering & market-research projects, in many cases pushing deadlines ahead to get products on market by 1978. Drive coincides with budding hobbyist computer market, but those planning to enter mass consumer market stress that initial home units will be simpler to operate, perform fewer functions and carry lower price tags. So far, only announced home computer is \$495 PET unit shown at Jan. CES by Commodore (Vol. 17:3 p9).

APF computer will be shown at CES, apparently won't be on market during 1977. Pres. Sy Lipper said unit "will be priced to attract both the consumer and the small businessman," didn't give other details. Atari unit (Vol. 17:16 p10) is being billed as programmable game, but it's understood word "computer" may be used in name, with non-game programs added to cartridge library once program gets off ground. Retail price is expected to be in \$200 range.

Bally "Professional Arcade" also will begin as programmable game (Vol. 17:16 p10), with hardware priced in \$299 range, cartridges \$20 each. But Mktg. Dir. Ross Scheer told us it "was designed to be expandable into a home computer" which "will do anything IBM computers did a few years ago. You won't have to put it into a closet and buy a new unit to get a computer."

Whether Coleco will show version of home computer at CES isn't known, but Pres. Arnold Greenberg told us "an exciting new product" will be introduced at CES. Greenberg added that "home computers fit in very definitely with our plans. We're deep into that project. It is one of the imminent next generations [in the programmable field]. Our company deals with the home environment in its broadest sense, and the home computer is a central part of the home environment."

Magnavox computer apparently will be similar to Bally unit in that it will be game-computer combination. Video Games Gen. Sales Mgr. Thomas Garvin said it probably will be shown in Jan. 1978, carry under-\$200 price tag. "We don't want something that's limited to games. We want it to do home math problems, take care of tax forms, solve financial problems—there's an endless number of things people want a home computer of this type to do. We've found 1,800 applications so far, and you can be sure there are more."

Home computer firms face enormous range of problems, including: (1) Lining up stable MPU supply as such semiconductor houses as GI, MOS & TI struggle to overcome start-up

problems, supply MPUs to non-computer programmable market. (2) Getting better grasp on demands consumer will make of computer. (3) Keeping price at under-\$500 mass-market level. (4) Developing viable software distribution systems. (5) Establishing service networks.

But raft of toy/game, coin-op & consumer electronics manufacturers are intent on developing market for problem-solving computers, some already discussing 2nd generation of home-control computers using MPUs to regulate gas & electricity consumption, automatically maintain food inventory record, other household functions.

Meanwhile, game producers are planning range of new products in already-mundane programmable game and dedicated arcade-style field. At CES with new programmables will be APF, Atari, Bally, Coleco, Unisonic—plus RCA & Fairchild, and possibly several surprise entries. Coleco Telstar programmable (Vol. 17:8 p11) will have 3-cartridge library (\$20 list) by year's end, all in color with 6-8 games. Fairchild will show "4 or 5" new cartridges for Ch. F programmable (formerly VES) at CES, bringing total to 12. Firm is delivering cartridges 1-5 "in quantity," will ship 6, 7 & 8 in late May, 9 & 10 in July, 11 & 12 in Aug.

National will show new Adversary 600 at CES, \$80 dedicated unit which plays range of ball-&paddle (b&p) games plus pinball & "wipeout." Allied Leisure, now in Chapter XI, canceled CES booth, is phasing out game inventories (4,000 completed sets, parts & materials for 10,000 more), dropping plans for programmable. Lloyd's is also backing off strong commitment to game market, will continue to offer b&p unit through Monte Verde Div. but is temporarily shelving plans for programmable.

VTR SOFTWARE MARKETING—4 APPROACHES: Home video programming is now at starting gate, with opening gun about to sound for at least 3 major (and many minor) entities in next few weeks or months. Four companies poised to begin exemplify 4 different approaches: (1) Low-cost feature film sales at prices competitive with those quoted for disc (Sony/Paramount). (2) High-priced "collector's-item" subscription library of TV "classics" (Time-Life). (3) Direct-to-consumer rental (Teletronics-MGS). (4) Sales of features which will never be on TV through TV-video hardware dealers (Entertainment Video Releasing).

