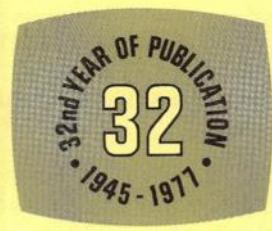


WEEKLY

# Television Digest®

with  
**consumer  
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The authoritative service for broadcasting, consumer electronics & allied fields

MAY 2, 1977

VOL. 17, NO. 18

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**VIOLENCE—HERE & ABROAD:** White & Shapiro hit NAB Code failure to toughen guidelines. Schneider disputes Gerbner index. British minister wants news violence cut. Networks cite script deletions. (P. 1)

**EQUAL TIME CHANGES** to be mulled by FCC this week. Wiley supports total repeal, but won't get majority. White proposes 4-part compromise. Court hears fairness appeal. (P. 3)

**NETWORKS & NIXON**—NBC recoiled because of asking price, ABC & CBS rejected 'checkbook journalism' and David Frost stands to make up to \$1.5-million profit, CBS finds in '60 Minutes' broadcast. (P. 4)

**ABC NET JUMPS 94%** with TV network major contributor. TV stations show modest gains, radio has 'impressive' growth. (P. 4)

**REWRITE SCHEDULE** approved by House Communications Subcommittee through Oct. 31. Final option paper—on telecommunications regulation structural & procedural aspects—completed. (P. 5)

**KID TV AD FUNDS** sought by 'deeply concerned' FTC Chmn. Pertschuk. Center for Science in the Public Interest seeks controls on children's TV ads for sugared foods. (P. 5)

**VIOLENCE—HERE & ABROAD (Cont.):** Escalation of debate over televised sex & violence continues, and no let-up is anywhere in sight. Last week, a regulator and a broadcaster attacked NAB TV Code Board for not strengthening Code programming guidelines (Vol. 17:17 p4), to wit:

**Item:** Code's decision "not to strengthen guidelines, as promised, is bound to be seen as an abdication of responsibility," according to FCC Comr. Margita White. "The public, frustrated at the lack of visible results, is turning to government...to plead for action to reduce gratuitous sex & violence on TV." Citing recent Roper survey for TIO (Vol. 17:14 p1), she said "industry and public should be alarmed by the fact that 39% believe that seeing 'too much fighting and other kinds of violent action' [on TV] is a main cause of 'some children being more aggressive and abusive than they should be.'"

**White said govt. regulation isn't answer,** that "self-regulation must be," that it is impossible to "quantify violence" as NCCB & NIMH attempt to do. "These so-called violence counts may be useful indices of trends, but there can be no objective standards measuring violence," she said. "Common sense tells us that violence cannot be separated from the context in which it takes place and from the overall quality and message of the particular program."

**Item:** Mike Shapiro, WFAA-TV Dallas pres. and member of NAB TV Board, told AWRT he was "shocked & dismayed" by Code Board decision not to toughen program guidelines despite Jan. resolution by TV Board telling Code Board to do so (Vol. 17:5 p1). He said he hoped TV

### Consumer Electronics

**DUTY BONDS CONFUSE** & anger audio & TV importers. Panasonic will hold line now but raise prices 5% later to cover yen revaluation. Pioneer joining TEAC in duty-related price hike. Others studying, but many feel decision will be overturned. (P. 7)

**QUOTA NEGOTIATIONS** resume in Tokyo this week. Zenith drops Sony from lawsuit after 'settlement.' Nevin says TV prices could be raised 8-10% if Japanese end 'predatory' practices. (P. 8)

**PANASONIC ADDS VIR,** 100° Sylvania color tubes, 19" & 25" sets made in its Canadian plant. Most new sets unpriced, but line will be held until summer on carryovers. Varactor remote in 4 sizes. (P. 9)

**2-HOUR VIDEOGRAPHIC** requiring no coating shown to Japanese manufacturers by RCA, claiming it's as easy to manufacture as phono record. (P. 9)

**CB GRIEF** continues, as more producers cut prices & production, license applications indicate leveling-off in market demand. (P. 11)

**PANASONIC 1978 LINE:** Additions are made to regular color; FM-AM portables cut \$2. (P. 11)

**JVC PLANS VHS** production boost. (P. 12)

Board will strengthen guidelines at June meeting, that "the responsibility is ours and can't be delegated to anyone...We're out of options." (Note: NAB TV Chmn. Robert Gordon has directed Senior Vp Thomas Swafford [who is top Code official] to draft such guidelines for June consideration.)

Item: CBS Broadcast Group Pres. John Schneider pointed out that latest Gerbner violence index contradicts itself. Study states that "CBS...lifted its 2-season lid on family viewing time violence in 1976." In fact, Schneider says, same study concludes that violence on CBS from 7-9 p.m. "actually declined in 1976." He said discrepancy is because index is composed of several factors in addition to actual violent incidents.

Item: To control sex & violence on TV, NAB should name "commissioner" to rate TV shows much as movies are rated, according to FC&B Pres. John O'Toole. "The most appealing characteristic of this solution is that it places the responsibility where it belongs and where it can be used effectively with parents," he said.

Item: Bristol Myers Chmn. Richard Gelb told stockholders' meeting that company is "vigorously enforcing" policy "not to sponsor programs which exploit sex & violence...During the past year, we have withdrawn our sponsorship from more than 20 program episodes where exploitation of violence or sex was a factor."

Item: British Educational Minister Shirley Williams has urged England's TV stations to reduce violence in early evening, citing newscasts as particular target. Irony in England is that Kojak recently was shifted to 8 p.m. by BBC and, according to Variety, became "a runaway ratings smash against the softer family fare" on IBA.

Item: Hollywood creators have formed 3 committees to meet separately with networks to "discuss issues of concern" of creative community regarding alleged network censorship. Same group has formed another committee to meet with PTA (May 10 in Cal.) and other pressure organizations; it'll work through NAB.

\* \* \* \*

Meanwhile, NBC & ABC sent in-house memos to House Communications Subcommittee showing how networks attempt to police creative community on sex & violence (ABC wasn't asked for such documentation). Memos are designed to refute claims of writers, producers & actors that violence is placed in programs because networks demand "action" (Vol. 16:34 p3). Excerpts:

NBC—"Although no one is now killed in the conclusion of the show, some of the action has been sensationalized to an unacceptable level. For example, when Serpico uses the chaise longue to bash the heavy's head into the cement wall and then the fight between Serpico and the 2nd heavy is excessive in length and the number of blows exchanged... This episode combines sex and violence in a lascivious way, repeating words in contexts which were objectionable at the script level. Provocative and adult themes are possible but only with careful use of language, taste and decorum."

"Three men attacking and then raping Carol is clearly beyond what is acceptable. The scene is salacious, too violent and too long... The scene shows us everything—the fights, tearing the dress, a man fumbling with his belt, right to Carol's face as we must assume the sex begins... In an earlier script we allowed a medical question about bleeding after the attack. That never meant nor was it to be construed that we would allow Serpico to see a rivulet of blood running down the inside of her thigh. Unacceptable."

CBS—"Filming of the action which shows 'Roger executing Jeff with a judo-chop' should avoid being instructional or unduly vicious... Please avoid having Karen torture Doris while the latter is in the pool." ("Barnaby Jones.")

"The reference to the ice pick having been driven 'into the base of the victim's skull' will be changed to something like 'and drive it into him'... The scene of Corwin kneeling by the body of a man must be an aftermath only where the actual murder has occurred earlier off camera. The ice pick should not be seen protruding from his body." "Since it is against CBS' policy to

establish series stars as cigaret smokers, please delete Pete's action of lighting up a cigaret. We would suggest instead that he light a small cigar or cigarillo." ("Switch.")

"Please delete 'scumbag' from Gilmore's speech... Please be sure no nude or graphic pictures are in evidence... If lyrics are heard, please be sure they are acceptable for broadcast." ("The Blue Knight.") "Thank you for the subtle handling of Leila's murder." ("Hawaii Five-O.") "Please eliminate the action of Caesar trying to drive his knee into Braddock's groin... Please reduce the following usages to the minimum necessary: Braddock (first speech): '...hell'; Kojak (2nd speech): '...hell'; McNeil (first speech): '...hell'..." ("Kojak.")

**FCC MULLS EQUAL TIME REPEAL:** Legislative recommendation to repeal Sec. 315 of Communications Act is set for FCC consideration in open meeting May 4. FCC Chmn. Wiley & Gen. Counsel Werner Hartenberger will recommend total repeal, retention of fairness doctrine in FCC rules, but aren't expected to attract enough votes to win. More likely to be adopted is compromise resembling recommendation fashioned by Comr. White.

White's proposal has 4 parts, was presented last week to Minn. Bcstrs. Assn.: (1) Complete repeal of Sec. 315 for presidential & vice-presidential candidates. (2) Expand bona fide news event exemption to include all broadcasts over which broadcaster retains editorial control. (3) Expand "reasonable access" provision to all candidates, instead of solely federal candidates—not likely to be approved. (4) Repeal "lowest unit charge" provision. Bcst. Bureau also favors exemption for presidential & vice-presidential races, perhaps others—and most commissioners are expected to take similar approach.

In Senate Appropriations Subcommittee hearing on FCC budget last week, Sen. Weicker (R-Conn.) attacked FCC administration of equal time law, calling it "very disturbing...totally unsatisfactory [and] very dangerous." He charged that FCC's expansion of equal time exemptions in 1975 (Vol. 15:39 p1) has created political "monopoly" of 2 major parties. "For all intents and purposes, the American people only heard 2 political candidates for the presidency this year... You could have had the best views in the whole world but you wouldn't have made it on TV last year."

Wiley responded that Sec. 315 as presently written & administered forces "rigidity," prevents stations from exercising "journalistic discretion." If law is repealed, he said, "there will be inequities, there will be imbalances, but these are the kinds of judgments that professional journalists are supposed to make." He said that for future presidential debates, for example, it would be better to have 4 or 5 major candidates than to be forced to choose between featuring all candidates or none. He pointed out that over 170 candidates ran for President last year.

Fairness also was focus of attention last week as U.S. Appeals Court (D.C.) heard arguments on appeal of FCC's 1974 fairness doctrine statement (Vol. 14:26 p3) and 1976 denial of reconsideration (Vol. 16:9 p7). Three-judge panel (McGowan, Wright & Tamm) heard: (1) Ex-FCC Gen. Counsel Henry Geller, representing himself, argue that FCC should deal with fairness only at renewal time, instead of on case-by-case basis throughout license period. (2) Media Access Project lawyers Harvey Shulman & Collot Guerard, representing Committee on Economic Priorities & United Farm Workers, opposed Geller argument.

(3) Committee for Open Media, represented by Charles Firestone, Citizens Communications Center, said stations should have option of observing fairness obligations in traditional manner or by offering "free speech messages." Firestone said such messages don't intrude on broadcasters' First Amendment rights, would simplify FCC's & broadcasters' administrative headaches. (4) Tracy Weston, representing NCCB, made pitch for reversing FCC's determination that product commercials don't raise fairness questions.

FCC attorney Grey Pash defended Commission decision, was joined by attorney Joel Rosenbloom, representing CBS & ABC. Rosenbloom argued that consumer would get distorted view if stations were required to offer responses to product ads; because product ads generally don't raise controversial matters, he said, responses would be sole spots to express point of view. However, Rosenbloom raised eyebrows with contention that fairness doctrine doesn't have "chilling effect" on broadcasters. In past, CBS has vociferously opposed doctrine, repeatedly asked for its repeal.

**NETWORKS & NIXON:** NBC didn't think Nixon was worth the money, ABC & CBS rejected "checkbook journalism" and David Frost figures to make \$1.5-million profit in U.S. alone if all time is sold in his 138-station barter deal for four 90-min. Nixon interviews starting May 4. These are points made in segment of CBS's "60 Minutes" taped for airing May 1. (As of April 29, distributor Syndicast Services told us all but one of the 6 min. of national commercial time had been sold in each of the 4 Nixon broadcasts, presumably at \$125,000 a minute.)

NBC News Pres. Richard Wald, interviewed by Mike Wallace, indicated NBC offered something less than \$400,000 for two 90-min. interviews, didn't think it was worth increasing offer. CBS News Pres. Richard Salant conceded he met with Frost, turned show down because it was "checkbook journalism," while ABC refused to enter discussions at all. When Wallace referred to 1975 flap over CBS's payment to H.R. Haldeman for interview (Vol. 15:10 p4), Salant said "my burned fingers had a lot to do with" refusal to bid for Nixon.

But David Frost said Salant told him that CBS turned show down because it wouldn't make exception to policy that it must produce all its own news programs. As to commercials, Frost said: "We are seeking advertisers with courage." But David McCall, McCaffrey & McCall, called show "bad media buy," denied that personality had anything to do with decision to advise clients to stay out. "Our people would buy Attila the Hun if he were to come back to earth, if they thought it was going to be a very interesting program... We don't think [Nixon] is as interesting." Frost declined to state how much Nixon would make on program, or whether ex-President had "piece of the action."

Nixon interviews will be delivered to 120 stations via satellite by Robert Wold Co. Programs will originate from KTTV L.A.

**Warner Cable Chmn.** Gustave Hauser doesn't favor granting cable operator power to arbitrarily decide who gets access to system's leased channels (Vol. 17:17 p5). "We don't want any absolute right of control to freeze out anybody for any reason with no justification," he told NCTA convention. "We need some rules somewhere as to how this traffic is to be regulated and who has the responsibility. Probably, it should be the cable operator because he is the person responsible to his subscribers."

**Impromptu debate** on cable between NAB's Donald Zeffang & Belva Brissett and NCTA's Thomas Wheeler & Robert Johnston was conducted last week in office of Rep. Russo (D-Ill.), member of House Communications Subcommittee. Meeting was arranged by Russo staff, reportedly ended in "a near draw."

"**Press forward** for an inflexible UHF position" at 1979 WARC to retain present UHF allocation, FCC has instructed staff on 4-3 vote. Favoring more flexible position were Chmn. Wiley and Comrs. White & Fogarty. Commission also has released "4th Notice of Inquiry," seeking comments on small earth stations, among other subjects.

**ABC NET JUMPS 94%:** "Continued audience ratings and advertising sales growth" of TV network were cited by ABC last week in reporting record net income (up 94%), revenues (up 20%) and earnings per share (up 88%) for first 3 months of year (see financial table).

Net income jumped to \$18.9 million, compared with \$9.7 million in Jan.-March 1976, on revenues of \$338 million (up from \$313.7 million). Per-share earnings of \$1.05 were up from 56¢. "We are confident our network's momentum will carry well into 1978" ABC said. Network and Radio Div. showed "impressive revenue and profit growth" while owned TV stations revenues & profits "rose modestly."

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**FTC may have lost a remedy** for preventing false or misleading advertising in court action which agency said could "seriously handicap" its enforcement efforts. Decision arose from Beneficial Corp. 1969 broadcast & print campaign touting income tax preparation service with promise of "instant tax refund." FTC ruled that "refund" actually was a loan, ordered firm to strike phrase from ads. Beneficial appealed, and 3rd Circuit Court of Appeals ruled that FTC had "exceeded its remedial authority." FTC appealed to Supreme Court, which last week declined to review lower court decision. Under ruling, FTC apparently still is free to order company to change wording of ads to eliminate deception. However, it no longer will be able to order particular phrase "excised." Jerold Cummins, FTC acting gen. counsel for litigation, said Commission had relied on excisions in "quite a few cases" in past.

"**It's like a birthday party** for a step child," FCC Comr. Hooks said of Commission's 2-day minority-ownership conference last week. He noted minorities historically have had feeling of being outsiders in any field, that such conferences (NAB sponsored similar one last fall) are helping to change that. He said it accomplished much and enabled industry to hear "the gripes, grievances and perceptions" of blacks. With assistance of FCC Chmn. Wiley, he said he'll push legislation amending SBA prohibition against loaning money to licensees. At conference, Hooks proposed that Commission require 45-day public notice before stations can be sold to give minorities a chance to bid. Wiley told Senate Appropriations Subcommittee that he was "buoyed by the conference... It showed me there was a tremendous hunger out there for minority ownership."

**Requirement that affiliates** be able to pre-screen network programs 30 days in advance of airing is subject of legislation being considered by Communications Subcommittee's Rep. Markey (D-Mass.). Draft apparently follows recent FCC refusal to consider similar request by Group W (Vol. 17:16 p3). Markey is "quite serious" about bill, according to aide.

**Veteran broadcaster** Kenneth Giddens has been dismissed as VOA dir. by President Carter because "the new Administration wanted to put in its own man," according to Giddens. He owns WKRG-TV-AM Mobile, headed VOA since 1969, was critical of what he said was govt. interference in VOA news broadcasts.

**REWRITE SCHEDULE APPROVED:** House Communications Subcommittee members, stating they're pleased with staff options papers they received 10 days ago (Vol. 17:17 p8), have adopted schedule for considering issues involved in Communications Act rewrite stretching through Oct.

Subcommittee will hold panels, informal discussions and seminars during following weeks: FCC oversight & reform week of May 23, FCC reform June 6, Executive Branch reorganization June 13, broadcasting June 20 & 27, privacy July 11, Safety & Special July 18 & 25, rural telecommunications Aug. 1, public broadcasting Sept. 12, cable Sept. 19, domestic common carrier Sept. 26 & Oct. 17, international communications Oct. 24, general discussion Oct. 31.

Final option paper—on structural & procedural aspects of telecommunications regulation—was completed last week. Paper is comprehensive list of mostly well-known ideas on how to alter FCC, OTP, Commerce OT & Congress to enhance govt.'s ability to undertake comprehensive policy planning, streamline administrative processes, increase consumer role in agency deliberations, avoid pandering to regulated interests, and keep pace with technological change.

Options range from conservative approach—leaving FCC, OTP & OT as they are—to radical change—assigning FCC's judicial functions to independent administrative court, policymaking functions to Executive Branch, leaving FCC only with "rubber stamp" authority, subject to White House veto.

In "farewell" appearance before Senate Appropriations Subcommittee on FCC budget, Chmn. Wiley noted agency asked OMB to approve request for additional funds as follows: \$350,000 for network inquiry (no additional staff slots); \$2.2 million (59 staffers) for Common Carrier Bureau; \$2.7 million (146 staffers) for CB radio (see p. 11). Despite repeated requests by Chmn. Hollings (D-S.C.) to recommend "good" fee schedule for Congress to adopt, Wiley refused to do so. He would only say that "congressional guidance is needed," that fee schedule overturned by Appeals Court (Vol. 16:51 p1) would be "one that you could consider."