Sony/Paramount Home Entertainment Center (Vol. 16:32 p9) is expected to announce plans within next 2 months, won't comment till then. It's known, however, that it intends to start test-marketing feature films from several movie companies by direct mail in next few months, with approach based on principle of "residual value" of cassette. It hopes to offer pre-recorded cassette costing few dollars more than blank cassette—watch it once or twice, then re-use cassette as a blank. Industry reports indicate S/P may be aiming at eventual \$19.95-\$25 for recent feature film in one cassette (for 2-hour machines) vs. list price of \$16 for unrecorded blank cassette. Features will be released on cassettes about same time as pay cable.

Time-Life Video is ready to start market-testing in next few weeks with direct-mail campaign to Betamax owners, using approach similar to Franklin Mint and Time-Life's own record operation. Offered will be "Best of Time-Life TV" package of classic programs syndicated by T-L—episodes from Ascent of Man, Civilization, Rose Kennedy Remembers, etc. Series of 8 one-hour cassettes—one every 6 weeks—will be tested at prices from \$380 to \$480 for whole set, or \$40-\$60 each (plus shipping & handling) in "fine edition," leather-bound with gold stamping. After mail campaign with phone follow-up, retail test will be conducted using up to 5 stores in each of 10 markets. TLV Consumer Mktg. Dir. Paul Eisele says research among Betamax owners was "sufficiently encouraging" to warrant market test.

As to S/P's low-cost approach, Eisele told us "there's no way you can sell a movie for \$25 at a profit"—listing these costs: Cheapest cassette \$9 wholesale, duplication \$7.50, packaging 25¢-\$1, royalties up to 25% of list price—plus distribution & ad costs, markup, etc.

Teletronics-MGS, venture of tape duplicator Teletronics and TV station film distributor MGS Services (Vol. 16:8 p8) is assembling library, preparing for market testing, we were told by Pres. George Gould. Cassettes will be rented direct to consumers at prices "comparable to going to a movie"—further details unavailable.

Entertainment Video Releasing (EVR), N. Y.-based company headed by ex-fashion photo-

grapher Mark Slade, has collected package of some 300 titles, about half "family" pictures in public domain, other half X- & R-rated films ("Swingin' Stewardesses," "Sometime Sweet Susan," "1001 Danish Delights," etc.). Slade told us he has signed for complete exclusive video rights (cassette, disc, pay cable, etc.) to entire output of several producers, has had "tremendous" response to offering in Betamax format.

Each erotic film is offered in both X & R versions (about 70% of customers choose X), comes in 2 Betamax cassettes (one 60-, one 30-min.). EVR will sell movie cassettes to TV & video hardware dealers for \$60 each, to be retailed at \$100 & up, or rented, as dealer chooses. Sampler preview cassette & catalog is sent to prospective dealers. EVR's main competition in X-rated cassettes is from poorly made pirated copies, and Slade stresses to customers the advantages of being on right side of the law.

Watch watch: Harris Semiconductor says it probably will drop watch IC manufacturing business. Company currently makes watch chips in leased Poughkeepsie, N.Y. facility...Gruen seeks Chapter XI protection while it attempts to adjust to "precipitously" declining LED watch sales & prices. Gruen wrote down watch inventories \$3.5 million in June-Dec. 1976, had net loss of \$6.8 million in 9 months to Dec. 31, has \$2.1 million negative net worth, is seeking new financing...First Pulsar LCD watch is due late this year. Company also is planning introduction this week of LED model that displays pulse rate of wearer as well as time. Initial offering will be gold limited-edition version at \$2,500, with stainless-steel model at about \$500 to follow...Swiss govt. says it will take retaliatory action if U.S. boosts duty rates on electronic watch imports. Effect of increase from present 75¢ per unit is being studied by International Trade Commission (Vol. 17:13 p11)...Texas Instruments unveils new plastic-case LED digitals aimed at youth market at \$10, matching low-priced Commodore unit announced at Winter CES. Fairchild says it will have models at \$15.

Consumer electronics' No. 1 engineering meeting, IEEE Chicago Spring Conference June 8-10, has doubled number of technical papers to 40, will hold concurrent sessions. Among highlights: TV—Circular polarization (RCA), multipath equalization (PBS), ghost-reduction system (Matsushita), velocity modulation (Sony), improved in-line shadow mask (RCA). Video games—FCC rules (Sanders Assoc.), past, present & future (Sanders), consumer electronics, no longer passive (Systems Resources Corp.), 2nd-generation ball-&paddle (GI), magnetic-tape programmable system (Micro Communications). Other sessions will be held on CB, audio, new directions for consumer electronics. Zenith Chmn.-Pres. John Nevin will be June 6 luncheon speaker.

Philips is buying semiconductor lasers from Valtec Corp., presumably for testing for possible use in videodisc player. Dutch parent company, which has in-house project, is buying parts & materials from Valtec (see p. 6). Latter company claims to be producing semiconductor lasers at 4,000-a-month rate, sells them for \$50 each in large quantities, says price could come down to about \$15 if production is vastly increased. Use of solid-state laser could result in substantial cost reductions over gas lasers for videodisc player, eliminating one power supply, perhaps simplifying lens assembly, reducing bulk.

Behind-scenes effort to convince other movie majors to join it and Walt Disney Studios in Betamax copyright suit against Sony is being pushed by Universal & parent MCA. In 2 other developments in case: (1) Lawyers for both sides are collecting depositions. (2) Video P, Cleveland hotel-movie lessor, filed motion to intervene as defendant in L.A. federal court on behalf of 25,000 Betamax owners. Company said if Sony loses suit it will file \$62.5-million class-action suit against it on grounds Sony will have breached warranty agreement by telling customers they could make copies of TV shows for personal use. Meanwhile, May Consumer Reports praises Betamax with faint damn by saying it "delivered on its promises," but advising readers to "think twice before buying one," mainly because of possible service problems. "If you really feel you must have such a marvel in your home," CR urges readers to wait, incorrectly stating that new "2-hour cassettes...will be incompatible with the present Betamax system" (same cassette actually is used in both one- and 2-hour machines). It also warns that "you could get in hot water" if MCA & Universal win suit.

Annual prize of \$42,000 will be awarded starting this year for successful research on improved TV "picture quality (performance), particularly in the area of the slimline design of telescreens," by newly-formed Eduard Rhein Foundation of Hamburg. Program is endowed by Rhein, a W. German physicist & writer, with \$844,000. Winners will be picked by advisory committee headed by Walter Bruch, inventor of PAL color system. Other members: James Hillier, RCA; Joseph Polonsky, Thomson-CSF; F. Willem de Vrijer, Dutch Philips; Karl Tetzner, editor of Funkschau. Entry deadline is Sept. 15.

CB Grief: Cybernet joins OEMs cutting production (Vol. 17:16 p11), plans to drop output 40% in May from April level to 170,000 units, slice off another 10% in June, due to sharp drop in orders from U.S. Excess production capacity will be used for car stereo, plus CB parts previously bought from subcontractors...E.F. Johnson cuts 40-channel prices 17-23%—bringing leader Messenger 4120 to under \$100—to enable "distributors & dealers to compete more effectively."

Micro- or ultrafiche viewing systems may be used by retailers to meet requirements that copies of written warranties for all products be available for inspection by consumers, FTC said in response to queries from Sears & National Retail Hardware Assn.

RCA, ZENITH REPORT: Zenith reported surprising dip in first-quarter earnings despite sales increase, while RCA set new highs for period and GTE said consumer electronics business continued in red, but with some improvement (for figures, see financial table).

Zenith net fell 22.1% despite 6.9% sales increase, which company said reflected "continued inability, due to competitive pressure from low-priced imports," to raise prices to balance increasing payroll & material costs. Zenith said costs rose by \$9 million from same 1976 period, while its prices were \$6 million lower. As result, pretax profits were reduced by \$15 million, offset by \$11-million pretax increase stemming from higher TV sales and production efficiency improvements. Following announcement of results April 22, trading in Zenith shares was halted on NYSE. Closing price was 20-1/4, down 2-7/8, representing loss on paper of \$54.8 million.

RCA reported record results for year's opening quarter as sales rose 9.3% and net jumped 41.3%. Earnings from consumer electronics profits & services climbed 41%, aided by "improved productivity in TV set manufacturing" which more than offset increased labor costs. RCA Service, Solid State Div., RCA Records, NBC & Hertz all posted record sales & earnings. RCA's picture tube plants operated at peak capacity to meet domestic & export orders, though severe winter weather forced occasional shutdowns. Commercial Electronics was in black.