**NAB's Committee on Pay TV** changes to Free Radio & TV Committee. Members include Andrew Ockershausen (chmn.), WMAL-AM-FM Washington; Daniel Calibraro, WGN Continental; James Ebel, KOLN-TV Lincoln, Neb.; Allan Land, T/R Inc.; William Leonard, CBS Washington; Walter Reubens, KOBE(AM) Las Cruces, N.M.; Thomas Dargan, KATU Portland, Ore.

**Alfred Kahn**, choice of House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) for FCC chmn. (Vol. 17:10 p6), is expected to be named CAB chmn., according to Washington Star. Meanwhile, United Church of Christ, Common Cause & NCCB have endorsed Kahn for FCC post in letters to President. Kahn currently is N.Y. State Public Service Commission chmn.

**FTC SEEKS KID TV AD FUNDS:** New Chmn. Michael Pertschuk, following up on concern expressed during Senate confirmation hearing as FTC chmn. (Vol. 17:14 p4), says he's "deeply concerned" about children's TV ads, is fashioning new program to expand FTC's work in area. He told Senate Appropriations Subcommittee, chaired by Sen. Hollings (D-S.C.), he'll seek more money & staff in immediate future. "We at the Commission are just beginning to recognize the full impact of TV advertising directed at children," he said.

Meanwhile, ban on TV ads directed toward children for between-meal foods with added sugar is requested in petition to FTC filed by Center for Science in the Public Interest. Petition follows similar request by Action for Children's TV (Vol. 17:15 p4), was accompanied by bag of 170 decayed children's teeth. Petition also asks FTC to require that food ads disclose sugar content, feature health warning if product is more than 10% sugar. It is signed by 10,000 dentists, school administrators, dental students, researchers & nutritionists. American Dental Assn. & American Society for Preventive Dentistry said they supported idea though they declined to sign petition.

Recognizing growth of new alternatives to broadcast TV—pay cable, VTR, etc.—ABC Pres. Elton Rule warned industry last week that "if we stagnate, if we begin to bore or to alienate our audiences...there is no question that that those alternative, secondary forms of visual entertainment will be more than willing to step in." Addressing AWRT convention in Minneapolis, Rule also said: (1) Frequent efforts by other media to sell themselves as "cheaper than TV" won't be productive as long as TV remains the most effective ad medium. (2) ABC's move toward other forms of drama & comedy programming demonstrates it can respond in "quick & effective manner" to public concern over TV violence.

"Affirmative action" to remove "artificial restraints unrelated to marketplace needs" on cable development should be taken by FCC immediately, according to NCTA Gen. Counsel Stuart Feldstein. In letter to Chmn. Wiley, Feldstein pointed out D.C. Appeals Court—in pay-cable decision (Vol. 17:13 p1)—gave Commission 180 days to act, said agency "is presently in an excellent position to comply with the Court's order in an expeditious manner." This could be done, he said, by conversion of inquiry in Doc. 20402 into rulemaking. (FCC and several broadcast groups already have notified Supreme Court of their plans to appeal decision.)

**National Endowment for Children's Bcstg.** is goal of Center for Action Research Vp Nicholas Van Dyck. Van Dyck developed proposal for Endowment with funds from Markle Foundation, last week held 2-day Washington conference seeking private & federal funding. Endowment would serve to funnel money into more and better-quality children's TV programming. Van Dyck fashioned proposal because he felt children's TV programming wasn't getting sufficient attention from govt. and commercial & public broadcasters.

## Personals

**NAB Secy.-Treas.** John Kinzer resigned after failing to "resolve certain issues to our mutual satisfaction" with NAB Pres. Vincent Wasilewski; **Highlights Editor** Candace Greene promoted to dir. of media relations, succeeding Robert Resor, resigned; **Vp William Carlisle** assumed anti-pay-TV activities formerly coordinated by Resor.

**Dirs.** William Bresnan, Teleprompter, and Douglas Dittrick, Viacom, added to NCTA Exec. Committee along with officers Daniel Aaron, chmn.; Robert Hughes, vice chmn.; Edward Allen, secy.; John Malone, treas., and immediate past Chmn. **Burt Harris.**

**David Brinkley**, NBC News, receives IRTS "broadcaster of the year" award at May 4 luncheon, Americana Hotel, N.Y. . . **Barbara Walters**, ABC News, addresses Hollywood RTS "newsmaker luncheon" May 10, Hollywood Palladium. . . **Sen. Robert Griffin** (Mich.), Senate Communications Subcommittee ranking Republican, won't seek re-election in 1978, ending 22-year career in Congress.

**Anthony Cervini** appointed NBC affiliate relations operations dir. . . **Joseph Rowan** promoted to ABC-owned TV stations vp-admin. & planning. . . **Renee Isely**, ex-WCBS-TV N.Y., named sales information dir., CBS TV Stations Div. . . **Jack Tarver**, Atlanta Constitution & Journal publisher, elected AP chmn., succeeding **Paul Miller**, who remains an AP dir. until 1978.

**John Smith**, ex-McKenna, Wilkinson & Kittner, named staff counsel, Senate Communications Subcommittee; he'll specialize in broadcast & cable. . . **Frank Washington**, ex-Arnold & Porter, Washington law firm, named consultant to OTP to examine minority concerns in telecommunications.

**Mary Lou Jennerjahn** advanced to commercial clearance dir., CBS-TV Program Practices; **Bernie Hoffman** promoted to CBS Sports production dir., new post. . . **Richard Daggett** advanced to eastern TV spot sales mgr., NBC TV Stations Div.

**Philip Sweenie**, ABC Spot Sales Detroit mgr., named national sales mgr., WXYZ-TV Detroit. . . **William West** appointed news dir., WSPA-TV Spartanburg, S.C. . . **Patti Grace**, NAB Office of Community Affairs dir., joins WJZ-TV Boston as assoc. producer.

**Thomas Sarnoff**, NBC exec. vp in charge of West Coast, resigns June 30 to form Sarnoff International Enterprises. . . **Ronald Laufer** advanced to vp, Arbitron TV Sales, N.Y.; **Philip Melemed**, ex-Control Data, named Arbitron comptroller. . . **Bryce Rathbone**, ex-Arbitron, appointed ABC News Advisory Service research dir. . . **Sheldon Pinchuk**, ex-NBC-TV, joins Warner Bros. TV as vp-development & programs.

**John McLucas**, ex-FAA administrator, elected Comsat General pres. succeeding John Johnson, elected chmn.-chief exec. officer. . . **Isaac Kleinerman**, ex-CBS News, and **Konstantin Kalser**, Marathon

## WEEKLY Television Digest

with

**Consumer Electronics . . .****PUBLISHED BY TELEVISION DIGEST, INC.**

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International Productions pres., form Kleinerman-Kalser Assoc., program production firm: 10 E. 49th St., N.Y. 10017. . . **Stephen Kerchner** appointed northeast sales mgr. for Cerro Communication Products cable equipment

**Dennis Begley**, assoc. in Midlen & Reddy, Washington law firm, becomes a member; firm moves to 2033 M St. NW, Washington 20036. . . **Steven Saferin**, ex-FCC Cable Bureau hearing unit chief, appointed Viacom International attorney.

**James Parks**, Nielsen vp & Dallas-Ft. Worth office mgr., named management information systems dir., retail index mktg. dept.; **H. T. Thurman**, Nielsen client service vp, Atlanta, appointed Dallas office mgr.; **Ronald Jacques** joins Nielsen Station Index sales-service staff.

Appointed to NAB Radio Code Board: **Enzo De Dominicis**, WRCQ New Britain, Conn.; **Ron Gomez**, KPEL Lafayette, La.; **H. Wayne Hudson**, WMPS-AM-FM Memphis, and **Roy Robinson**, KFQD Anchorage, Alaska. **Michael Lareau**, WOOD-AM-FM Grand Rapids, Mich., named chmn.

**World Press Freedom Development Committee** has been formed by ANPA to defend & promote press freedom throughout world. Chmn. is **Jack Howard**, Scripps-Howard Bctg. chmn. Howard will be charged with raising \$1 million to support effort. Other members include **NBC Pres. Herbert Schlosser**, **CBS News Pres. Richard Salant**, **ABC Chmn. Leonard Goldenson**, **Bonneville International Pres. Arch Madsen** & **Leonard Marks**, **Cohn & Marks**.

**Following remand** by D.C. Appeals Court, FCC last week unanimously reversed itself and afforded KIRO-TV Seattle protection from network programs pre-released in Canada and carried on U.S. CATV systems.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 15 (15th week of 1977):

	April 9-15	1976 week	% change	April 2-8	1977 to date	1976 to date	% change
Total TV. . . . .	200,745	163,920	+22.5	203,137	3,686,090	3,113,963	+18.4
color . . . . .	126,948	91,847	+38.2	129,593	2,263,558	1,807,525	+25.2
monochrome . . . . .	73,797	72,073	+2.4	73,544	1,422,532	1,306,438	+8.9
Total radio . . . . .	567,051	389,320	+45.7	576,067	10,028,629	8,954,679	+12.0
home, portable . . . . .	354,890	184,518	+92.3	319,377	6,374,898	5,490,502	+16.0
AM-only . . . . .	82,913	42,702	+94.2	71,490	1,541,263	1,185,899	+30.0
FM & FM-AM . . . . .	271,977	141,816	+91.8	247,887	4,833,635	4,304,603	+12.3
auto . . . . .	212,161	204,802	+3.6	256,690	3,653,731	3,464,177	+5.5

Color TV 5-week moving average: 1977—149,186; 1976—109,257 (up 36.5%).

**INDUSTRY IN DISARRAY OVER DUTY BONDS:** Audio & TV importers reacted at week's end with equal mixture of confusion, indecision & outrage to surprise Customs Court ruling mandating countervailing duty bonds on many consumer electronic products imported from Japan (Vols. 17:16 p7, 17:17 p15). "We'll wait & see," "we'll do what the industry does," and "prices may go up" were common reactions, with U.S. Pioneer & TEAC only companies so far to announce firm duty-related price hikes.

Most definitive reaction came from Panasonic, which told dealers at Grand Bahama convention last weekend that it's not passing along costs of any bonds, either countervailing or anti-dumping. Company said it doesn't believe it was dumping so faces no extra liability, and is working on assumption govt. will overturn countervailing-duty ruling. Because of Panasonic's size, its bond costs are much lower than for competitors. Company said it's far more concerned about increase in value of yen, told dealers to expect 5% price rise in Aug. or Sept., but warned them against overbuying now (also see p. 11).

Talk of price increases drew immediate fire from several executives. Melco Sales (Mitsubishi U.S.) Pres. Yoshio Yamaguchi ripped into audio firms for plans to pass on 15% countervailing duty to dealers and, eventually, consumers. "Americans should not have to pay what amounts to a Japanese sales tax," he said, adding that Melco is confident court decision will be overturned and won't pass duty on to dealers.

Yamaguchi and several other importers claimed price hikes were being announced now in effort to encourage dealers to stock up on merchandise in U.S. before April 12, effective date of court ruling. "This is a replay of the energy crisis and increased oil prices," one said. "They've been looking for an excuse to raise prices, and now they've got it. It's also a good way to get rid of some inventory in a hurry."

Dealers are being misled if they think importers are simply passing 15% on, some complained, since importers themselves are only required to post 0.5%-1.5% of face value of bonds until issue is resolved. Nonetheless, several audio firms said they might follow TEAC decision (Vol. 17:17 p15), add surcharge to dealer invoices to cover all or part of additional 15%—then make rebate if Treasury succeeds in having ruling or law changed. "That doesn't mean 15% on top of the dealer's cost price," said vp of audio firm now studying surcharge plan. "It means 15% on top of our FOB price. If he's paying \$160 cost, but our FOB is \$100, he'd have to pay a \$15 surcharge. That same product might sell for \$200 at retail, which means a 7.5% increase to the consumer if the dealer decides to pass the increase along."

U.S. Pioneer Pres. Bernie Mitchell said firm will hold dealer prices at current level—with exception of \$25 hike on 3 receivers—through June, institute \$25 & \$50 increases on all receivers & tape decks July 1. Decision on turntable pricing will be made later. "This duty is real," Mitchell said. "It can't be ignored. Our decision is 100% related to the duty decision, and not to things like the yen revaluation. We can combat that, but this 15% is too tough to swallow." Increases of \$25 will be applied to lower ends of line, \$50 at higher end, Mitchell said.

Others in audio industry are holding off pricing decision. Akai Sales Mgr. J. B. Menduke said firm can wait until end of May but probably will end up raising prices—"this industry doesn't work on fat enough margins to absorb another 15%." Superscope spokesman said he's confident "industry will get a reprieve," won't make decision until inventories entering U.S. before April 12 are gone. "We're telling our customers straight—we don't know what will happen," and dealers appear to be stocking up in anticipation of increased prices. "We're having a good April, and part of it could be this situation."

Thus far, no major TV importers except Panasonic have announced price changes. Hitachi spokesman indicated selected 3-5% increases may go into effect by CES, "mostly on TV, but even there not across-the-board." If they come, increases will be as much function of yen value as of countervailing duty bonds, he said.

Others are holding off. Sony America Pres. Harvey Schein said company has no plans to change prices now. "We're going on the assumption that the U.S. govt. will prevail," he said. Sony is in better position than most other Japanese companies, since majority of color TV line is made in U.S. and not subject to countervailing levies, and Sony has been cleared of dumping charges.

Toshiba said no immediate pricing changes are contemplated, that "we assume pricing will be the same" on new line to be shown at CES for Aug.-Sept. delivery. Sanyo said it will make same adjustments others in industry make to combat rising yen & duties, but has taken no action yet. New JVC line was shown to dealers & reps last week "with regular pricing, but they were told that there will probably be an increase," spokesman said.

But even Zenith Chmn. John Nevin, who started the whole thing by filing subsidy complaint with Treasury in 1970, isn't sure it'll push prices up. "I'm delighted as hell with the ruling," Nevin told Zenith annual meeting, "but I'm not sure I'd be confident raising prices on the assumption that the Customs Court would be upheld."

**QUOTA TALKS RESUME; ZENITH, SONY 'SETTLE':** U.S.-Japan negotiations on voluntary TV export quotas, which broke up over question of "incomplete" sets (Vol. 17:17 p10), will be resumed this week in Tokyo in hopes of getting quick agreement before 7-nation London summit conference May 7 and international trade talks in Geneva May 8. Meanwhile, in out-of-court "settlement," Zenith dropped Sony from its \$700-million antitrust & anti-dumping suit against Japanese manufacturers.

Japanese Trade & Industry Vice-Minister Minoru Masuda said in Tokyo April 23 that U.S. trade negotiators had termed any exclusion of unassembled sets & chassis from quota agreement "loophole" which could defeat purpose of pact. He also said that if agreement is reached, U.S. will police imports via Canada and from subsidiaries of Japanese firms in Korea & Taiwan to determine whether these show sizeable increases.

Terms of Zenith-Sony settlement weren't disclosed, but no money is believed to be involved. Except for countervailing-duty bonds, Sony is now off hook in major import cases—it's only Japanese TV maker not involved in dumping case. On several occasions, Zenith Chmn.-Pres. John Nevin has excluded Sony from accusations of unfair competitive practices by Japanese TV makers.

U.S. TV manufacturers could raise prices 8-10% with no effect on sales volume if Japanese manufacturers were forced to end "predatory pricing practices," Nevin told Zenith annual meeting in Chicago last week. Referring to company's disappointing first-quarter earnings (Vol. 17:17 p14), he said that if Zenith had been able to maintain first-quarter 1976 prices in 1977, pre-tax profits would have been \$6 million higher and earnings per share 48¢ instead of 32¢.

"Zenith is coming to the end of a very long road in the battle against imports from Japan," Nevin added.

In first effort by importer to mobilize retailers in duty war, Panasonic Consumer Electronics Vp Ray Gates sent letter to all firm's dealers telling them 25% duty urged by ITC would: (1) Reduce availability of low-priced color & b&w sets. (2) Force retail price increases on domestic & foreign products. (3) Reduce consumer demand. (4) Injure dealers' profits & volume. He urged dealers to write President Carter & congressmen protesting ITC recommendation.

**PANASONIC ADDS VIR, 100<sup>0</sup> COLOR TUBES:** Flexing its multinational muscles, Panasonic last week introduced new high-end 19" & 25" line made in its Canadian factory using new Sylvania 100<sup>0</sup> tri-potential slot-mask tubes (Vol. 17:16 p9) and Japanese, Canadian & U.S. parts—and became 2nd manufacturer (to GE) to introduce VIR self-adjusting color set.

Most new models are unpriced, or "not finalized"; company is holding price line on all carryovers but warned of 5% increase on Aug. 1 or Sept. 1 due to rise in yen's value (see p. 11).

Canadian move is surprise—only Quasar-built models in line are 2 carryover consoles. Officials explained plan to go to Canada for sets was predicated on institution of voluntary Japanese export quotas—if ITC-recommended duty increase goes through instead, company will move production either to its Puerto Rico or Quasar plant.

Canadian-made sets have "Color Pilot," automatic color system a la ColorTrak, including light sensor. So far, there's one VIR set, unpriced 19" designed to sell around \$480, including Color Pilot circuit which switches on when station isn't transmitting VIR signal. Also new is 14-channel varactor-tuned remote on 15", 17", 19" & 25" sets, both Canadian & Japanese. Company isn't yet accepting orders for newly introduced portables, is quoting July-Aug. delivery.

Most Panasonic Japan-made portables have new picture tube with bipotential gun voltage raised to 12.5 from 8.5 kV, and 30-kV chassis. All consoles & special LTD 19" sets have one-year in-home warranty. (For highlights of new line, see p. 11.)

Panasonic said its sales for fiscal 1976 through Nov. were up 35% from 1975, Dec.-March up 33%, April sales headed for 40% increase. Technics audiophile line sales rose 142% last year. Consumer Electronics Vp Ray Gates said Trendex showed Panasonic regained No. 1 position in compact stereo in 1976's final quarter.

And you can expect plenty of innovation next year from world's largest consumer electronics manufacturer. Addressing Panasonic Grand Bahama convention at last week's end, Matsushita Electric Pres. Masaharu Matsushita said that in honor of company's 60th anniversary in 1978, he had "strongly requested that...every factory in every area must concentrate on development of new & innovative products."

**RCA SHOWS IMPROVED 2-HOUR V-DISC:** RCA has demonstrated to Japanese manufacturers videodisc containing up to one hour programming per side, using new material which is claimed to make manufacturing process as simple as audio disc. New disc will soon be shown to U.S. manufacturers.

Timing & location of demonstrations is believed to have been designed to emphasize that RCA's videodisc effort is continuing despite its commitment to VHS videocassette system. RCA officials in U.S. declined to comment, except to confirm accuracy of reports from Tokyo.