GTE said worldwide consumer electronics business, which includes Sylvania TV, audio & picture tube operations, lost \$3,926,000 in first quarter, compared with \$5,341,000 loss in 1976, while sales rose 10% from \$156,957,000 to \$172,678,000. Domestic consumer electronics business suffered from continued price competition. In response to question at stockholders' meeting, Chmn. Theodore Brophy said consumer electronics business had been unsatisfactory and was being re-examined. He added that Sylvania "currently lacks a sufficient [color TV] market share" but "I am convinced it can be made profitable." He said reduced imports from Japan would help, but "it is not the only answer."

Curtis Mathes said high ad & promotional costs were mainly responsible for 59% decline in operating net and 25% sales gain in 3rd quarter—company had \$155,000 special credit in year-earlier period. Results for 9 months show sales up 29.7% operating net (excluding year-earlier \$598,500 credit) up 55.8%.

Rockwell, reporting on first quarter, said results of consumer (Admiral & power tools) and electronics operations were about same as year earlier, an indication both continued in red.

Pemcor said it completed arrangements for \$7.5-million long-term financing in form of \$5-million 15-year note, \$2.5 million 7-1/2-year loan.

Thomas International (formerly Warwick Electronics) said it earned \$256,000 in first quarter from discontinued TV business. Earnings came from parts sales to Sanyo Mfg. Co., U.S. subsidiary of Japan's Sanyo, now operating former Warwick TV plant in Forrest City, Ark. In same 1975 quarter, firm lost \$2.66 million from TV.

CANADA'S YEAR: Canadian color TV industry's total market (production plus imports) squeaked past historic million mark last year, but virtually all of gain was provided by imports and domestic producers saw factory sales slide, Statistics Canada data shows.

Total of 1.52 million TVs were added to Canada's new supply last year, up 57.9% from 1975, with color up 41.8% to 1 million, b&w up solid 103.2% to 512,500. Over-all domestic output rose just 9.2%, with color up 9.1%, b&w up 9.7%, while total imports climbed 97.6%, color rising 80.1%, b&w 125.6%. On production level, imports took 68.9% of total market, up from 55.1%, including 58.3% of color (up from 45.9%), 89.6% of b&w (up from 80.7%).

Total Canadian TV factory sales (excluding imports) fell 13.8% to 439,000, as color volume dropped 10.5% to 393,300, b&w slumped 34.7% to 45,700. Bulk of color decline was absorbed by console-combination models, which slipped 13.5% to 205,700, while table-portable units were off 6.9% to 187,600. Here's picture:

CANADIAN PRODUCTION

	1976	1975
Total TV	471,400	431,514
color	418,035	382,848
monochrome	53,365	48,666
Radio-phonos	99,060	79,577

CANADIAN IMPORTS

	1976	1975
Total TV	1,044,647	528,585
color	585,469	325,004
monochrome	459,178	203,581
Auto radio	1,003,067	2,121,530
Home radio	2,636,488	1,867,122
Phono	184,181	60,313
Radio-phonos	784,508	472,054
Tape rec. & plrys.	1,333,438	912,985

1ST QTR. AT-A-GLANCE: Here are EIA's official monthly sales to dealers for 1977's first quarter, with 1976 comparisons:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1977	1976	1977	1976	1977	1976
January	963,845	834,034	605,244	496,314	358,601	337,720
February	1,044,817	878,800	630,796	522,378	414,021	356,422
March (5 weeks)	1,273,546	1,049,940	770,977	592,876	502,569	457,064
TOTAL	3,282,208	2,762,774	2,007,017	1,611,568	1,275,191	1,151,206

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1977	1976	1977	1976	1977	1976
January	1,354,439	1,346,222	846,818	1,049,892	981,110	947,762
February	1,577,099	1,293,401	1,281,087	1,059,770	982,828	979,091
March (5 weeks)	2,769,093	2,387,630	2,185,866	1,834,349	1,220,942	1,113,886
TOTAL	5,700,631	5,027,253	4,313,771	3,944,011	3,184,880	3,040,739

* Includes table, clock & portable.

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

Ad notes: Acoustic Research appoints Lord, Geller, Federico for speakers... **BASF** signs Saul Marantz as spokesman for tape line... **Sanyo** appoints Corporate Communications for PR... **British Industries** & **BASF** appoint Horstman Assoc. for PR.

Sola Basic will be acquired by General Signal for shares valued at about \$100 million under agreement announced last week.

CUSTOMS BONDS: Size of countervailing-duty bonds required from importers of Japanese consumer electronics runs 5-20% of value, depending on product. Bonds are being required as interim measure to protect U.S. revenue in event Treasury fails in attempts to have either ruling or law changed. They are result of Customs Court ruling that Japan's commodity tax rebate to exporters is same as subsidy (Vol. 17:16 p7).

Here's rundown on rates, as applied by Customs last week: TV, TV combinations & picture tubes, 20% if tube has maximum field diameter (diagonal) over 69 cm (27.1"), 15% if smaller; stereo radios, stereo tape recorders & players, phonos, radio-phonos, 15%; other radios, tape recorders & players, 10%; radios with metal cabinets higher than 90 cm (35.4"), 5%. Parts are subject to extra duty levies if tax rebates have been given.

While VTRs aren't covered, some CBs may be. CB-only units aren't subject to Japanese commodity taxes and don't benefit from rebates when exported, but there's investigation into practice as it relates to combinations—CB with radio and/or tape.

Dumping-duty bonds being collected on sets imported from Japan or Japanese-owned companies in Taiwan & South Korea are 20% or 100%. When importer & exporter aren't related, or when first sale price in U.S. is known, dumping bond is for 20% of shipment value. When sale price is unknown, bond must cover 100% of value. For example, 20% bond is required from private-label retailer on sets he imports directly from Japan or purchases from actual importer at price stipulated earlier. Because final prices of sets most Japanese brand name marketers charge their customers frequently are subject to negotiation (quantity discounts, promotional allowances, etc.), Customs considers prices to be unknown at time of importation.

When resale prices are known, importers are required to post bonds totaling 35% of value for both dumping (20%) and countervailing-duty (15%) potential liabilities. When price isn't known, 100% bond is required on assumption it's large enough to cover any penalties that may be due.

Importers don't put up full value of bonds, of course. They pay one-time charge of 0.5% to 1.5% of face value, are ultimately responsible for full amount of any extra duties levied. As time passes and cases drag on—countervailing issue probably won't be resolved before year's end and Customs is now more than 4 years behind in determining fair value of Japanese TV imports—value of outstanding bonds will be in hundreds of millions of dollars, which probably will force surety companies to significantly increase bond costs. Importers, meanwhile, are faced with problem of how much of risk they can pass on in form of increased prices to dealers.

First importer to react to situation was TEAC, which announced it would add surcharge to dealer invoices to cover part of additional 15% as soon as present inventories are depleted. Though its actual expense is only for bonds, TEAC feels it must treat additional tax as "a completed action," said Mktg. Vp Allen Novick.

Trade Personals

Howard Raphael, ex-Intel, appointed National Semiconductor microprocessor product mktg. dir... **Robert Gur-Arie**, veteran trade assn. official, appointed IHF exec. dir... **G. (Ike) Royster**, ex-Sylvania, joins Toshiba as southeastern mgr... **Allen Novick**, TEAC (U.S.) mktg. vp, elected a dir... **John Vurich**, ex-National Semiconductor video games mktg. mgr., shifts to Atari as new product mgr.

Henry Kloss resigns from Advent board at company's request, severing all connection with projection TV & audio firm he founded 10 years ago, though he retains about 30% stock interest; Kloss left Advent, set up new r&d company last Oct.; **Peter Seamans**, an original Advent investor, also leaves board at company request.

Gerard Seelig, ITT Commercial Products vp-group exec., adds interim post as gen. mgr. of Automotive Products Group/N. America following resignation of Vp Guy Fiske... **Paul Hachigian**, ex-Compucorp, named pres. of Frontier, financially troubled watch module producer, succeeding **Shigetoshi Takahashi**, who continues as chmn... **Andre Sousan**, Commodore Business Machines engineering vp, and **James Harper**, gen. mgr. for digital watches, resign... **Mike Govorko**, onetime MGA, joins VOR Industries (record-care products) as national sales mgr., new post.

Richard Porter advanced at Sylvania Components from ad mgr. to sales promotion mgr., succeeding **James Tobin**, now special products mgr. for Replacement Mkts. Operation... **John Borzoni** advanced at Littelfuse from electronic products sales mgr. to engineering vp; **Milan Bagel** promoted from eastern sales mgr. to electronic OEM products sales mgr... **Philip Murray**, Cornell-Dubilier New Bedford, Mass. plant gen. mgr., named vp... **Eugene Karrer** shifts at Ford from Climate Control Div. vp-gen. mgr. to same post with Electrical & Electronics Div., succeeding **James Bakken**, now head of Tractor Operations.