Development of disc doubling playing time and making possible recording of 2-hour movie on single 2-sided record was first reported by Television Digest last Dec. and confirmed by Pres. Edgar Griffiths in Jan. (Vol. 16:51 p9, 17:4 p8). Perhaps equally significant is development, reported to Japanese manufacturers, that eliminates complex & touchy metal coating process which reportedly had been source of problems in turning out acceptable discs in quantity.

Original process, which we observed more than year ago (Vol. 16:12 p9), as last stage in manufacture involved successive coating of discs with metal layer, styrene dielectric material and lubricating film in \$1.5-million monster "autocoater." New discs eliminate autocoater, use

compound of metal powder & vinyl chloride resin in place of conductive metal layer & plastic coat which formed plate & dielectric for capacitive disc. It's believed new compound acts as insulator (dielectric) at DC & low frequencies, conductor at high frequencies. Most of improvements are in disc, with player substantially unchanged except for some improvements in pickup. Doubled playing time presumably is achieved by increasing density of grooves—neither skip-field nor skip-frame techniques are employed—and engineers for Japanese manufacturers called picture very good.

New disc was demonstrated by RCA SelectaVision Engineering & Mfg. Staff Vp Donald Mc-Coy to at least 12 RCA licensees (not all of them videodisc licensees) in 3-a-day Tokyo showings. Companies whose engineers viewed demonstrations were Matsushita, Toshiba, Hitachi, Mitsubishi, Sony, Sanyo, Sharp, JVC, Pioneer, General, NEC, Clarion.

Meanwhile, General presumably is poised to market its version of German-British TeD mechanical videodisc player this month in time for Japanese summer bonus season. Single-play unit apparently will be aimed at children's educational market, with most of software to be produced by Shogakukan, leading Japanese publisher of school textbooks, for sale mainly through dept. stores, not electronics retailers.

Another Japanese audio manufacturer—Yamaha—has announced it's involved in R&D in videodisc & videocassette fields. Pioneer recently stated it would market Sony Beta-format recorder and continue disc research, while Sony subsidiary Aiwa said it would have Beta VTR (Vol. 17:15 p7).

## Trade Personals

Robert O'Neil, former mktg. vp, named to new post of domestic & worldwide mktg. vp, GTE Consumer Electronics Business; he'll move hq to Batavia, take over many of duties of ex-Sylvania Entertainment Products Mktg. Vp James Haley, who continues as consultant...D. Joseph Donahue named RCA Consumer Electronics operations vp, succeeding James Alic, now NBC exec. vp; Donahue is succeeded as Picture Tube Div. engineering vp by William Hartzell, whose former post as Tube Div. international vp is assumed by Joseph Donahue, ex-director-generale of Videocolor, French joint venture with Thomson group...William Finnegan, ex-dir. of branch sales, appointed Quasar national sales dir., new post.

Samuel Davey, ex-Arthur D. Little, elected pres.-chief operating officer of Gladding Corp., now operating under Chapter XI (Vol. 17:16 p10), succeeding James Connaughton, retired because of ill health...Ron Mickwee & Sandy Enos resign as Hy-Gain mktg. vp & sales dir., respectively...Patrick Flynn, ex-Admiral, named Dynascan Cobra east-central sales mgr., succeeding David Glass, resigned...Dean Lawrence, ex-Tandy International Div., named Radio Shack Midwestern Div. mgr.

James Ritter promoted from Sylvania Components Group OEM mktg. vp to midwest mktg. vp for all Sylvania products, succeeding Charles Burton, retired...Jack Clarkson advanced at GTE from Sylvania Parts Div. Precision Materials Products Business vp-gen. mgr. to Automatic Electric mfg. vp...Stan Seltzer resigns as Morse national accounts group vp to form firm to produce & market mid-priced furniture style stereo consoles...Leo Delaney, ex-audio retailer, named technical product mgr., Mitsubishi audio systems (Melco sales)...Charles Winkler appointed Electro-Voice music products mktg. mgr.

D.J. Koehler, ex-Bowmar & Magnavox, joins Johnson American as special accounts sales mgr.

FCC's Personal Radio Planning Group lists 7 possible alternatives for location of new personal radio service, including CB, among 17 frequency bands (25-1215 MHz) studied in spectrum analysis (Vol. 17:10 p9). Based on interference-potential and relocation-cost analyses, group said following were most suitable: 26.95-26.96, 29.80-29.89 & 29.91-30.00 (now international fixed public), 27.54-28.00 (govt.), 222-224 (govt./amateur), 894-902 & 928-947 (reserved/land mobile). Some may be ruled out after further studies, including equipment costs and quality of communications, and report said "after all factors are considered, the Commission may decide that a new personal radio service would not be in the public's best interest."

Zenith says complaints regarding 3 representations made in Canadian TV advertising—that TV repairmen said sets needed fewer repairs, were easiest to repair and were preferred to their own sets—were thrown out by Toronto criminal judge, not found misleading as our story last week indicated (Vol. 17:17 p15). Contention that survey used was biased in Zenith's favor was also rejected, Zenith said. Only complaint upheld by court involved offer to provide details on request, since some information obtained in survey (none of it detrimental to Zenith) was not included in brochure supplied with requests, company said.

License fees on sales of tape hardware & software, proceeds to go to copyright owners, have been proposed by RIAA, which suggested that ITA collect them. Proposal is based on system used in Germany to protect audio copyrights, is designed as compromise which presumably could settle Universal-Disney video suit against Sony. ITA officials are said to be less than enthusiastic about proposal, but will discuss it at Oct. board meeting. Meanwhile, pre-trial hearing in Universal suit has been scheduled May 23.

**CB WOES (CONT.):** End of grief in CB market is apparently nowhere in sight, with last week witnessing another round of price cuts and production cutbacks, and latest license application figures indicating over-all market may be leveling off.

At manufacturer level, Hy-Gain & SBE have followed E. F. Johnson (Vol. 17:17 p13) & Motorola (17:14 p15) in 40-channel price reductions. Hy-Gain dropped prices by unspecified amount on most models. SBE reduced price of Touch-Com CB by \$60 to \$199. At retail, prices are now edging below \$70 mark—Zayre promoting Kraco 40-channel "deluxe" model at \$69.99, Lechmere discounting Boman 910 40-channel at \$68.88.

Meanwhile, Hitachi apparently dropped plans to market own-brand CB in U.S. this year, will stick to OEM production only for time being. Kokusai Electric, Hitachi subsidiary, cut production by 50%, will produce only 7,000 units in May. Marantz Japan, with monthly capacity of 10,000 units, will produce only 3,000 40-channel models through end of May.

Despite problems, most producers attribute situation to excess of 23s still in pipeline, insisting that total market remains healthy. March license applications, however, may indicate market is no longer growing at pace of last 2 years. Total was 561,000, nearly identical to same month last year, and initial indications are that April total will be about 500,000, compared with 488,000 in April 1976.

FCC spokesman stressed that March & April figures still remain among highest on record, that leveling-off trend may indicate emergence of stable, seasonal pattern. If application volume does follow last year's pattern, however, monthly totals will slump to 300,000-400,000 level through 2nd half of year, making conservative projections of 7 or 8 million units difficult goal to attain.

Note: FCC has asked OMB to approve request for additional \$2.7 million—including funds for 146 new staff positions—to manage CB radio service, FCC Chmn. Wiley told Senate Appropriations Subcommittee budget hearing last week. Increased funds & staff would go for enforcement, combating TV interference, processing license applications and upgrading public information efforts. Wiley told us request represented staff determination of all that FCC needs "to get the job done" in CB area, added that he didn't expect to get all that agency requested.

**Stereomega** is what General Instrument calls FM-AM receiver version of electronic Omega tuning system first developed for TV. Basic tuner, intended for sale to hi-fi manufacturers, provides touch-button selection of 10 (5 FM, 5 AM) stations, scan & search modes for tuning other stations, LED frequency readout. Remote control & LED clock display are options. GI expects to have tuner for delivery in 2nd half. Also new: Economega II 20-channel, 2-chip tuner (remote, on-screen channel display are options); IC that generates bar graph on screen as tuning aid for varactor-tuned TV—bar increases in length to show relative tuner setting, doesn't provide numbers; color converter chips for GI ball-&-paddle video game circuits.

**PANASONIC 1978 LINE:** Panasonic's additions to regular color line open with 10" at \$280; 15" & 17" with 14-channel electronic remote unpriced; 19" is \$420; Canada-made 19" with Sylvania 100° tripotential in-line tube, Color Pilot & 3-hr. shutoff timer, 19" with 14-channel remote, unpriced. New consoles, all with 100° tube, Color Pilot, light sensor, (supplied by Quasar), start at \$640 (down \$10 from last year's leader), step to \$659, \$689 (2 models), \$749 (double-sided). Versions with 14-channel remote are \$780 & \$800. New b&w are unpriced 16", two 19" at \$150 & \$170.

Holdovers in color, prices unchanged: 12" \$300; 13" \$340; 19" open (was \$420) & \$460. Quasar-made \$660 & \$680 consoles. Shifted to open-list are 19" with LED time & channel indicator (was \$500) & remote (was \$520) (dealer costs on open models unchanged). In b&w, prices changed as indicated, AC-DC includes two 5" at \$140 & \$200 (latter pop-up with FM-AM), 7" at \$150, 9" at \$115 & \$170, 12" \$130. AC-only 9" & 12" leaders are \$100, 12" step-up open (about \$110 up \$10), next step (2 models) is \$120 (up \$10), with pair at \$130; 13" is \$130, 16" is \$145.

LTD color line starts with 13" at \$350 (unchanged), holdover 19" sets unchanged at \$430 & \$460, new 19" from Canada unpriced. LTD b&w starts with 12" at \$105 (up \$5) step-ups continue at \$115 & \$125; new 19" with stand is \$160 (down \$10).

Panasonic made waves in radio by cutting \$2 from starting price of FM-AM portables, now \$18; \$20 from opening radio-cassette recorder, now \$60; \$10 from electronic digital FM-AM clock radio, now \$50. There's no hint of "military" look in new Tech series radio models. Starting prices of mid-fi compact & component systems are unchanged from last year—\$149 for stereo radio with 8-track, \$199 with phono & 8-track, \$230 with phono & cassette. Added to component series was 12-watt receiver with cassette at \$330, 25-watt receiver with 8-track record at \$380, automatic turntable at \$150. New cassette deck with Dolby is \$150, down \$30, new micro cassette is \$130, down \$70 from LTD model offered last year (2-hour micro is coming in Jan.). Added to CB line was 40-channel SSB mobile with LED display at \$300, 40-channel LED display base station with built-in 12-volt power supply for boat or mobile operation at \$250. New public-service scanner is \$350.

**Super-hi-fi** audio tape recorder, first in U.S. using pulse code modulation, will be demonstrated May 10-13 at AES convention in L. A. by Melco Sales. Mitsubishi professional unit uses 9 recording tracks on 1/4" tape at 15 ips, records 60 min. on 10" reel. It boasts no tape-speed variation, no cross-talk, wow or flutter, harmonic distortion of 0.01%, frequency response of DC to 20,000 Hz +0.5 dB. Price is \$3,600.

**Hy-gain** adds new high end to Hide&Speak remote CB line with \$249, 2-piece unit featuring 14-function detachable mike/control module. Functions addressable through pushbutton keyboard include channel memory, switchable noise blanking, volume, squelch, PA, on/off, channel selection, SWR meter & digital clock using LED readout.

## 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 Bctg. Cos.			
1977-qtr. to March 31	377,997,000	18,901,000	1.05
1976-qtr. to March 31	313,691,000	9,731,000 <sup>a</sup>	.56
Arvin Industries			
1977-qtr. to March 31	110,390,000	7,023,000	1.07
1976-qtr. to March 31	92,136,000	4,142,000	.68
John Blair			
1977-qtr. to March 31	31,747,000	1,634,000	.68
1976-qtr. to March 31	24,163,000	689,000	.29
Canadian Cablesystems <sup>b</sup>			
1977-6 mo. to Feb. 28	12,500,000	2,896,000	.73
1976-6 mo. to Feb. 29	11,100,000	4,765,000	1.20
Capital Cities Communications			
1977-qtr. to March 31	63,034,000	8,339,000	1.11
1976-qtr. to March 31	46,207,000	6,848,000	.88
Clarostat			
1977-qtr. to March 31	3,245,800	73,100	.13
1976-qtr. to March 31	2,628,100	99,300 <sup>a</sup>	.18
Combined Communications			
1977-qtr. to March 31	51,724,000	3,175,000	.49
1976-qtr. to March 31	46,498,000	1,519,000	.26
Cowles Communications			
1977-qtr. to March 31	2,980,000	720,000	.18
1976-qtr. to March 31	2,768,000	1,220,000 <sup>a</sup>	.31
Cox Bctg.			
1977-qtr. to March 31	29,797,000	3,802,000	.64
1976-qtr. to March 31	27,642,000	3,224,000	.55
Cox Cable Communications			
1977-qtr. to March 31	10,792,661	1,130,634	.32
1976-qtr. to March 31	8,693,166	823,680	.23
Dynascan			
1977-qtr. to March 31	37,409,000	1,687,000	.60
1976-qtr. to March 31	22,120,000	2,734,000	1.14 <sup>c</sup>
Electronic Memories & Magnetics			
1977-qtr. to April 2	26,364,000	984,000	.13
1976-qtr. to March 27	20,842,000	394,000	.02
Fairchild Camera & Instrument			
1977-13 wk. to April 3	117,103,000	2,229,000	.41
1976-14 wk. to April 4	96,616,000	197,000	.04
Filmways			
1977-year to Feb. 28	125,327,000	2,697,000	1.13
1976-year to Feb. 29	100,943,000	2,224,000	.96 <sup>c</sup>
1977-qtr. to Feb. 28	33,470,000	567,000	.23 <sup>c</sup>
1976-qtr. to Feb. 29	25,588,000	549,000	.23 <sup>c</sup>
International Rectifier			
1977-9 mo. to April 3	63,608,000	514,000	.20
1976-9 mo. to March 28 <sup>d</sup>	43,496,000	10,979,000 <sup>a</sup>	3.97
1977-qtr. to April 3	22,465,000	262,000	.10
1976-qtr. to March 28 <sup>d</sup>	15,183,000	(1,885,000)	--
Interpublic Group			
1977-qtr. to March 31	50,463,000	1,028,000	.43
1976-qtr. to March 31	41,439,000	854,000	.36
P.R. Mallory			
1977-qtr. to March 31	84,227,000	3,927,000 <sup>a</sup>	.90
1976-qtr. to March 31	72,066,000	1,952,000	.50
Masco			
1977-qtr. to March 31	106,670,000	12,710,000	.49
1976-qtr. to March 31	108,333,000	12,295,000	.47
Matsushita Electric <sup>e</sup>			
1977-qtr. to Feb. 20	1,582,000,000	61,000,000	.62 <sup>f</sup>
1976-qtr. to Feb. 20	1,324,000,000	45,000,000	.45
Meredith			
1977-9 mo. to March 31	178,461,000	10,309,000 <sup>a</sup>	3.36
1976-9 mo. to March 31	142,710,000	11,297,000 <sup>a</sup>	3.69
1977-qtr. to March 31	63,770,000	3,491,000	1.14
1976-qtr. to March 31	55,629,000	3,325,000	1.08

Company & Period	Revenues	Net Earnings	Per Share
Needham, Harper & Steers			
1977-qtr. to March 31	9,565,000	610,000	.72
1976-qtr. to March 31	8,140,000	258,000	.32
Regency Electronics			
1977-9 mo. to March 31	29,768,780	728,704	.27
1976-9 mo. to March 31	42,449,595	7,108,166	2.69
1977-qtr. to March 31	11,193,885	493,024	.18
1976-qtr. to March 31	16,847,507	2,726,572	1.03
Technical Operations			
1977-6 mo. to April 2	48,863,000	188,000 <sup>a</sup>	.14
1976-6 mo. to March 27	41,921,000	(174,000)	--
1977-qtr. to April 2	24,079,000	86,000 <sup>a</sup>	.07
1976-qtr. to March 27	19,126,000	(221,000)	--
Times Mirror			
1977-qtr. to March 20	232,010,000	17,676,000	.52
1976-qtr. to March 21	202,203,000	11,538,000	.34
Trans-Lux			
1977-qtr. to March 31	2,889,940	181,618 <sup>a</sup>	.09
1976-qtr. to March 31	2,630,180	81,541 <sup>d</sup>	.04
20th Century-Fox			
1977-qtr. to March 31	89,635,000	2,571,000	.34
1976-qtr. to March 27	83,515,000	(1,585,000)	--
Viacom International			
1977-qtr. to April 2	13,282,000	1,160,000	.31
1976-qtr. to April 3	11,761,000	840,000	.23
Washington Post			
1977-13 wk. to April 3	94,559,000	5,019,000	.57 <sup>c</sup>
1976-13 wk. to March 28	79,960,000	3,812,000 <sup>a</sup>	.42 <sup>c</sup>

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>In Canadian dollars. <sup>c</sup>Adjusted. <sup>d</sup>Restated. <sup>e</sup>At yen's current rate. <sup>f</sup>Per ADR.

**JVC** plans to boost production of VHS home video-cassette recorders from the 5,000 produced in March to 30,000 monthly by first half next year, with 10,000 rate scheduled by this July. In Japan, JVC appears to be giving priority to supplying Hitachi, Mitsubishi & Sharp with OEM decks, presumably because their sales networks are larger than its own, with JVC-brand unit apparently available only in Tokyo & Yokohama. In U.S., Hitachi said it doesn't plan to market VHS deck until 2nd half 1978. Panasonic will market VHS in late fall, MECA Pres. Akira Harada said, adding that Quasar will continue to market VX-2000 system. He said Matsushita is talking to several other U.S. firms about licenses on VHS, that names of new licensees may be announced by June. U.S. consumer VTR sales will be 100,000 this year, 300,000 in 1978, he said.

HEW's annual report to Congress on enforcement of Radiation Control Act shows only one color TV manufacturer was involved in recall last year—JVC had 2 models (6,000 sets) found to be in non-compliance. HEW said labs tested 230 TVs for emission level. Report makes only one recommendation for congressional action—that law be changed to eliminate requirement for annual report.

Best April in history for color sales to dealers now appears almost certain. Sales in first 3 weeks of April 1977 totaled about 414,000 units, almost 42% above same 1976 period and about 7% higher than record for those 3 weeks established in 1973. Third week in April registered unusually high sales for period—record 157,800, up nearly 65% from same 1976 week (91,847).

WEEKLY

# Television Digest®

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**consumer  
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MAY 9, 1977

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 19

### Broadcast

**HUGE PROFIT JUMP FOR ABC-TV** in network operations last year of 186.2% to \$83 million, although CBS-TV Network remains well on top at \$129 million; NBC also has \$83 million pre-tax profit. ABC owned TV stations far ahead of CBS, NBC. (P. 1)

**STRONG ANTI-VIOLENCE** report is mulled by House Communications Subcommittee. Draft condemning networks, seeking to reduce present level of TV mayhem, is delayed to enable members to iron out differences. (P. 2)

**HOLLINGS ON RADIO-TV:** Broadcasters have done 'generally excellent job,' but shouldn't be freed of all fairness & equal time obligations, have room for improvement on TV violence. (P. 3)

**OTA SEEKS ROLE** in communications policy development, holds series of meetings to define issues, plot research agenda. (P. 4)

**JD-NBC DROP PAY BARS** on exclusivity in amending consent agreement. Govt. says it almost pulled out on issue. CBS, ABC arguments rejected as rehash of old issues. (P. 4)

**FCC SEEKS SEC. 315 CHANGES** to exempt presidential races. Wiley move to repeal equal time loses 4-3. Hooks & Fogarty say rule's further 'erosion' will give media 'absolute power.' (P. 5)

**HUGE JUMP FOR ABC-TV NETWORK PROFIT:** Whopping 186.2% increase in pre-tax profits by ABC on its TV network alone led healthy jumps in revenue and income for all 3 networks in 1976, according to figures obtained by Television Digest. CBS-TV Network continued as clear volume leader in 1976 with pre-tax profit of \$129 million (up 21.7% from \$106 million in 1975) on revenue of \$725 million (up 21.6% from \$596 million).

ABC-TV Network profit jumped to \$83 million (up 186.2% from \$29 million in 1975) on revenue of \$708 million (up 38.8% from \$510 million). NBC-TV Network also had \$83 million profit (up 12.9% from \$73.5 million) in 1976 on revenue of \$684 million (up 19.4% from \$573 million). For each network, revenues are after payment of affiliate compensation & commissions; 3-network totals for revenues & profit match earlier combined figures released by FCC (Vol. 17:15 p1), which never breaks figures down by individual networks. (For recap of network profits 1972-75, see Vol. 16:24 p1).

Among network-owned TV stations, ABC outlets did by far the best in 1976, to wit: ABC revenue \$175 million, profit \$72 million; CBS revenue \$159 million, profit \$45 million; NBC revenue \$148 million, profit \$41 million.

At last week's RCA stockholders meeting (see p. 12), Chmn.-Pres. Edgar Griffiths pledged

"you will see a decided advance on the part of NBC with respect to its competition as we move into this year." He said fall line-up has "a substantial reduction in the number of shows that anyone, by any description, could classify as violent," that new schedule should help network move up "both with respect to the ratings and with respect to profit." He refused to disclose terms of 1980 Olympic agreement, said "a substantial portion" of time already has been sold and that NBC "never would have entered into a contract to carry the Olympics if we did not intend to make a profit."

\* \* \* \*

ABC has replaced CBS as customary leader in BAR/TvB monthly billing reports. For March, network billings were up 26.5% with ABC getting \$108.7 million, CBS \$104.9 million, NBC \$97.7 million. Jan.-March totals (up 23.8%) gave ABC \$297.5 million, CBS \$287.9 million, NBC \$285.2 million.

**HOUSE MULLS STRONG VIOLENCE STATEMENT:** Violence on TV "continues to be at a level which is a cause for serious concern and remedial action. The steps the networks have taken so far in addressing these issues have not effectively coped with these concerns... There is a consensus that the viewing of violence on TV is harmful and that, therefore, the amount of violence on TV should be more limited than it is presently."

This is principal finding of draft House Communications Subcommittee report on "The Recurring Issue of Violence on TV" circulated to panel members last week. Report was to present Subcommittee's findings & recommendations following series of recent hearings. Though report originally was to have been issued May 9 as Subcommittee report, objections from at least 2 members have put report "on ice" for at least couple of weeks while staff aides attempt to iron out differences.

Subcommittee Chmn. Van Deerlin (D-Cal.) had earlier agreed to release report as written—by Rep. Waxman (D-Cal.) staff asst. Bruce Wolpe and Communications Subcommittee economist Alan Pearce—but ranking Republican Frey (R-Fla.) & Rep. Russo (D-Ill.) notified Van Deerlin that they had problems with draft's language, asked that it be delayed. Russo staffer told us congressman felt report was too critical of networks, glossed over alleged weaknesses in govt.-sponsored violence measurement techniques employed by Dr. George Gerbner, ignored role of parent in policing child's TV viewing. Chief Counsel Harry Shooshan also was concerned about draft's release, but declined comment. Both Shooshan & Russo staffer denied any attempt was made to kill report altogether.

Subcommittee should meet to consider report before issuing it, Van Deerlin told us. "This report was not commissioned by either the chairman or the ranking Republican member. While we give considerable leeway to our members and staff, this report has caused considerable misgivings among several of our members. To convey the idea that this [TV violence] is going to continue to be a major undertaking in this session is just not correct. We've got more important business to undertake."

Among other proposed findings: (1) "Responsibility for the level of violence on TV rests squarely with the networks. Such responsibility is inherent in the control they exercise generally over the product they purchase and choose to make available to their affiliates."

(2) Programming market structure may not be open & competitive enough to reveal audiences' true program preferences, support more diverse alternatives. (3) FCC & Congress "may well" be able to regulate violence indirectly through setting programming percentages, granting antitrust exemption, or requiring locks on sets. (4) Family viewing hour "had a profoundly chilling effect on the creative community."

(5) Networks have failed to consult regularly with their "constituencies" (viewers, interest groups, creative community, etc.) although "this trend is showing signs of being reversed." (6) Part of reason why networks don't always give affiliates ample time to pre-screen programs in advance is "beyond their control."

Draft makes following recommendations: Include First Amendment in new Communications Act; renew research efforts in area of effects of TV violence on children; hold one-day collo-

quium to bring together networks, parents, AMA, PTA, etc., for further discussions; consider feasibility of program ratings and/or locks on sets. Finally, Subcommittee "should continue to keep a close watch on developments. Additionally, when circumstances merit, the Subcommittee should hold further oversight hearings..."

**HOLLINGS ON TV-RADIO:** Broadcasters "have done generally an excellent job" but shouldn't be freed of all fairness & equal-time obligations, and there's room for improvement in cutting down TV violence, according to Senate Communications Subcommittee Chmn. Hollings (D-S.C.). In first interview on communications matters—with handful of reporters present—Hollings made following points:

Is he pro-broadcasting? Hollings said he's "grateful to broadcasters" because when he first ran for elective office, newspapers ignored him but broadcast stations were required by equal-time provisions to give him air time. Before becoming Communications chmn., sole industry issue he actively participated in was 1974 attempt to lengthen license renewal term from 3 to 5 years, he said.

Fairness doctrine—"I'm not certain that the majority of broadcasters oppose it." He said doctrine enhances TV's credibility, underlined broadcasters' "public trust" which obliges them to present both sides of issues. Equal time—He'd support its repeal for presidential & vice-presidential races, oppose repeal for congressional & local elections.

Charles Ferris (as FCC chmn.)—"I think he'd make a good FCC chairman...He's an awfully smart fellow who's learned a lot about a lot of issues. He'll be able to learn the field rapidly...Newton Minow wasn't experienced in communications before being named to the FCC, but he made an excellent chairman."

Public Broadcasting—System is "working well, though they can't always get as much money as they need." However, Hollings added, "I don't necessarily favor 5-year advance authorizations"—which CPB currently is seeking. Hollings discounted public broadcasters' argument that long-term authorizations are needed for advance planning. "The Pentagon would like 5-year advance funding, too," he quipped.

Communications Act rewrite—Senate will be "a little more deliberate" than House. "I don't know that you're going to have to rewrite the whole Act. It's adapted since it was first written. I don't think the sky is falling in communications."

TV violence—He stressed need for both congressional and pressure group "oversight" to convince broadcasters to cut down violence on voluntary basis. He rejected network & creative community accusations that anti-TV violence efforts of PTA & AMA represent "censorship," will result in "pap" programming. "With these groups' nationwide credibility, you've got something there that you have to reckon with." He rejected possibility of legislative solution, said House & Senate Appropriations Committee votes in past years directing FCC to "do something" about sex & violence also weren't correct approach: "That's no way to do business."

**FCC judge has ruled** that some of 14 Pa. CATV systems owned by John Walson "were involved in illegal signal carriage, illegal expansion of cable service and program exclusivity violations." Judge Frederick Denniston said he wasn't proposing any sanctions and that effect of findings on Walson's pending microwave applications must be decided by Commission. He said "Walson systems appeared devoid of even minimal management controls with respect to compliance with FCC regulations." Hearing was ordered by FCC after complaints against systems by Scranton-Wilkes-Barre TV stations.

"**Small burden**" imposed on cable systems in filing certificates of compliance are "justified by the accompanying regulatory benefits," FCC said last week in refusing CATA request to stay May 2 deadline for systems with 500-999 subscribers.

**USIA reorganization** legislation has been approved by Senate Foreign Relations Subcommittee and plan is expected to come before full Committee this week. Plan was drafted by Sen. Percy (R-III.), would split USIA by creating new independent agency to administer all State Dept. & USIA cultural programs, make VOA independent and assign USIA's foreign policy public information programs to State. New USIA Dir. John Reinhardt opposes breaking up USIA, promised that Administration would submit its own plan by mid-June.

**Universal Information** (1523 O St. NW, Washington 20005) is publishing Communications Act rewrite option papers written by House Communications Subcommittee staff members (Vol. 17:17 p8). Set of all 8 volumes is \$68; broadcast options \$18; all others, \$10 each.

**OTA PLOTS COMMUNICATIONS ROLE:** Congress' Office of Technology Assessment (OTA) sponsored 2-day meeting in Washington last week of over 50 people in communications, computer and information industries as first step toward creating plan to determine role federal govt. can play in development of nationwide communications policy (Vol. 17:7 p3). Group was divided into 4 panels: Computer, common carrier, international and broadcast & cable; panels met individually and as group to "help OTA describe the issues in communications that are important to be brought before Congress," according to project organizer Robert Daly, OTA operations officer.

Broadcast & cable group made preliminary suggestions in number of areas: OTA could look at how TV receiver should be designed to make it more suitable for cable, or able to switch between cable and over-the-air reception, or for videocassettes or non-video uses; OTA could examine govt. & FCC spectrum allocation, as well as economics & measurement of spectrum allocation; or OTA could look at economics of separations policy, impact of cable development on broadcasting and effect of signal carriage and exclusivity rules.

OTA will convene 2nd series of meetings for non-industry representatives—public interest groups, users, academicians, etc.—week of June 6 in Washington to recommend how to gauge social impact of changing communications technology, Daly said. Final step will be 3rd meeting combining 2 groups. "We're not trying to outguess the FCC or outclass what the House and Senate are doing. We're simply trying to define some broad cross-cutting issues, in order to come up with a research plan that makes sense for OTA," Daly said.

"Contrary to the FCC's position," GAO believes Commission can make "good faith effort" to establish new fee schedule in wake of court decisions striking down former schedules. In report requested by Sen. Hollings (D-S.C.) & Rep. Van Deerlin (D-Cal.), congressional watchdog suggests approach FCC could take in calculating new fees, intimates FCC's task force formed by Chmn. Wiley to develop new fee plan made "no concerted attempt" to do so. Legislative clarification of fee situation also could be considered by Congress, but FCC should go ahead on its own regardless of what Congress chooses to do, GAO states.

**FCC amended cable carriage rules** last week to require systems to carry TV stations within 55 miles of any part of community served as "local signal" instead of basing required signals on Grade B contours. On 4-3 vote, Commission said stations now carried (under Grade B) would have right to be grandfathered if they fall outside 55-mile range—designed to help UHFs which might be hurt because of "contour shrinkage." Agency also voted to permit staff to use revised curves for predictions of contours (about 2/3rds of stations have filed revised contours).

**In move to curb illegal use of its research,** Arbitron said it will list all subscribers in future local radio market reports.

**JD-NBC DROP PAY BARS:** Consent decree between Justice Dept. (JD) & NBC has been amended—after parties couldn't agree on new version—to remove provision which gave network 2 years' exclusivity over pay cable for movies. JD said "by far, the largest number of comments" were received on program exclusivity charging decree would "adversely" affect pay-cable development.

JD told L.A. Dist. Court that it "seriously considered withdrawing" consent order when negotiated agreement couldn't be reached with NBC on movie exclusivity. However, JD said, in light of D.C. Appeals Court ruling that FCC has no jurisdiction over pay cable (Vol. 17:13 p1) "the government became convinced that it would not provide meaningful relief."

Arguments against consent order by CBS & ABC (Vol. 17:10 p6) were dismissed totally by JD as without merit. Of CBS, JD said: "Under the guise of filing comments on the NBC judgment, CBS apparently seeks to resurrect for reargument and reconsideration every motion it has made and lost during the pendency of its own case." With publication of comments and JD responses in Federal Register, Dist. Judge Kelleher now is free to order consent agreement effective at his discretion.

**Public interest groups** must work to develop concrete proposals to help House Communications Subcommittee rewrite Communications Act, Chief Counsel Harry Shooshan told NCCB informal luncheon. He said that because Subcommittee budget was cut by House Administration Committee (Vol. 17:13 p4), panel won't be able to defray expenses of public interest group participation in rewrite, as it intended. Consequently, he said, Subcommittee is considering holding sessions outside of Washington to ensure that these groups' views be heard. Generally, members' requests for travel funds are routinely granted. "At a time when practically no industry group wants to go ahead with the rewrite," Shooshan said, "it's gratifying that the members are raring to go on this." He added that Subcommittee staff is looking at FCC's implementation of Sunshine Act, said Commission "may be adhering to the letter of the law but may not be fulfilling the spirit of the law's requirements." He said staff will continue monitoring Commission's Sunshine performance in next 2 weeks.

**Roone Arledge**, ABC Sports pres., has been appointed pres. of both News & Sports Divs., new post, while former News Pres. William Sheehan has been named senior vp, reporting to Arledge. ABC Pres. Frederick Pierce said change in News Div. leadership means network is determined to upgrade news operation, add more news shows to network's schedule—some in prime time. Pierce said news & sports are closely related because they both deal with "instant transmission of events with uncompromising integrity." Commented Arledge: "You get credibility in news by having a good news organization, and that's what I intend to build."

**American Assn. of Cable TV Owners** is new organization formed to help minorities obtain financing for construction & operation of cable systems: c/o Clayton Sinclair, Downtown Station, Box 883, Atlanta 30301.

**FCC SEEKS 2 SEC. 315 CHANGES:** Exemption of presidential & vice presidential candidates from equal time law was approved 5-2 (Fogarty, Hooks dissenting) by FCC last week as recommendation to Congress. Agency also voted to seek change in Sec. 315 which would apply law only to candidates of parties which received 2% of vote in last election or which obtain petitions signed by 1% of electorate; Lee joined Hooks & Fogarty in dissenting.

But, there's more interest in what Commission failed to recommend to Congress: (1) Chmn. Wiley lost 4-3 (he got votes of White & Quello; Washburn joined 3 dissenters above) in move to recommend total repeal of Sec. 315. (2) Refused to add all programs over which licensee has control to present exemption for news programs. (3) Proposal to extend "reasonable access" to all candidates (now limited to federal) lost 4-3. (4) Refused to recommend elimination of requirement that all political time be sold at "lowest unit rate." (5) Proposal to apply equal time only for paid broadcast lost 4-3.

In joint dissent, Hooks & Fogarty said "there's no compelling reason to tinker with a venerable canon of broadcast law... To erode our equal time laws much further would be to give the media the absolute power to decide which candidate is to be given exposure and that sort of unbridled power is both unnecessary and dangerous to our electoral system."

Teleprompter reported first quarter net income of \$1.1 million, compared with loss of \$1.2 million in year-earlier quarter (see financial table). Firm had 1976 profit of \$445,000. Pres. Russell Karp attributed Teleprompter's financial performance to "marked improvement" in cable operations. First quarter revenue of consolidated wholly-owned cable systems—which include all but L.A. & N.Y. systems, operated jointly with Hughes Aircraft—rose 13% to \$23.3 million from \$20.6 million year earlier, according to Cable Div. Pres. William Bresnan.

**President should discuss** with Canadian govt. impact on U.S. broadcasters of recent Canadian tax code changes "with a view to adjusting outstanding differences," according to resolution adopted by Senate as part of Tax Reduction & Simplification Act. Resolution notes that Senate is considering easing provisions of U.S. tax code which inhibit American tourism in Canada, hints trade-off should be negotiated. It was sponsored by Sen. Moynihan (D-N.Y.) & 17 others.

**Broadcasting & cable** items are very light on FCC agenda for rest of May; Hill testimony and common carriers take up most of Commission's time. Agency takes up waiver standards for cable non-duplication and significant viewing standards May 25, has AM oral argument May 26.

"**Freedom to Say What You Feel**" is song written & sung by Roger Miller for May National Radio Month. According to NAB Radio Vp Charles Jones, song may be aired for 13 weeks beginning May 1. Also included in Radio Month package are several spots on First Amendment.

**CPB has passed** point of no return in plan to begin program distribution via satellite. CPB board, meeting in New Orleans last week during public radio annual meeting, approved 17 resolutions affirming public broadcasting's commitment to project. Staff had set meeting as target date for final go-no go decision. Construction now is set to begin July 5 with groundbreaking at 6 earth station sites. Board delayed final action on resolution calling for meetings with interested groups to determine what to do with system's spare earth station capacity. Board also approved granting up to \$300,000 to WETA-TV-FM Washington, mostly to underwrite public affairs programming turned down by PBS' station program co-op. Station found itself in financial crisis, laid off several staffers, has notified many employees they may lose their jobs in coming months. Meanwhile, NPR & APRS members have approved merger into single national public radio organization by "overwhelming" margin. Group will retain name "National Public Radio." President Carter, in written message, told conference he's "committed to helping you maintain and expand a vigorous, creative and independent public radio system."

**Ability of consumers** to file private or class-action suits to recover damages from companies which violate FTC Act is supported by new FTC Chmn. Pertschuk. In testimony before Senate Consumer Subcommittee, he said such private actions could permit FTC to "focus its resources on other problem areas where individual injury does not provide an adequate incentive to seek relief." Subcommittee is considering FTC Improvements Act similar to legislation now being marked up by House Consumer Subcommittee. Pertschuk said FTC opposes requirement that it act on petitions within 120 days of receipt because it's making progress in cutting down delays; is concerned that including in legislation requirements that FTC submit budget & legislative recommendations simultaneously to both OMB & Congress may cause Administration to oppose entire legislative package; supports ability to represent itself in court instead of Justice Dept.