Zenith's Canadian ad claiming repairmen there find Zenith color sets easiest to service and need fewest repairs was found misleading by Toronto criminal court judge, who levied \$1,000 fine against agency Foote, Cone & Belding. Complaint was brought by Consumer & Corporate Affairs Dept., which contended questionnaire used to obtain opinions of servicers was biased in Zenith's favor. Challenged ads ran in 1972-74, are similar to ones Zenith runs here. In U.S. BBB's National Ad Council ruled British Industries had successfully substantiated ad claims that its 2 top-selling record changers had larger share of market than best sellers of competitors and that cartridge & base were included in retail price, also accepted lab tests as proof Ball Corp.'s Sound Guard coating reduces groove wear & destruction on phono records. It closed file on challenge of Pioneer claim its SX-1250 receiver was world's best when Pioneer said it dropped ad because of model changes.

BSR, charged with patent violation by Seeburg (Vol. 17:6 p9), filed counter action to have patent declared invalid. Patent, covering phono disc track-selection system, expires in Sept.

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
American TV & Communications			
1977-9 mo. to March 31	38,689,779	4,350,828	1.19
1976-9 mo. to March 31	30,409,623	2,802,495	.74
1977-qtr. to March 31	13,791,701	1,636,139	.45
1976-qtr. to March 31	10,670,327	1,067,976	.29
Andrea Radio			
1977-qtr. to March 31	463,020	33,110	.07
1976-qtr. to March 31	348,356	8,192	.02
Avnet			
1977-9 mo. to April 1	533,104,000	29,758,000 ^a	2.10
1976-9 mo. to April 2	457,418,000	25,404,000	1.84
1977-qtr. to April 1	184,402,000	11,835,000 ^a	.84
1976-qtr. to April 2	164,484,000	9,446,000	.68
Bell & Howell			
1977-qtr. to March 31 ^b	110,392,000	2,898,000	.50
1976-qtr. to March 31 ^b	95,931,000	2,314,000	.40
Buckbee-Mears			
1977-qtr. to March 31	15,000,000	149,000	.05
1976-qtr. to March 31	13,273,000	326,000	.11
CBS			
1977-qtr. to March 31	634,900,000	33,000,000	1.16
1976-qtr. to March 31	516,300,000	27,800,000	.97
Cohu			
1977-qtr. to March 31	4,295,563	117,234	.07
1976-qtr. to March 31	3,517,825	42,746	.02 ^c
Comsat			
1977-qtr. to March 31	41,953,000	8,880,000	.89
1976-qtr. to March 31	37,276,000	11,041,000	1.10
Conrac			
1977-qtr. to March 31	34,028,000	1,623,000 ^a	1.07
1976-qtr. to March 31	27,626,000	1,145,000	.77 ^c
CTS			
1977-qtr. to March 31	37,863,680	3,042,026	.65
1976-qtr. to March 31	37,790,962	3,309,727	.71
GTE			
1977-qtr. to March 31	1,764,110,000	133,840,000	.95
1976-qtr. to March 31	1,564,126,000	87,037,000	.64
Globe-Union			
1977-6 mo. to March 31	190,629,000	10,796,000	3.39
1976-6 mo. to March 31	141,893,000	5,461,000	1.69 ^c
1977-qtr. to March 31	89,639,000	4,666,000	1.46 ^c
1976-qtr. to March 31	64,389,000	2,088,000	.63 ^c
Harman International			
1977-6 mo. to Feb. 28 ^b	77,200,000	5,122,000	2.04
1976-6 mo. to Feb. 29 ^b	62,502,000	4,501,000	1.86 ^c
1977-qtr. to Feb. 28 ^b	38,462,000	2,451,000	.96 ^c
1976-qtr. to Feb. 29 ^b	31,388,000	2,485,000	1.03 ^c
E.F. Johnson			
1977-qtr. to March 31	19,308,000	282,000	.11
1976-qtr. to March 31	29,799,000	3,024,000	1.19
Lee Enterprises			
1977-6 mo. to March 31	38,681,000	4,977,000	.99
1976-6 mo. to March 31	33,474,000	3,779,000	.75
1977-qtr. to March 31	18,410,000	2,017,000	.40
1976-qtr. to March 31	15,893,000	1,487,000	.30
LIN Bcstg.			
1977-qtr. to March 31	8,624,000	1,089,000	.40
1976-qtr. to March 31	7,500,000	801,000	.32
Curtis Mathes			
1977-9 mo. to Feb. 28	38,363,309	1,634,429 ^a	.98
1976-9 mo. to Feb. 29	29,582,488	1,642,437 ^a	.53
1977-qtr. to Feb. 28	12,770,502	160,999	.09
1976-qtr. to Feb. 29	10,215,250	547,347 ^a	.18
Metromedia			
1977-13 wk. to April 3	73,534,513	5,873,908 ^a	.87
1976-13 wk. to April 4	59,389,984	5,127,832 ^a	.78