**NAB is drafting legislation** authorizing FCC to regulate pay cable, Pres. Wasilewski has written House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) and Senate Chmn. Hollings (D-S.C.). He said matter is of "great concern" since D.C. Appeals Court ruled FCC doesn't now have such authority (Vol. 17:13 p1), and that "once siphoning begins, the process will accelerate rapidly as all those who can find the money to pay for popular programs are forced into doing so."

"**Unfortunately, the FCC...** has for the most part determined to maintain the status quo" in new cable definition rules (Vol. 17:11 p3), NCTA said last week in seeking reconsideration. Assn. said Commission committed "errors of policy as well as errors of law."

**New TvB presentation** "TV: The Sum of the Alternatives," starring John Forsythe, received enthusiastic reviews when previewed in 28 cities May 4; similar showings of 24-min. color presentation are planned in additional 33 cities.

## Personals

**Audrey Hunt**, asst. to pres. of State Telecasting (Columbia, S.C.), elected AWRT pres., succeeding **Saidie Adwon**, KTUL-TV Tulsa; pres.-elect is **Wilma Kriner**, Y&R subsidiary W.M. Zemp & Assoc.

**Dale Hatfield** resigns as chief, FCC Office of Plans & Policy, to return to Commerce Dept. Office of Telecommunications in Boulder, Colo. as program specialist on major communications policy issues; **Carlos Roberts** promoted to acting OPP chief (at request of Chmn. Wiley & Comr. Hooks), will become first Spanish-American supergrade at FCC.

**John Shenefield**, Justice Dept. deputy asst. atty. gen., appointed acting head of Antitrust Div., succeeding **Donald Baker** (Vol. 17:16 p4)...**James Gross**, Gross Telecasting pres., also named chief exec. officer, succeeding **Harold Gross**, who remains chmn.

**Tom Robertson** promoted to vp-special programming, elected a dir., Multimedia Program Productions...**Scott Bosen** appointed Telemation sales mgr. for Australia & Asia...**Bill Werneth** advanced to United Artists publicity dir., succeeding **John Dartigue**, named exec. asst. to Senior Vp **Gabe Sumner**...**Cy Kaplan** promoted to vp-special projects, ITC Entertainment.

**Edward Karlik**, **George Blinn** & **Albert Rothstein**, Petry TV N.Y. group sales mgrs., appointed vps...**J. Robert Burns**, Arvin Systems pres., also elected Arvin Industries group vp-electronics...**Robert Shepherd**, WDCN-TV Nashville gen. mgr., elected chmn., Southern Educational Communications Assn.; **Dona Lee Davenport**, WTVI Charlotte, N.C. gen. mgr., chmn.-elect.

**Alfred Stern** resigns as Warner Communications senior vp and a dir., becomes consultant to firm for 3 years...**Joseph Scheuer** advanced to pres., Systems Resources Corp., subsidiary of Chyron Corp., maker of TV & graphics equipment.

**FCC Comr. James Quello** speaks at National Translator Assn. convention May 13 in Salt Lake City...**Sheryl Gold**, ex-WTVJ Miami, named Corinthian Bcstg. advertising & PR dir., N.Y. hq.

**Robert Ferro** appointed financial forecasting mgr., NBC-TV; **William Uhr** named NBC financial services systems mgr.; **Kevin Cox** appointed vp-sales, NBC Radio Network...**James McGillen**, Blair TV Chicago CBS sales unit mgr., appointed a vp; **Daniel Malmad**, Blair N.Y., named head of new Cleveland office.

**Darlene Palmer**, ex-Litt Enterprises, Washington management consulting firm, joins NAB as asst. to the dir., broadcast management dept...In Katz TV expansion: **Jack Mulderrig** heads new N.Y. bronze team; **Earl Overton**, ex-Chicago sales mgr., succeeds Mulderrig as N.Y. gold team sales mgr.; **Tom Olson** heads new Chicago gold team; **Bob Swan** leads new Chicago silver team.

**Edward Hayes & Curtis White**, ex-Citizens Communications Center, form Hayes & White law firm, 1220 19th St. NW, Washington 20036.

Communications Act rewrite schedule adopted by House Communications Subcommittee (Vol. 17:18 p5) has been altered to allow members to take up broadcasting issues at later date. Broadcasting now will be studied weeks of July 18 & 25, while Safety & Special matters will be heard by panel weeks of June 20 & 27. Subcommittee's Bcst. Advisory Committee (Vol. 16:51 p5) meets with Chief Counsel Harry Shooshan in closed session May 13 to discuss broadcast options paper (Vol. 17:17 p8). In "initial comments," NAB is highly critical of Shooshan paper. "While our system may not be perfect," NAB states, "it is superior to any broadcast system in operation anywhere else on this earth and is far superior to any option that has been suggested by the staff... Our deepest regret about the broadcast option paper is that it seems to assume that radical change is needed." NAB further states that Subcommittee staff ignores alternative systems' drawbacks, rejects staff conclusions that localism has failed, and that broadcasting industry has "something less than a 'free speech' tradition."

**Omega Communications**—headed by ex-Taft Bcst. Pres. Lawrence Rogers—has won right from local court to acquire bankrupt WSWB-TV (Ch. 35) Orlando. Also competing for station was Turner Communications, which had won favorable nod from receiver. Omega is paying \$1.26 million, for WSWB-TV—which went dark Sept. 30—plus additional \$1.12 million to station's creditors. Washington attorney Victor Ferrall is Omega stockholder.

"**Communications Policy: The Public Agenda**" is theme for June 24-26 conference sponsored by NCCB to be held at Airlie House, Va. Group hopes to make public interest communications conference an annual event. First was sponsored last year by Aspen Institute. This year's conference will focus on Communications Act rewrite, new Administration's communications policy development.

**FCC** has refused to reconsider April 1975 action terminating CP of KICU-TV for Ch. 43 Visalia, Cal. Agency said action was taken because permittee failed to respond to "repeated requests" for information on transmitter site and studio location. Station had been dark since Oct. 1968.

**First Frost-Nixon** interview had estimated TV audience of 45 million. In N.Y., 90-min. program got 47 share, 50 in L.A., 36 in Chicago, according to Nielsen; Arbitron reported a 42 share in both N.Y. & L.A.

## Obituary

**Thad M. Sandstrom**, 51, vp-broadcasting, Stauffer Publications, was shot to death in Topeka, Kan. home May 3. Wife Milda (who police said was treated for overdose of pills after shooting) has been charged with first-degree murder. Sandstrom was prominent in industry affairs—serving on NAB Radio Board, TV Code Board, chmn. of CBS Radio Affiliates' Board and was slated to become pres.-elect of AP Bcstrs. Assn. in June. Family has established Thad Sandstrom Memorial Scholarship Fund at Washburn U., 1700 College Ave., Topeka 66621.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 22 (16th week of 1977):

	April 16-22	1976 week	% change	April 9-15	1977 to date	1976 to date	% change
Total TV.....	258,941	157,716	+64.2	200,745	3,945,031	3,271,679	+20.6
color .....	157,750	95,872	+64.5	126,948	2,421,308	1,903,397	+27.2
monochrome .....	101,191	61,844	+63.6	73,797	1,523,723	1,368,282	+11.4
Total radio .....	698,200	450,467	+55.0	567,051	10,726,829	9,405,146	+14.1
home, portable ..	446,621	241,142	+85.2	354,890	6,821,519	5,731,644	+19.0
AM-only .....	95,570	71,688	+33.3	82,913	1,636,833	1,257,587	+30.2
FM & FM-AM ..	351,051	169,454	+107.2	271,977	5,184,686	4,474,057	+15.9
auto.....	251,579	209,325	+20.2	212,161	3,905,310	3,673,502	+6.3

**Color TV 5-week moving average:** 1977—150,551; 1976—104,214 (up 44.5%).

**APRIL'S RECORD-BREAKING COLOR SALES:** April was huge month in color TV sales to dealers—some 577,100, shattering by 11% the record set for that month in 1973 (541,848) and 38% ahead of April 1976 sales (418,133).

April's final week saw sales of some 162,800, up 28% from same 1977 week, on top of 64.5% increase week earlier (see State of the Industry)—3 of April's 4 weeks having set records. Color sales to dealers in April were at seasonally adjusted annual rate of 9,967,000 and brought rate for year's first 4 months to 9.1 million. Monochrome sales for month—355,700—eclipsed 1976 month by more than 18%.

Last month was first record month in color sales since June 1974. Contributing to month-long buying surge (which actually started final week of March) may be attractive prices as well as anticipation of price increases, particularly in import lines affected by yen's upward movement and, more recently, countervailing-duty bonds. Whatever the reason, dealers' buying spree would seem to indicate strong confidence of good retail sales ahead.

**SONY—BETAMAX STEALS THE SHOW:** Two-hour Betamax hogged product spotlight at Sony's Colo. Springs convention last week. In marketing arena, there was definite glimmer of new, more aggressive posture in TV, seeming to foreshadow more direct head-to-head competition with U.S. leaders Zenith & RCA.

At time when its Japanese competitors are talking price increases, Sony sprung surprise: For first time in its history, it didn't raise TV prices at new-line showing—Pres. Harvey Schein stating that had it not been for increase in yen's value, prices might have been cut this year. And he announced new \$18-million expansion of San Diego plant as major step toward "100% self-sufficiency" in U.S. color TV.

Betamax X2 will be priced at \$1,300 with timer, same as current one-hour model, whose price is unchanged because of dwindling supplies (it was indicated Sony has only 1,000 in inventory). National availability of X2 is scheduled for Aug., although Sony last week had only 15 units on hand for distributor open houses. As reported here earlier, unit has 1-2-hour switch, provides picture almost as good (but somewhat noisier) in 2-hour mode as compared with one-hour.

Current one-hour cassettes (\$16) can provide 2-hour recording on new machine, but Sony introduced new cassette (L-500) with higher-density tape formulation (\$17) especially for X2. Also displayed was 2-cassette changer to convert existing machines to 2-hour recording time,

new ones to 4-hour. It will be available at about \$100 this fall, but Schein indicated owners of one-hour Betamaxes would get price break on that and on new 2-hour timer.

Betamax production is now 15,000 a month, will reach 25,000 Sept. 1, with output of nearly 300,000 in 1977, going to at least double that in 1978, Pres. Kazuo Iwama of parent company told news conference. Iwama & Schein cast doubt on Matsushita's ability to produce 4-hour VHS machine of consistently high quality. Concern about VHS's 4-hour recording time was evidenced by Schein's statement that Sony is working on new methods to increase tape economy, but "I don't think 4 hours is a viable time segment—2 1/2 to 3 hours is the ideal."

Sony is only home VTR maker which manufactures tape, Schein pointed out—"as Gillette knows, there's more money in the blades than there is in the razor." Sony announced start of super-8 film-to-cassette dubbing service by S/T (Vol. 17:8 p11), to be available through Betamax dealers (for price schedule, see p. 10).

So far as we can determine, Betamax sales have slowed since Sony dropped ad campaign and new drive will begin this year. Schein forecast home VTR would be "multi-billion-dollar industry in 3-5 years," adding: "We singlehandedly opened a new market for our industry. Video home recording is our invention, our baby—we will be damn well sure the public knows that... This is our market and we want the lion's share of it."

San Diego plant expansion will increase capacity to 50,000 color sets per month and add color tube screening capability within 12-18 months, Schein said. Designed for 30,000 capacity, plant is now turning out 40,000 monthly. Iwama stated new move will reduce Sony's vulnerability to import restrictions—problem which 'has always confronted us one way or another.'

In terms of product, Sony stood pat after major overhaul of line last year, adding only 21" varactor-tuned remote at \$820 plus 3 cosmetically changed sets, 7.7" AC-DC color, one new b&w, scattering of audio products (see p. 11) and its first CBs (see p. 10). Elaborate product show—ice extravaganza with cast of more than 60 skaters—was tip-off that not much was new ("the less you have to shout about, the bigger the show," quipped one Sony exec.). All attendees were given Betamax videocassette with show highlights. Ad spending will set new record, with emphasis on network TV.

There were indications that Sony is hard at work on sharply revised color line for next year: (1) Projection TV has been reduced \$205 to \$2,295, presumably paving way for new 3-Trinitron system (Vol. 17:9 p10). (2) Engineers are working to bring cost of Sony's velocity-modulation 25" set down to "competitive" level, which would give company complete line. (3) It's learned Sony has VIR chip which could show up in next year's sets. (4) This year, varactor tuning is featured only in remote-control sets (15", 17", 19", 21"). Virtually entire line next year is expected to be electronically tuned.

\* \* \* \*

Hybrid color TV era comes to end as GE goes all solid-state with 10" Porta Color. Sets due for market in Aug. will have new one-board chassis, 45% brightness increase, 85-watt power drain (down from 175). Four leader models will be priced at \$270, stepup unpriced. Also new are three 13", pair of 17", all with redesigned chassis, matrix tubes. Pair of step-up 13" & high-end 17" also have Color Monitor, active color control circuitry. While still unpriced, it's understood 13" will start lower than \$360 leader now offered, while 17" will be up somewhat from current \$470 starting price. GE previewed 25" & 19" color last March (Vol. 17:13 p9).

**1ST QUARTER TV IMPORTS UP, CB DOWN:** Sharp rise in shipments of chassis from Mexico & complete sets from Japan helped set new record highs for color & total TV imports in March & first quarter, Commerce Dept. figures show. While transceivers posted decline for both periods, there's consolation for industry in totals indicating overseas supply of 23-channel CB is drying up.

March TV import total of 785,800 was up 54.4% from same month last year, with color leaping 115.9% to 368,700, b&w rising 23.3% to 417,200. First quarter total TV figure was up 42.5% to 1.92 million, color up 93.2% to 819,100, b&w up 18.9% to 1.09 million. Unfinished &

unassembled sets included in overall total for March were 126,900 color, 13,800 b&w, in quarter amounted to 213,900 color, 59,600 b&w. Mexico was source for 181,100 color chassis (RCA & Sylvania) in quarter, more than half of which (109,400) arrived in March. Most of remaining unfinished color came from Japan, while Taiwan supplied bulk of b&w chassis.

Japan was source for 385,700 TV in March (up 52.6%), 909,500 in quarter (up 44.4%), with respective color totals of 221,400 (up 43.7%) & 562,600 (up 47%), b&w at 164,300 (up 66.6%) & 346,900 (up 40.3%). Totals for other major source countries: Taiwan total TV 220,700 (up 0.4%) & 643,700 (up 3.3%), color 26,800 (up 158.2%) & 48,200 (up 45.2%), b&w 193,900 (down 7.4%) & 595,500 (up 1%); S. Korea total TV 63,300 (up 77.4%) & 163,700 (up 82.6%), color 7,950 (up 30.3%) & 22,500 (up 135.5%), b&w 55,400 (up 87.1%) & 141,200 (up 76.3%). Singapore, which has been supplying handful of color sets monthly since mid-1976, had first-ever commercial shipment of b&w in March, 3,000 12" b&w, also provided 1,200 color, bringing 3-month color total to just under 2,000.

Analysis of color imports by screen size shows 19" & 12" slipping in importance, 10", 13" & 17" on rise. While modestly declining in terms of share of total imports, 19"-&-over classification still dominates picture. In first quarter, 326,500 19"-&-over color sets were imported, up 35.9%, accounted for 53.9% of 605,200 complete color sets imported in period (down from 56.4% share in 1976). Results for other sizes, with 1976 share in parentheses: 10"-&-under 44,100, up 75.8%, 7.3% share (5.9%); 11-12" 57,600, down 3.3%, for 9.5% (14%); 13" 92,400, up 68.6% for 15.3% (12.9%); 14-15" 50,100, up 41.2% for 8.3% (8.3%); 16-17" 32,600, up 206.6% for 5.4% (2.5%); 18" 2,000, up 504.3% for 0.3% (0.1%).

In b&w, where just over million complete sets were imported, tinyvision lost ground while all other major screen sizes improved. Results by screen size: 10"-&-under 199,000, down 15.5% for 19.3% (25.6%); 11-12" 666,900, up 25.8% for 64.6% (57.7%); 13-17" 74,500, up 30.3% for 7.2% (6.2%); 19"-&-over 92,000, up 28.7% for 8.9% (7.8%). Only 22 18" b&w sets were imported in 3-month period.

End appears to be in sight for 23-channel CBs. In March, imports of 40-channel mobile & base stations topped 23 imports by 3-to-1; Jan.-Feb. classifications were about even. March imports of transceivers of all types were off 9.4% to 1.57 million, with dollar value down 22% to just under \$61 million. Three-month import total of 5.43 million was up 45.9%, with value at \$176.5 million, up 3.8%. Imports of mobile transceivers (virtually all CB) in March were down 42.7% to 715,900, leaving quarter total at 1.99 million, down 21%.

March 40-channel CB imports (excluding SSB models) of 594,100 topped 189,100 23-channel shipments by wide margin, showed greatest strength in mobile, with 40s at 542,900, 23s 157,500. Breakout for quarter shows total 40s ahead of 23s (1.27 million to 858,500) and in mobiles alone by 1.16 million to 798,700, marking first time this year that 40s led on cumulative basis.

TED videodisc player, manufactured by General Corp., is being test-marketed in Japan at \$536 with first demonstrations at Seibu dept. store. Initial discs are largely educational, produced by Japan Video System Group and King Records. Asahi National Bctg. also has said it will produce discs for system, but affiliated daily newspaper Asahi Shimbun gave debut no publicity. Sanyo, also licensed to produce TED hardware, said it could manufacture player at any time, but Pres. Kaoru Iue said earlier that there would be no production until sufficient software is available.

Ad notes: Quasar is expected to appoint Needham, Harper & Steers, Chicago, replacing Clinton E. Frank on \$4.5 million account... Kraco names Admarketing, Beverly Hills, for \$2-million broadcast account, in-house Data Assoc. retaining print... Panasonic appoints Sommer Agency for OEM components.

Pioneer Electronics is going after high-end component business with expanded 13-model line of Centrex compacts (\$160-\$430), including 4 models with 12-watt-per-channel output. Four high-performance models are: FM-AM-cassette-record changer; FM-AM-cassette; FM-AM-8-track; FM-AM-record changer. Pres. John Doyle acknowledged firm is aiming at component industry, including sister U.S. Pioneer, released study showing strong interest among important college-student market in high-performance systems with component features, convenience & pricing of compacts.

FEA proposal for TV power consumption test standard, as expected, calls for averaging wattage drain measurements taken first with all controls set for maximum consumption, then set for minimum. Hearing on plan is set for June 14, comments deadline is June 15.

**NEW MPU GAMES:** Microelectronics Inc. will join swelling ranks of firms entering microprocessor (MPU) programmable game field (Vol. 17:17 p11) at CES, Sales Vp Jerry Allen revealed last week at N.Y. Premium Show. New unit is in \$150 range using \$5 cartridge-size audio cassette. Unit will have 6 built-in games, initial 4-cartridge library with new programs added about twice a month. Unisonic also unveiled MPU plans (Vol. 17:3 p12), passing out brochure on Tournament 2711 (8 built-in games, cartridge availability, prices not set) to be shown at CES.

Also at Premium Show: New Unisonic Vegas 21 calculator/black jack game (hand-held about \$50, desktop unpriced), mini cassette recorder (about \$70) with optional floor pedal; Conic 3-game video game (color \$30 wholesale, b&w \$25) with joystick control; Microelectronics \$19.95 promotional b&w game (MT4A) to be added in fall.

Atari showed premium-line Super Pong Pro Am (\$50, 2 players, 5 games) which spokesman said eventually would be phased out along with rest of Atari's low-end Pong games as dedicated and MPU games are introduced. Fairchild displayed Channel F MPU (with cartridges 1-5), but RCA spokesman said tight supply situation will keep Studio II MPU out of premium line until 2-step distribution pipelines are filled. Other games: Magnavox line, including new Odyssey 4000 (Vol. 17:8 p11) 48-game unit; Allied Leisure 2- & 4-player games (\$35 & \$55 wholesale) and Boogie pinball machine (\$700) now being distributed by Roban International, which bought game inventories after Allied filed Chapter XI bankruptcy petition (Vol. 17:17 p12).

Major TV firms offered premium buyers full consumer electronics lines, but only new products were Sony CBs and compact stereo systems introduced last week.

**FCC & GAMES:** Talk of expanding programmable games market is only talk as far as FCC is concerned. Despite spate of recent approvals, Laurel, Md. labs have yet to okay programmable this year and only two (Coleco & Atari) are now in for testing. So far, Fairchild (Vol. 16:43 p11) & RCA (Vol. 16:48 p11) are only firms to win type approval for programmables.

Atari & Coleco probably will make it in time for CES, spokesman said, but others hoping to submit game and get approval in time for June show probably are out of luck. Labs also have 46 dedicated-chip games waiting to be tested, are running about 8 weeks behind. Rejection rate is about 50%, "but it was higher this week," he said.

Under current FCC rules, unapproved products may be shown at trade shows and in promotional material, as long as they're labeled as such. But FCC still doesn't allow actual demonstrations before approval, so firm hoping to operate programmable at CES may be forced to hardwire game directly into TV set.

Recent approvals: Granada (CS1818), Atari (C202), Santron (TG201), Coleco (6032 & 6130), Magnavox (BG7520CH01 & 02), International Mdsig. (888), Dayya (VM-90C), Unisonic (T150R), Digitron (7652 & 7701), Accurate Electronics (TVG315).

**HIGH-END CB:** TI & Sony are moving into less volatile high end of CB market with SSB 40-channel units in deluxe above-\$300 range. TI unit uses microprocessor to control "selective-call" function which allows operator to "dial" companion TI receiver by punching 5-digit code number on keyboard of control/head microphone.

User can monitor prearranged channels in complete silence, transmit or receive calls on any standard 40 or 80 SSB channels using code numbers. Any 5-digit number can be chosen, firm says, since there are 100,000 possible combinations on each SSB channel and 8-million-to-1 odds against 2 users selecting same code in given area.

Other automatic MPU-controlled features: Clear-channel scanning, SSB tuning using charge-coupled filter, transmitter shutdown with any change in SWR. Two-piece mobile version with trunk-mounted transmitter (\$325) and base station (\$375) will be available in major cities west of Mississippi in late summer, rest of country by mid-1978.

Sony SSB uses high-stability frequency generator, eliminating need for fine tuning of delta knob. Called "Long Hauler," unit also features emergency Ch. 9 & "trucker" on Ch. 19 lock-in, PA function & built-in ANL and variable squelch. List is \$460. Firm also introduced mobile 40-channel CB (\$240) and hand-held 40-channel portable with one-watt output, battery/signal-strength/modulation meter and Ch. 9 priority switch (\$175). SSB & mobile will be available in June, hand-held in July.

**Note:** Recent survey of 30 Japanese CB makers revealed about 20% production drop in March from year earlier to 995,000 units, indicated total will taper off to about 740,000 in June.

**CB Scene:** Solutions to TVI problem are offered by Vidaire Electronics & Gold Line. Vidaire CB filter attaches to TV set antenna terminal, attenuates CB interference more than 41 dB at 27 MHz. Gold Line low-pass filter plugs into back of CB rig, gives "excellent" suppression above 36 MHz without affecting strength of CB signal... Latest edition of Radio Shack's "All About CB Two-Way Radio" now available at \$1.25... Midland introduces modular 40-channel CB remote unit (\$275) with central control unit small enough to mount on glove compartment... National Semiconductor brochure on CB ICs, including microprocessor-controlled tuning system, now available... FCC ups initial CB violation fee from \$50 to \$100 for use of unauthorized power or frequency, to \$75 for attempting to "skip" signals more than 150 miles or operating with overheight antenna.

Film-to-Betamax dubbing service by S/T Video-cassette Duplicating (joint Sony-Teletronics enterprise) will be inaugurated next month through Betamax dealers. Sample list prices: Up to three 50-ft. reels (8mm or super-8) put on cassette \$26; 8 reels on cassette \$46; 35mm slides, up to 64 on cassette, \$25; each additional slide 40¢. Special services: Background music \$8, titles at start of cassette \$6, electronic color restoration \$7.50 per 50-ft. reel, additional cassette copies \$19.50, editing of film \$12.50 per 50-ft.

## Trade Personals

**V.J. Adduci** resigns as EIA pres., effective June 15, to take similar post with Motor Vehicle Mfrs. Assn. Search committee to find successor is being appointed. **William Simcox**, ex-Govt. Products Div., appointed administrative vp, responsible for accounting, production, administrative services, maintenance, conventions & PR; **Norman Sharp** resigns as PR dir. to join Outdoor Power Equipment Institute... **Donald Bronson** advanced at RCA Picture Tube Div. from dir. general of French venture, Videocolor S.A. to vp-international, succeeding **William Hartzell**, now engineering vp.

**Sol Fields** resigns as Morse national service dir. to take similar post with unidentified Cal.-based audio firm... **James Johnston**, ex-Zenith, appointed Altec consumer products sales vp... **Paul McGuire** advanced at Electro-Voice from speaker product mgr. to sales mgr... **Stephen Diener** promoted at ABC Records from International Div. pres. to pres., succeeding **Jerold Rubinstein**, resigned.

**Arnold Fisher** resigns as Allied Leisure mktg. dir. to join Miami-based import-export house Roban International as chmn... **Ken Hicks**, ex-Omron (U.S.), named Bourns Trimpot Div. mktg. vp... **Dean Fitch** resigns as Fairchild Consumer Products Group special mkt. sales mgr. to enter consulting field... **Stanley Cundey** advanced at N. American Philips from asst. treas. to treas., succeeding **Robert Dunn**, who continues as financial senior vp... **Howard Aronson** appointed Columbia Magnetics national consumer sales dir., succeeding **Gary Schwartz**, now with Almo Electronics.

**Archibald Doty** appointed Johnson American staff sales engineer-vehicle.

Latest Tokyo round of negotiations on voluntary limit on Japan's color exports to U.S. produced "some very real progress" toward ending stalemate over extent to which unfinished sets & subassemblies would be covered, spokesman for U.S. Office of Special Trade Representative (STR) told us. "But, we're still pretty far apart on numbers," he said, adding more technical-level meetings are needed. Member of U.S. trade team is going from Tokyo to London to brief STR Chief Robert Strauss, who will meet with Japan Vice Minister for International Trade & Industry Minoru Masuda, in London early this week. President Carter has until May 22 to tell Congress what he intends to do about International Trade Commission's recommendation that color duty rates be hiked to 25%. In U.S., IUE & IBEW are asking members to write Carter to reject both voluntary quota idea & ITC recommendation, impose color import quota instead. IBEW is seeking similar restrictions on b&w and TV subassemblies as well.

FCC dropped plan to allow type-acceptance & certification testing of CBs by Japanese (Vol. 17:6 p11). Stated reason for change was reduction in number of new CB sets coming into U.S. labs, easing of work load. Unmentioned factor may have been pressure put on FCC by domestic producers.

**WEEK'S NEW SETS:** Sony color TV line, prices unchanged (see p. 7)—all products carryovers except as noted: 5" AC-DC \$460; new 7.7" AC-DC \$480 (9" AC at \$430 has been dropped); 12" \$400 & \$420; 15" \$460, remote \$530; 17" \$520, \$540, new set at \$540, remote \$620; 19" \$580 & \$600, remote \$700; 21" \$720, new remote \$820. All remotes have electronic tuning, others mechanical. Monochrome line features only one AC-only mode, 13" at \$150. AC-DC sets: 5" \$140; 7" \$145 & \$155; new 8" \$150, 11" \$160.

Sony added 9 new radios, starting with pocket AM at \$10, including FM-AM table-pocket unit, which can be removed from table speaker to be used as pocket set, \$80, and set with 29 SW bands, LW, AM, 2 FM bands and cassette recorder at \$1,995. Two new cassette recorders with FM-AM are \$120 & \$290 (stereo). Two new compact stereo systems, with cassette or 8-track, are \$450, replacing clam-shell design EX line, introduced last year and now being liquidated at 25% price reduction.

Panasonic's current multinational color TV production plan calls for sourcing all portables, including VIR-equipped model, from Japan, all 25" consoles with Color Pilot from Panasonic Canada, pair of consoles from Quasar. All consoles feature Sylvania's 100° tri-potential tube, most portables will have new Japan-made higher-voltage bi-potential tube. Our report last week contained some contradictions (Vol. 17:18 pp 9 & 11).

MGA will expand 1978 color line (Vol. 17:16 p11) with Japan-made 21" table model & 25" table produced in new Irvine, Cal. plant. Both will have 12-position varactor remote tuners, use 110° in-line matrix slot-mask tubes sourced from Mitsubishi in Japan, marking first importation of 25" tubes from there. Sets, slated for Aug. availability, are still unpriced.

**Audio notes:** First product from Mesa Electronics will be speakers. Mesa, founded 4 years ago as import-distributor of Mexican-made recorder changers, will unveil line of 4 U.S.-made speaker systems at \$109-\$259, each featuring front-mounted stepping slide-switch crossover control. Plans for changer remain "on hold," Mesa says... **BSR** showed changer version of remote-control Accutrac programmable record player to reps last week. Changer uses belt drive, where single-play utilized Matsushita-supplied direct-drive motor, is priced well below \$600 list of single-play version. BSR also showed shortened, upgraded & redesigned line of high-end automatic turntables... **Roadstar** now offers 3-year parts & labor warranty on in-dash car stereo equipment... **Channel Master's** first one-step audio line, designed differently from equipment sold through distributors, consists of 7 bi- & -tri-mode compact systems from \$150 to \$400, 8-track record desk at \$100, all made in CM's Taiwan plant.

Murata is expanding size of Rockmart, Ga. ceramic capacitor plant 25% to 40,000 sq. ft. Company says addition will be completed in July.

Distributor orders of components in March rose 19.4% from Feb., but were about even with same month last year, EIA reports.

## 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 1977-qtr. to March 31	9,935,628	129,529	.04
1976-qtr. to March 31	5,312,260	171,001 <sup>a</sup>	.05
AEL Industries 1977-year to Feb. 25	35,281,051	883,331	.53
1976-year to Feb. 27	30,437,461	407,232 <sup>a</sup>	.24
Automatic Radio 1977-6 mo. to March 31	33,102,000	1,593,000	.66
1976-6 mo. to March 31	37,183,000	3,360,000	1.39
1977-qtr. to March 31	19,649,000	481,000	.20
1976-qtr. to March 31	19,819,000	1,495,000 <sup>a</sup>	.62
BBDO International 1977-qtr. to March 31	22,300,000	1,812,000	.72
1976-qtr. to March 31	18,900,000	1,562,000	.62
Columbia Pictures Industries 1977-9 mo. to March 26 <sup>b</sup>	269,017,000	27,898,000 <sup>a</sup>	3.31
1976-9 mo. to March 27 <sup>b</sup>	251,489,000	10,072,000	1.21
1977-qtr. to March 26 <sup>b</sup>	94,472,000	5,990,000 <sup>a</sup>	.69
1976-qtr. to March 27 <sup>b</sup>	74,829,000	956,000	.11
Doyle Dane Bernbach 1977-qtr. to March 31 <sup>b</sup>	15,182,000	856,000	.46
1976-qtr. to March 31 <sup>b</sup>	13,130,000	949,000 <sup>a</sup>	.52
Esquire Radio & Electronics 1977-qtr. to March 31	6,354,226	252,243	.39
1976-qtr. to March 31	4,056,831	213,459	.33
Gross Telecasting 1977-qtr. to March 31	1,788,154	332,153	.41
1976-qtr. to March 31	1,571,650	275,200	.34
Harvey Group 1977-year to Jan. 29	33,039,293	233,692 <sup>a</sup>	.09
1976-year to Jan. 31	31,489,843	134,229 <sup>a</sup>	.04
Heritage Communications 1976-year to Dec. 31	4,342,425	(12,424)	--
1975-year to Dec. 31	2,677,103	(581,474)	--
1977-qtr. to March 31	1,223,680	(314,707)	--
1976-qtr. to March 31	972,828	(20,750)	--
ITT 1977-qtr. to March 31	2,948,768,000	142,079,000	1.10
1976-qtr. to March 31	2,693,240,000	119,292,000	.96
Koss 1977-9 mo. to March 31	13,606,929	160,601	.10
1976-9 mo. to March 31	14,502,742	1,120,772	.66
1977-qtr. to March 31	4,405,808	(109,129)	--
1976-qtr. to March 31	4,659,067	414,215	.24
Ogilvy & Mather 1977-qtr. to March 31	31,275,000	1,377,000	.73
1976-qtr. to March 31	24,178,000	1,043,000 <sup>a</sup>	.56
Soundesign 1977-qtr. to March 31	26,207,000	1,279,000	.40
1976-qtr. to March 31	26,055,000	1,320,000	.40 <sup>c</sup>
Superscope 1977-qtr. to March 31 <sup>b</sup>	41,300,000	1,400,000	.60
1976-qtr. to March 31 <sup>b</sup>	39,600,000	1,900,000	.82
Tele-Communications 1976-year to Dec. 31	46,078,000	1,008,000	.12
1975-year to Dec. 31	40,574,000	(156,000) <sup>a</sup>	--
Teleprompter 1977-qtr. to March 31 <sup>b</sup>	27,782,000	1,118,000	.07
1976-qtr. to March 31 <sup>b</sup>	23,925,000	(1,247,000)	--
UA-Columbia Cablevision 1977-6 mo. to March 31	11,395,000	1,214,000	.72
1976-6 mo. to March 31	9,648,000	969,000	.57
1977-qtr. to March 31	5,812,000	627,000	.37
1976-qtr. to March 31	4,969,000	511,000	.30

Company & Period	Revenues	Net Earnings	Per Share
United Cable TV 1977-9 mo. to Feb. 28	12,844,000	(56,000)	--
1976-9 mo. to Feb. 29	10,274,000	(3,473,000)	--
1977-qtr. to Feb. 28	4,274,000	57,000	.03
1976-qtr. to Feb. 29	3,911,000	(532,000)	--

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Restated. <sup>c</sup>Adjusted.

## WEEKLY Television Digest

with  
Consumer Electronics...  
PUBLISHED BY TELEVISION DIGEST, INC.

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

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**RCA'S OUTLOOK:** RCA expects to follow record first quarter with record 2nd quarter, and first-half net should exceed that for all of 1975, Pres. Edgar Griffiths told happy shareholders at annual meeting last week. Consumer Electronics & Services operation, which posted 42% profit rise in Jan.-March, was singled out for particular praise by Griffiths, who pointedly noted RCA's "number one domestic competitor" (Zenith) had decline in same period.

He said RCA has 2 versions of hour-per-side videodisc in lab, reaffirmed position player must eventually sell for \$400 or less. "We have not made a decision to go forward. On the other hand, we have not made a decision that we will not go forward," he said, adding he'd "refrain from making dates & commitments as to precise time" of introduction.

RCA has started getting income from contract to supply color TV plant & technology to Poland, its solid state business is in black & company is "virtually sold out for 1977 for picture tubes" in U.S. & Europe, he said. As for electronics future, Griffiths said RCA's r&d outlays now exceed \$100 million annually and "we will continue to spend at that level & beyond."

Warner Communications says electronic game sales (Atari) last year totaled \$35.5 million, generated \$174,000 pre-tax profit.

WEEKLY

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MAY 16, 1977

VOL. 17, NO. 20

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**'WE LIKE IT UP HERE,'** Network Pres. Duffy says of ABC-TV's No. 1 position. Network execs. promise exuberant affiliates continued program innovations, say there's no complacency. Sexually-oriented 'Soap' seen as controversial ratings winner in fall. (P. 1)

**SPORTS CURBS** get top network priority at Senate hearing; renewal legislation remains NAB & FCC goal. NCTA proposes standard of 'public harm' for cable-broadcast competition. (P. 2)

**FTC TOY PROBE** envelopes NAB as agency subpoenas Code Authority's documents on approval of 16 toy ads. NAB seeks to quash FTC subpoena, claiming it neither creates nor disseminates ads. (P. 4)

**VIOLENCE RATING WAR** spreads as NBC accuses CBS of 'misleading' public in stating that NBC has highest violence levels. ABC technique measures violent act's context within program. (P. 5)

**FCC REVERSES** on WLTH(AM) Gary, will allow sale to black group. (P. 5)

**'WE LIKE IT UP HERE'—ABC-TV:** "We have very sharp memories of what it was like back there" as No. 3 network. "We came up the hard way... and we like it up here [No. 1 in prime time] a whole lot better." This, from TV Network Pres. James Duffy, just about summed up attitude of network & station execs. alike at last week's ABC-TV affiliates' convention in L.A.

The mood was exuberant following ABC's massive prime-time ratings win of 1976-77 season. "And next fall looks even better," multiple-station owner affiliated with all 3 networks told us. "There's just not a dark cloud in sight for ABC."

There was no complacency by network officials as several stressed ABC reached top through innovation, promised to intensify development of new program forms. Vp Alfred Schneider said ABC "revolutionized" TV program concepts in 1976 and "prime time will never be the same again."

Affiliates seemed to appreciate fact network dwelt very little on its huge rating success; there was no crowing or arrogance. Instead, network execs. talked about future. "They haven't lost their ability to be humble," affiliate said. "The CBS-type arrogance of so many years just isn't in the Pierces and Rules and Duffys."