Company & Period	Revenues	Net Earnings	Per Share
3M			
1977-qtr. to March 31	935,200,000	86,700,000	.75
1976-qtr. to March 31	827,900,000	68,900,000	.60
Motorola			
1977-qtr. to March 31	409,861,000	22,810,000	.80
1976-qtr. to March 31	346,996,000	16,898,000	.60
RCA			
1977-qtr. to March 31	1,372,900,000	48,500,000	.63
1976-qtr. to March 31	1,256,500,000	34,300,000	.44
Rockwell International			
1977-6 mo. to March 31 ^b	2,793,500,000	65,500,000	1.90
1976-6 mo. to March 31 ^b	2,494,300,000	54,900,000	1.60
1977-qtr. to March 31 ^b	1,445,200,000	36,200,000	1.05
1976-qtr. to March 31 ^b	1,305,900,000	32,100,000	.95
Rollins			
1977-9 mo. to March 31	182,177,505	16,109,295	1.20
1976-9 mo. to March 31	161,603,421	14,530,645	1.08
1977-qtr. to March 31	61,865,037	6,673,567	.50
1976-qtr. to March 31	55,831,142	6,181,230	.46
Scientific-Atlanta			
1977-9 mo. to March 31	36,317,000	1,885,000	1.13
1976-9 mo. to March 31	32,562,000	1,360,000	.98
1977-qtr. to March 31	12,469,000	674,000	.40
1976-qtr. to March 31	12,187,000	551,000	.39
Storer Bcstg.			
1977-qtr. to March 31 ^b	29,116,000	2,002,000	.41
1976-qtr. to March 31 ^b	25,421,000	2,261,000	.40 ^c
Tandy			
1977-9 mo. to March 31	732,558,000	56,206,000	3.32
1976-9 mo. to March 31	557,014,000	49,309,000	2.72
1977-qtr. to March 31	232,185,000	12,832,000	.83
1976-qtr. to March 31	183,424,000	14,816,000	.82
Texas Instruments			
1977-qtr. to March 31	461,921,000	27,344,000	1.20
1976-qtr. to March 31	369,367,000	21,287,000	.93
J. Walter Thompson			
1977-qtr. to March 31	37,740,000	178,000	.06
1976-qtr. to March 31	30,757,000	(702,000)	--
TRW			
1977-qtr. to March 31	776,900,000	31,700,000	.96
1976-qtr. to March 31	722,500,000	26,500,000	.77
Walt Disney Productions			
1977-6 mo. to March 31	259,525,000	29,614,000	.93
1976-6 mo. to March 31	255,238,000	29,198,000	.91 ^c
1977-qtr. to March 31	139,996,000	17,786,000	.56
1976-qtr. to March 31	139,502,000	18,029,000	.56 ^c
Warner Communications			
1977-qtr. to March 31	253,241,000	18,032,000	1.36
1976-qtr. to March 31	181,975,000	15,537,000	.98
Wometco Enterprises			
1977-qtr. to March 26	45,806,000	2,453,000	.29 ^c
1976-qtr. to March 27	42,854,000	2,643,000	.31 ^c
Zenith Radio			
1977-qtr. to March 31	238,600,000	6,000,000	.32
1976-qtr. to March 31	223,100,000	7,700,000	.41

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

Videoshow May 4-5 in L.A., sponsored by C.S. Tepfer Publishing Co., will feature sessions on new video formats, programmable video games & video-discs, program production, how to buy video equipment, along with equipment & program exhibits.

Zenith will start production of plastic TV cabinets in its Springfield, Mo. plant later this year. Injection-molding & finishing are expected to require about 180 workers on 3-shift operation.

France set 120,000-unit quota for this year's imports of Korean-made radios, including stereo equipment, double that of 1976.