Affiliates buzzed after screening of first 2 episodes of prime-time series "Soap"—which deals heavily in extra-marital sex. ABC Pres. Elton Rule predicted it'll be most controversial and talked-about program since "All in the Family"—and just about everybody agreed he's right. "We couldn't afford not to carry it... After all, I turned down 'All in the Family' twice," he told us. Added affiliate: "It's a hell of a hot show and is going to be the big ratings winner of the fall!"

**Handful of affiliates**—"it's just too goddamned much, just nothing but sex," affiliate told us—

said they'd refuse to air show, slotted at 9:30 p. m. Tues. This puts it on air at 8:30 p. m. Central & Mountain Time, causing extra problems for those affiliates—which network recognized. At wind-up closed meeting, network officials said Central & Mountain affiliates would be permitted to delay "Soap" until 9:30, said additional episodes would be made available for pre-screening well before airing. Only first 2 episodes have been written, according to chief writer Susan Harris, who said she's had very little dispute with network censors over "Soap."

Rule stressed that "parity isn't part of our vocabulary any longer—we've traded it in for the goal of leadership. And followers don't become leaders. Innovators become leaders." Said ABC-TV Pres. Fred Pierce: "It was not an easy task to fashion a prime-time schedule for next fall. I doubt if many people would've been surprised if we had made no changes at all... All of the 6 new shows are basically comedic in nature, but they are diverse within that form—from the first hour-long comedy to the unique breakthrough potential of 'Soap.'" He stressed ABC's goal is to be No. 1 in all day parts, said network now is in "a virtual tie" with CBS in daytime, cited early morning, late night and Sat. morning gains.

Pierce said ABC's voluntary reduction in violence—"well before the issue became a popular one"—has been "lost in the avalanche of rhetoric." He said current PTA campaign is setting "an example of how to distort an issue, set up a censorship program and engage in an act of scapegoating." He urged broadcasters to get involved locally with their PTAs, said ABC will meet June 7 with Hollywood creative community for a "candid & free exchange of ideas."

"Leadership. Absolutely that is what we are going to look for in news and I think you are going to see it in a lot of different ways," according to newly-appointed ABC News Pres. Roone Arledge. He gave no details of ABC's plans except to announce late-night 60- or 90-min. magazine format show. He said News Div. won't strive for ratings because "ratings follow excellence [and] we're going to have the best reporters...the best cameramen...the best equipment...the best programs... Our news is going to be so good that you'll have to clear it." He added "old concept of the anchor position is outdated. It's outmoded, it can be changed... We can offer an alternative... And I don't think you have to equate—as the press seems eager to do—entertainment with making something interesting... We are not going to add show business techniques."

Rule also pledged news leadership for ABC-TV, said that "opportunity awaiting a network that wants to lead" is to break away from traditional mold of presenting news. He said ABC News budget will be "increased very substantially," refused to give any figures, said ABC is committed "to a major capital spending program" for ENG equipment.

In other convention highlights: (1) Enthusiastic applause broke out every time ABC Chmn. Leonard Goldenson's name was mentioned; he didn't speak this year, but at affiliates' convention 2 years ago he pledged network would devote whatever resources necessary to become No. 1 in prime time (Vol. 15:22 p2). (2) Affiliates surprised Rule—brought tears to his eyes—with plaque "in recognition of his outstanding contribution and service to our network, our industry and to his fellow man."

(3) Senior Vp Mark Cohen outlined previously unreleased 1975 & 1977 studies which show that public now perceives ABC as network others copy; this was dramatic change over 2 years, he said. (4) Barbara Walters will interview Premier Fidel Castro in Cuba this week for prime-time special to be aired May 26. (5) Vp-National Program Dir. Edwin Vane said ABC will host 2nd children's TV workshop (first was in 1972) next fall—that major critics such as ACT, PTA & AMA will be invited to participate. (6) Former News Pres. William Sheehan, now senior vp under Arledge, received biggest hand of any ABC exec. when first introduced.

NBC-TV affiliates move into same Century Plaza Hotel May 15-17 for their convention with network officials, to be followed by CBS-TV May 24-25.

**SPORTS CURBS GET TOP NETWORK PRIORITY:** Prevention of possible siphoning of sports programs to pay cable deserves more urgent congressional attention than license renewals, top execs. of 3 networks told Senate Communications Subcommittee hearing last week. However, NAB & FCC renewed plea for legislation granting lengthened license term and increased licensee

stability as high-priority item.

Due to new FCC interpretations of renewal requirements since WHDH-TV Boston, ABC Senior Vp Everett Erlick told Senate panel, "this whole question of stability and licensing processing is not really a problem today. The 'good operator' is out of danger; the 'poor operator' won't be saved by legislation. The 'presumption' of renewal for the incumbent already exists today due to FCC decisions."

Aren't licensees still "burdened" by 3-year term and heavy paperwork demands, Sen. Cannon (D-Nev.) asked. Responded CBS Bcst. Group Pres. John Schneider: "We feel it such a privilege for us to be in the broadcasting business that we don't consider it a burden." However, he added, renewals still are burden for smaller stations, for which CBS continues to support legislative relief.

While NAB Pres. Vincent Wasilewski placed both renewals and anti-siphoning on equal plane, and FCC Chmn. Wiley remained firm on request for 5-year license, networks all said they now place higher emphasis on anti-siphoning measure. Danger of sports program loss to pay cable was "major concern" to NBC Pres. Robert Howard, "a major priority" to ABC's Erlick, and "a clear and present danger" to CBS' Schneider. However, when asked by Chmn. Hollings (D-S.C.) to suggest draft legislation, sole recommendation—from Erlick—was passage of NAB-drafted "free TV" resolution introduced in 1975 instructing FCC to "ensure that the quantity and quality of free TV service not be impaired" (Vol. 15:45 p8).

"A demonstration of harm to the public" should be standard for all regulation of broadcastable competition, NCTA Pres. Robert Schmidt told hearing. He said he'd written NAB Pres. Wasilewski that "under such a standard, a demonstration of harm to the public as a result of the involuntary removal of existing programming from commercial TV could prohibit any of the kinds of 'siphoning' that you allege may take place." Responded Wasilewski, at week end: "If identifiable public harm means paying for what you now get free, we agree. If it means that the poor lose service, we agree. If it means the rural communities will not get service, we agree." Hearing touched on variety of other broadcasting controversies. Among highlights:

Network power—If FCC network inquiry fails to bring back to broadcasting its former emphasis on local services, Group W Chmn. Donald McGannon commented, he'd favor legislation reasserting local broadcasters' responsibility for their programming. Sen. Griffin (R-Mich.): How much effect do affiliates have on network programming? McGannon: "I'd say none."

Ex-FCC Comr. Glen Robinson said FCC inquiry was "very, very limited" and doomed to failure because it doesn't address industry's "basic economic structure." He said FCC shouldn't ask "what is the role of the networks in broadcasting?" but "what is the role of broadcasting?" He said only 'broadband communication' via cable or fibers could provide answer to this question. "If anything ought to be 'supplemental' it would be the broadcast industry. That's certainly the way we would go if we had to do it all over again."

Affiliate pre-screening of network shows—NBC now gives affiliates 15-20 hours weekly (vs. 22 hours weekly total prime time) 3-4 days in advance. CBS tries to screen all programs which "have a history" of affiliate problems, has been "a bit remiss" in screening movies—problem it will correct in fall. ABC pre-screens all prime-time first-run shows, though sometimes only couple days in advance.

Political coverage—Networks renewed call for repeal of Sec. 315 requirements for presidential election. Griffin chided Schneider for considering single hour of programming on "opposition" views to President Carter's energy message—featuring Ralph Nader as well as Republicans—adequate coverage of "the loyal opposition." He asked CBS to compile list of all times ex-President Ford & Carter appeared on TV and whether network provided reply time for opposition party. Hollings then expanded Griffin's request to ask network to include Nixon Administration "to see if the time Nixon spent explaining executive privilege matched the time taken by Carter to explain his energy message."

Network profits—"I don't think there's anything wrong with making a profit," Griffin stated, but proceeded to read network profitability figures (Vol. 17:19 p1) into hearing record "so if any

legislator thinks we're dealing with an industry that's on the ropes, they'll know this is not the case." Sen. Riegle (D-Mich.) questioned whether networks were "hiding behind the cloak of secrecy" in order to conceal their success, urged them to be more open.

**FTC DRAGS NAB INTO TOY PROBE:** As part of Compliance Div. investigation into whether major toy firms are engaged in false or deceptive ad claims or packaging techniques, FTC has hit NAB with subpoena seeking all documents relating to Code Authority review and approval of 16 specified toy commercials. In response, NAB has asked that FTC quash subpoena, claiming that it should not be a target of FTC investigation because Assn. neither creates nor disseminates toy ads.

Subpoena demands confidential market research data provided to Code Authority by toy advertisers, as well as all documents concerning Authority's approval of 16 ads cited. In motion to quash subpoena, NAB argues it is merely "an agent of the subscribing stations...to assist them in evaluating commercials for toys and other products," states that market research data provided by advertisers is "provided to the Code in confidence."

FTC attorneys declined to disclose why NAB data was subpoenaed, names of toy companies, or whether NAB itself was target of investigation. "We fail to understand what we have to do with all this," commented NAB attorney Brenda Fox. "The NAB is in charge of enforcing the Code, not the FTC, and Code compliance is no test of compliance with FTC regulations."

"In terms of toy performance, we don't run laboratory tests as such," Code Authority Dir. Jerome Lansner told us, though Authority does get samples of advertised toys and inspects them to ensure they generally do what is claimed. TV Code requires that toys' "appearance & performance" not be misrepresented, and that "any view of a toy or any demonstration of its performance shall be limited to that which a child is reasonably capable of reproducing." Only time NAB requests marketing data is to ensure that, for example, advertised product is available in sufficient numbers in various markets, Lansner said.

**At request of MST, FCC has extended comments deadline in VHF drop-in rulemaking from May 20 to Aug. 22, replies Sept. 22;** MST had sought 6-month delay. Commission noted terrain study is being done on Altoona-Johnstown drop-in, that parties will be given at least 30 days to comment after study is published.

**UHF pioneer WWLP** Springfield, Mass. (and satellite WRLP Keene, N.H.) profit figures have been made public in dispute with Warner cable systems in Brattleboro & Bellows Falls, Vt., to wit: 1976-\$507,666; 1975-\$220,636; 1974-\$251,508; 1973-\$235,733; 1972-\$320,634; 1971-\$206,051.

**Television Digest** has published 32-page supplement on industrial/institutional/educational/consumer video for Video Expo in Chicago (see p. 10). It's being sent to all subscribers under separate cover.

**WPIX N.Y. and WCCO-TV** Minneapolis appoint TeleRep for national sales.

There are "substantial" differences between way programs are perceived by children and adults, according to NAB pilot study of 309 children who watched TV with adult. In general, study found, youngest children differed most markedly from adults, while older children differed to lesser degree. Study concludes that "there is no single way to program for children," and that since adults' perception of TV is different from child's, "the viewpoint associated with child development has seldom been adequately represented, even by groups who presume to speak on behalf of the best interests of children." Study was made by Mariann & Charles Winick.

One result of FCC's recent hearings on payola & plugola (Vol. 17:8 p4) has been success in encouraging individuals with knowledge about such practices to tell FCC about them, FCC Chmn. Wiley told Senate Communications Subcommittee. "We are beginning to receive information on the nature and scope of these problems, which appear to be widespread," he said. Wiley added that broadcaster, rather than FCC or Justice Dept. "is in the best position to bring these practices to a halt." FCC resumes payola hearing May 16.

**Consumer Protection Agency** legislation has been approved by House Govt. Operations Committee—by one-vote—and by Senate Governmental Affairs Committee, 10-2. Carter consumer adviser Esther Peterson last week accused Chamber of Commerce, NAM and several large corporations of using "outright lies" to fight legislation. On other hand, former Special Prosecutor Leon Jaworski, representing Business Roundtable, wrote congressmen that agency would be too powerful, too political, and unmanageable by both Congress & Executive Branch.

FCC should begin rulemaking to eliminate all cable signal carriage restrictions, according to new NCTA Chmn. Daniel Aaron. Addressing N. Y. Cable TV Assn. in Albany, Aaron said his first act as chmn. will be to recommend that NCTA seek such a rulemaking. To FCC Chmn. Wiley's call for "general economic inquiry" into TV-cable relationship (Vol. 17:17 p2), Aaron replied: "The time for an inquiry has long since passed."

Cox Cable & Cox Bcstg. boards have approved proposed merger (Vol. 17:9 p6). Terms call for Cox Cable holders to receive .63 Cox Bcstg. shares, plus \$10.83 for each Cox Cable share. Shareholders will vote on merger in late June. Though Cox Bcstg. owns 56% of Cox Cable, majority of outstanding Cox Cable shares must vote to approve merger.

**F. Lee Morris**, Miss. ETV Commission exec. dir., should be named FCC commissioner, according to Miss. Democratic Sens. Stennis & Eastland & Rep. Montgomery. They've written President Carter that Morris should be nominated to FCC because of his engineering & public broadcasting background.

**VIOLENCE RATING WAR SPREADS:** Battle of networks vs. Dr. George Gerbner over competing methods of measuring prime-time network TV violence now has erupted into battle between CBS & NBC. At same time, ABC has introduced new measurement technique attempting to include violent act's context within program as additional rating factor.

Conflict between CBS & NBC broke last week—much to surprise of CBS—as result of attempt by CBS to disprove Dr. Gerbner's contention that level of TV violence "increased sharply last year on all 3 networks," reaching highest over-all level since 1967 (Vol. 17:9 p1). In fact, CBS claimed—in releasing its own compilation—total prime-time violence was greater than year earlier solely "as a result of the increase in violence on NBC" while ABC & CBS levels stayed about same.

CBS' stand was cause for NBC concern. Latter countered with statement strongly critical of CBS' methodology, calling finding that NBC violence level increased "highly misleading." Network criticized CBS' definition of violence, fact that context of violent acts was ignored, and statistical significance of CBS' measurements—criticisms practically identical to those leveled by both networks against Gerbner methods in past. Because of CBS study's flaws, NBC concluded, nothing can be concluded about different networks' rankings.

At affiliates meeting in L.A., ABC Vp Alfred Schneider announced network has developed new measurement system which attempts to judge intent of violent acts within program context. He said new technique would be more useful to programmers because it would evaluate portrayed violence's "appropriateness" rather than be "a mere counting by the numbers." ABC method uses broader definition of violence—taking into account violent force against "valued objects" as well as against 'life'—and also would distinguish, for example, between man being pushed into car's path and man being pushed out of car's path. "Under other indexes," Schneider said, "both acts are counted identically." ABC technique was developed by consultant Dr. Mel Heller and Vp-Research Services Marvin Nord.

During Senate Communications Subcommittee's scrutiny of broadcasting industry last week, senators varied markedly in their reactions to TV violence. "Don't you think there's some responsibility on the part of the networks to add it all up and say, 'this is too much'?" Chmn. Hollings (D-S.C.) asked network representatives. They replied that they were doing their best to reduce number of violent shows. [When NBC Pres. Robert Howard said network's new schedule showed "substantial reduction" in "hard action programs," Sen. Griffin (R-Mich.) asked Howard what "hard action" means. Howard said this comprises "police action-type programs, which feature a chase or physical action—heavy physical action." Hollings: "You wouldn't say this means 'violence,' would you?" Howard declined to respond.]

Sen. Thurmond (R-S.C.) testified he'd favor legislation—or even constitutional amendment—to proscribe excessive TV sex & violence. Even First Amendment champion Sen. Proxmire (D-Wis.)—who

came to testify for full press freedom for broadcasters—stated that he considered sex-&-violence issue "separate and distinct" from expression of views. However, he said he would "reserve judgment" on whether broadcasters should be placed under legal restraints on sex & violence. Sen. Stevens (R-Alaska) said he's already drafted legislation to regulate obscenity, indecency & violence, but hadn't decided whether to introduce it. On other hand, Sens. Hollings, Ford (D-Ky.) & Packwood (R-Ore.) made strong defense of TV programming's First Amendment protection.

In other testimony: (1) General Foods Media Services Dir. Archa Knowlton rejected broadcasters' claims that advertisers are attempting to "censor" networks. "We're all in this together... We feel advertisers have no alternative but to make their voices heard." He said firm was concerned that AMA cited it as 8th most violent sponsor in recent survey (Vol. 16:51 p5), is working with AMA to get together on violence definition "that makes value judgments about aggressive actions to assess the overall quality of TV shows."

(2) NAB Pres. Vincent Wasilewski said TV Code Board declined to amend Code to provide new guidelines on sex & violence (Vol. 17:17 p4) because "they felt that what they now have is as good as they could do." (3) Dr. Michael Rothenberg, Seattle psychiatry & pediatrics professor, who drafted "resolution of concern" over TV violence adopted by AMA (Vol. 16:27 p5), said similar resolutions have been adopted by American Psychiatric Assn., American Academy of Pediatrics, and American Orthopsychiatric Assn. He said Gerbner's violence measurement "fulfills all the major criteria for reliable design, methodology and outcome evaluation in behavioral science research."

**FCC has reversed earlier decision and will permit H.B. Snyder to sell WLTH(AM) Gary to local black group for "no profit"—\$190,000.** Commission earlier had refused to permit transfer on 3-3 vote because of charges against licensee by Gary Human Relations Council (Vol. 17:11 p4). HRC had attempted to withdraw protest—based on misrepresentation & character qualifications—in favor of sale to Inter-Urban Bctg. Unanimous Commission approved sale last week because of Snyder's health, fact he's getting out of broadcasting and is selling to black group.

**Senate Communications Subcommittee's cable hearing** has been moved from June 13-15 to June 6-8. Meanwhile, full Commerce Committee again approved interim regulatory reform measure for FCC, FTC, CPSC and 4 other independent agencies introduced last session by Sen. Pearson (R-Kan.). Measure now goes to 6 House Committees for consideration. Bill would require agencies to review all rules, codify those that still are needed, do away with outmoded requirements, suggest legislative revisions and respond promptly to petitions; bill also would authorize funds for agencies' 1978-1981 budgets.

**CBS board has elected Pres. John Backe** chief exec. officer, as expected, at request of Chmn. William Paley who voluntarily relinquished title.

## Personals

**William Turner**, KCAU-TV Sioux City, Ia., elected chmn. of ABC TV affiliates, succeeding **John Conomikes**, WTAE-TV Pittsburgh; **Robert Bennett**, WCVB-TV Boston, named vice chmn.; new to board are **Richard Green**, KRCR-TV Redding, Cal.; **Terry Shockley**, WKOW-TV Madison, Wis., and **Jane Dowden**, WTVC Chattanooga.

**Lawrence Fraiberg**, WNEW-TV N.Y. vp-gen. mgr., appointed Metromedia TV pres., succeeding Metromedia Senior Vp **Albert Krivin**, who retains responsibility for Metro TV Sales and Metromedia Producers Corp.

**John Haberlan**, Cowles Bcstg. pres., elected pres.-chief operating officer, parent Cowles Communications; Chief Exec. Officer **Marvin Whatmore** adds title of chmn., position left vacant since **Gardner Cowles** became honorary chmn. in 1973; **Francis Barry** elected exec. vp; **David Mendel**, treas.

**Charles Batson** elected Cosmos Bcstg. chmn.; **Francis Hipp** elected exec. committee chmn.; **W. Hayne Hipp & Macon Patton** named dirs & exec. committee members.

**George Back**, ex-Group W Productions vp-sales gen. mgr., joins Paramount's recently-acquired Hughes TV Network as exec. vp, succeeding **Arthur Mortensen**, who remains with previous owner Summa Corp.; **Alan Fields** promoted to Hughes senior vp, will continue to oversee Paramount's pay & CATV operations.

**Alan Cohen**, ex-WABC-TV N.Y., named program planning dir., new post, ABC Entertainment; **Werner Michel** advanced to west coast program planning dir., new post... **Michael Trager** named vp-administration, NBC Sports, new post; **Richard DiOrlo** appointed NBC-TV program budgets administration mgr.

**Robert Brown**, ex-KTAR-TV Phoenix, named pres.-gen. mgr., KTHV Little Rock, replacing Vp-Gen. Mgr. **B.G. Robertson**... **Francis Brady** promoted to station mgr., WJKW-TV Cleveland, replacing **Joseph Conway**, resigned.

**Tim McDonald**, ex-WDCA-TV Washington, appointed program dir., WTOP-TV Washington, replacing **John Goldhammer**, now program dir., KABC-TV L.A... **Randy Swanson**, ex-WTCN-TV Minneapolis, named asst. business mgr., KTTV L.A... **Warren Kraetzer**, WHYY-TV & WUHY(FM) Philadelphia pres.-gen. mgr., resigns, successor unnamed.

**Mark Evans Austad**, ex-Ambassador to Finland, returns to Metromedia in Sept. as vp-public affairs, Phoenix hq... **Thomas Reynolds** advanced to broadcast standards dir., RKO General... **Steve Bell**, ABC "Good Morning America" anchorman, addresses May 27 FCBA luncheon, Army-Navy Club, Washington, on 'Media, the Govt. & the National Mood.'

FTC attorneys **Helen Scott & Rich Rosen** join staff of FTC Chmn. **Michael Pertschuk** (Vol. 17:17 p6)... **Charles Firestone** named exec. dir., Citizens Communications Center, succeeding **Frank Lloyd**, now OTP consultant.

## WEEKLY Television Digest

with  
Consumer Electronics...

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

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**Mel Gilbert**, Snyder (Tex.) CATV, re-elected chmn., NCTA Independent Operators' Board; **Linda Beech**, ex-Dow, Lohnes & Albertson, Washington law firm, joins NCTA as research & planning dept. project mgr... **Hugh Gillogly**, ex-International Video, appointed NEC America Bcst. Equipment Div. national sales mgr... **Albert Audick**, ex-International Video, joins Thomson-CSF Labs as liaison mgr. for Washington, D.C., Md. & Del.

Panelists at NAB forum on "The Changing World of Communications": Cox Bcstg. Pres. Clifford Kirtland; WUI Vp James Ragan; Asst. Postmaster General J. T. Ellington, Robert LeBlanc of Solomon Bros.; Dow Jones Chmn. William Kerby; Deputy Asst. Secy of Defense for Telecommunications D. L. Solomon; Hartke-Hanks Newspapers Pres. Robert Marbut; Arthur D. Little Inc. Vp Martin Ernst; AT&T Exec. Vp James Olson; Warner Cable Chmn. Gustave Hauser. Forum is June 19-21 at Airlie House (Va.), costs \$425, is limited to 75 registrants.

Syndicated Communications—\$2-million, for-profit, venture capital corporation to help finance minority purchases of broadcast properties—has been formed by 4 investors, Ford Foundation, Opportunity Funding Corp., Presbyterian Economic Development Corp. and Cooperative Assistance Fund. Syncrom will have offices at 1625 I St. NW, Washington 20006, 202-293-9428. **Herbert Wilkins**, ex-Urban National Corp. of Boston senior vp, is pres.

Draft report on TV violence prepared for House Communications Subcommittee consideration (Vol. 17:19 p2) is expected to be approved—probably in June—in revised form, issued as Subcommittee report. Subcommittee and staffers met last week to iron out differences, will submit comments by May 20.

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 29 (17th week of 1977):

	April 23-29	1976 week	% change	April 16-22	1977 to date	1976 to date	% change
Total TV.....	270,092	210,424	+28.4	258,941	4,215,123	3,482,103	+21.1
color .....	162,851	126,304	+28.9	157,750	2,584,159	2,029,701	+27.3
monochrome .....	107,241	84,120	+27.5	101,191	1,630,964	1,452,402	+12.3
Total radio .....	791,991	764,556	+3.6	698,200	11,518,820	10,169,702	+13.3
home, portable ..	550,418	498,699	+10.4	446,621	7,371,937	6,230,343	+18.3
AM-only.....	85,084	174,764	-51.3	95,570	1,721,917	1,432,351	+20.2
FM & FM-AM ..	465,334	323,935	+43.7	351,051	5,650,020	4,797,992	+17.8
auto.....	241,573	265,857	-9.1	251,579	4,146,883	3,939,359	+5.3

Color TV 5-week moving average: 1977-152,938; 1976-105,819 (up 44.5%).

**U.S., JAPAN FINALIZE COLOR QUOTA DEAL:** Agreement on all key details of Japanese voluntary restraint program for color exports to U.S. was reached at London meeting last week by U.S. Special Trade Representative Robert Strauss and MITI Vice Minister Minoru Masuda. There are still some loose ends but, as one insider told us, "if it takes more than a couple of phone calls to conclude at this point, we'd have to go back to square one."

Pending formal announcement by President Carter, expected by week's end, details are being kept secret. But we've learned restraint program will run for 3 years, cover exports of complete sets as well as nearly complete sets in chassis or kit form. To escape quota limitations on parts & subassemblies from Japan, Japanese manufacturers building sets here will, for practical purposes, have to be sure U.S. value added (in form of labor, parts, testing, etc.) represents about 50% of final value—virtual guarantee sets will use U.S.-made picture tubes.

Quantity limit is most closely-guarded secret of all; no matter how high, it won't make Japanese happy, and it won't be low enough to satisfy U.S. industry. Best guess: Something modestly over 2 million annually, including unfinished sets. That's 1/3 less than Japan shipped last year, about 1/3 more than U.S. producers wanted. Imports from Japanese plants in other countries are included in deal, and U.S. has agreed to monitor imports from Taiwanese & Korean producers, impose restrictions if they grow too rapidly.

For respective home consumption, Japan will say it got voluntary pact, U.S. will announce Orderly Marketing Agreement. An OMA gives Carter right to set up import regulations & policing procedures, chuck whole deal if it's not working. Acceptance of purely voluntary agreement would leave total control with Japan. Carter must tell Congress by May 21 why agreement is preferable to hike in duty rate from present 5% to 25% for 2 years, dropping in stages to 15% before being phased out in 1982 as recommended by International Trade Commission (Vol. 17:12 p7). Unless rejected by Congress in favor of ITC proposal, OMA goes into effect within 90 days of Carter's report, so restrictions may not start until mid-Aug.

Export pact far from solves all of Japan's TV headaches here. ITC Judge Myron Renick has set May 24 for prehearing conference on Sylvania's unfair-import-competition complaint against Japanese color producers, slated June 7 start of hearing which may run 2 months. Sylvania case isn't due for resolution until next Feb. Customs Appeals Court has set June 8 for hearing on U.S. bid for reversal of lower court ruling that domestic excise tax refunds given Japanese consumer electronics exports are same as subsidies and should be offset by countervailing-duty

levies on products imported into U.S.

Legality of Japanese TV check-price agreements of 1966-73 was resurrected last week when Atty. Gen. Griffin Bell appeared before Senate Antitrust Subcommittee. Bell told Sen. Thurmond (R-S.C.) he felt pact, which set minimum export prices and effectively allocated private-label customers, would be "absolutely illegal in this country," but said he didn't know enough about international aspects, promised to supply written opinion. In letter to Sen. Kennedy (D-Mass.) last Feb., outgoing Justice Dept. Antitrust Chief Donald Baker said that since agreement was ordered by Japanese govt. it wasn't actionable under U.S. law (Vol. 17:9 p7).

**DIMENSIONS OF A RECORD MONTH:** Final figures confirm that last month was best April in history for color TV sales to dealers (Vol. 17:19 p7) and State of the Industry, with 577,142 units sold, up 38% from April 1976 and 11% from previous high set in April 1973. Sales were close to 10-million annual rate.

Color TV production plus imports in April totaled about 274,000, 23% ahead of year-earlier month, bringing supply for year's first 4 months to around 2,880,000, up nearly 27% from 1976 figure. Factory plus distributor inventories at end of year's 4th month totaled 2.29 million, up 18.3% from year earlier and increase of 4.5% during April. Figure represents 14-week supply at most, compared with 15-week inventories same time last year. Factory inventories, at 1,384,000, were up 33% in year and 11.3% in month. Distributor inventories at end of April were 906,000, up 3.4% from year earlier but down 4.4% from end of March.

Bulge in April undoubtedly included some extra buying of imports to beat price increases. Although rise in inventories over 1976 doesn't seem excessive at factory & distributor level, fact remains that there probably were too many sets in pipelines last year, and number of sets being stockpiled by major giant retail chains & private-labelers is unknown quantity. Therefore, even with industry apparently headed for 9-million-set year, total inventories (including retail) could be somewhat high—certainly too high for any attempts at price increases by domestic manufacturers.

Meanwhile, there was cheering news in Conference Board's April survey of consumer buying plans: 7.9% of families planned to buy color TVs in next 6 months, up from 5.3% in Feb. 1977 and 5.5% in April 1976. B&w buying plans were up, too—2.3% vs. 2.6% in Feb. & 1.4% one year earlier. Here are EIA's April sales-to-dealers figures (for 4-month data, see State of the Industry):

Product	April 1977	April 1976	% change	April 1975
Total TV .....	932,915	719,329	+29.7	766,879
color .....	577,142	418,133	+38.0	420,511
monochrome .....	355,773	301,196	+18.1	346,368
Total radio .....	2,633,309	2,101,710	+25.3	2,042,072
home, portable .....	1,671,306	1,203,090	+38.9	1,286,434
AM-only .....	335,057	349,109	-4.0	418,513
FM & FM-AM .....	1,336,249	853,981	+56.5	867,921
auto .....	962,003	898,620	+7.1	755,638

**1ST-QUARTER TV MARKET AT 3.6 MILLION:** Imports were held to modest increase in penetration in first-quarter TV market, as U.S. manufacturers boosted color output by almost 300,000 sets over same 1976 period, our analysis of EIA & Commerce Dept. data shows.

Just under 3.6 million TVs were made or imported into U.S. in Jan.-March period, highest in 3 years and up 18.3% from year-earlier quarter. Increase was shared on virtually equal basis by domestic producers—whose output was up by 262,000 sets—and by importers, whose shipments rose by 294,000. While increase in domestic color production outpaced import growth by more than 100,000 sets, importers more than made that up in b&w with 114,000 increase, while U.S. output dropped by 25,000.

Imports took record share of first-quarter market, although penetration was well below

that of 4th quarter last year. On complete-set basis, imports took 45.6% of total TV market, up from 44.3% in same 1976 months, including 27.5% of color (up from 24.6%) and 74.1% of b&w (up from 70.4%). Respective shares for imports in final 1976 quarter were 55.7%, 39.3% & 79.4%.

TVs assembled in U.S. plants from foreign-made chassis are considered to be U.S.-produced. If the 214,000 color & 60,000 b&w chassis imported in quarter were shifted to imports column, imports would have accounted for 53.4% of all TV in first quarter, including 37.3% of color, 78.3% of b&w. Here's how total market picture developed:

#### FIRST QUARTER TV MARKET

	U.S. Produced*	% change	Imports	% change	Total Market	% change
<b>Total TV</b>						
Jan.-March 1977.....	1,951,000	+15.5	1,638,000	+21.9	3,589,000	+18.3
Jan.-March 1976.....	1,689,000		1,344,000		3,033,000	
<b>Color TV</b>						
Jan.-March 1977.....	1,591,000	+22.0	605,000	+42.0	2,197,000	+27.0
Jan.-March 1976.....	1,304,000		426,000		1,730,000	
<b>Monochrome TV</b>						
Jan.-March 1977.....	360,000	-6.5	1,032,000	+12.4	1,392,000	+6.8
Jan.-March 1976.....	385,000		918,000		1,303,000	

\*Includes TVs assembled from imported chassis.

**ZENITH LINE-VCR, MORE AUTO-COLOR:** Zenith jumped off to aggressive start on 1977-78 sales season in Las Vegas last week by: (1) Unveiling unpriced "VCR" 2-hour Beta-format deck, console & b&w camera. (2) Extending Color Sentry automatic color and electronic tuning to every screen size. (3) Adding EFL 100° tri-potential slot-mask tube to 5th 19" set. (4) Beefing up audio line with low-end version of successful wedge compact, boosting power and cutting prices on other models.

"Video Cassette Recorder-Beta Tape System" is full name of VTR, but it will go under title of VCR. Controls are same as Betamax, but Zenith version has richer finish—simulated walnut with satin gold trim. Deck won't be available in "popcorn volume," Mktg. Vp Robert Bowen said, but will be shipped in "sizeable quantities" to dealers in Aug., be in national distribution by fall—along with optional timer and 1- & 2-hour blank cassettes. Deluxe 25" console with timer will be available in early Oct.—volume limited in 1977.

Pricing of deck & console hasn't been set, but deck will be "competitive with Sony Betamax" (\$1,300 including timer); console will be "the most expensive product ever to carry Zenith's name" (probably putting it in \$2,500-\$2,800 range). Sony-made b&w camera—in limited supply through fall—will be about \$350, including mike, power supply & connector cable. Changer will be added in fall.

Zenith says it's taking active part in VCR production, will begin introducing own engineering & electronics into system in next 2 years, is feeding design & engineering ideas to Sony, which will show up in some Betamax units "now moving toward manufacturer," Bowen said.

Color pricing is essentially unchanged from current line, with exception of scattered increases in high-end consoles (\$10-\$20) & combos (\$30). "We'd be happy to see a 5-8% increase in the industry," Exec. Vp Walter Fisher told news conference, but that probably won't come unless import prices are forced up.

Zenith moved Color Sentry to all 23" & 25" models and five 19" sets and introduced it in high-end 13" (\$390) & 17" (\$430). Feature now is in 89% of line—49 of 55 models. Electronic tuning also was extended to every size, now in 48 models. New 19" with EFL Chromacolor 100° tube is \$480, \$20 below previous starting EFL set. Two other 19s use tube—\$500 manual &

\$600 remote. Remote is now in 22 models, with high-end Space Command 1000 (Zoom) in 20 sets. There are 4 new 12" b&w sets, including 2 AC-DC models, unchanged from predecessors at \$120-\$140. New chassis uses 26% less power. (For details on color line, see p. 11.)

As expected, import situation was frequent convention topic. Bulge in April color sales to dealers to 10-million-set annual rate (see p. 8) was attributed not to booming market but to Zenith fight to block low-cost imports. With possibility of success in sight, Bowen said, retailers are now buying "in unprecedented numbers" as hedge against price increase.

"It would be misleading to say the problems are behind us," Chmn.-Pres. John Nevin summed up, adding that Zenith distributors' customers would continue to load up on cheap imports and that low-end 19" leaders at \$299 would remain in market. Zenith hasn't done "as well as we would like to have in giving you competitive pricing," he said. "But we've gone as far as we could without risking that Zenith become another Philco, another Admiral, another Magnavox or another Motorola."

**Impact of Betamax** is shown in first-quarter import figures: Color cartridge & cassette VTR imports jumped 185% to just under 20,000, while imports of videocassettes soared 336% to 976,000; nearly 640,000 cassettes were imported from Japan, bulk of remainder coming from Korea. Meanwhile, Matsushita announced it will market its VHS recorder in Japan starting in June at about \$950 for consumer version, \$970 for industrial/institutional unit. Both are 2-hour machines, and company apparently has no current intention of selling 4-hour unit on home market. Sony 2-hour Betamax is about \$925, and Matsushita's VX-2000, which will continue in production, has been reduced to about \$565. JVC has introduced "economy" cassettes for VHS machine in Japan. Two-hour tape sells for about \$17 vs. \$21.50 for standard type.

**Superscope's new "major audio product"** (Vol. 17:16 p11) is Pianocorder, an audio cassette-controlled electro-mechanical playing & recording attachment for pianos. Unit can be built-in to new pianos, added on to old ones. Device, slated for availability early next year, will have pre-recorded software—tapes of piano rolls from Chmn. Joseph Tushinsky's private collection, as well as newly recorded performances. Advantage of Pianocorder over phono discs is that it provides "live piano sound," Superscope says. Price wasn't disclosed.

**3M is selling its first Betamax cassettes** in Minneapolis-St. Paul area, using high-energy ferric oxide tape (Sony's is chromium dioxide). 3M cassettes list at \$15.95 for one hour (2 hours on Betamax X2), but will be increased to \$16.95 to match price of Sony's new L-500 cassette when L.A. is added as 2nd market. As result of expected impact of video, 3M Magnetic Audio/Video Products Div. has been reorganized into 2 sales groups—retail products (consumer tape) headed by Don Rushin and industrial products under William Madden.

**European manufacturers** Philips & Grundig have increased playing time of Philips-developed VCR to 130 min. per cassette by reducing tape speed to 2.58 ips, narrowing video track and eliminating guardband between tracks. Resulting tape economy is about 32.25 sq. ft. per hour vs. 10.3 for 2-hour Betamax and 8.2 for 4-hour VHS.

**Taiwan Tatung's U.S. sales arm** will break into color console field in Sept. with 25" unit. At present, company plans to import chassis & tube (Toshiba's) from parent, obtain cabinet here. Console, as well as all other sets in line (pair of 19" & pair of 13" color sets, 2 19" & 4 12" b&w) feature Audio-color system that feeds TV audio from IF stage to consumer's stereo amplifier. Transmission line has switchable crossover that feeds mono signal to both channels or high frequencies to one channel, low to other for stereo effect. Sets, to be sold only in Cal. markets this year, still are unpriced.

**Sylvania has displaced Admiral** as principal supplier of color consoles to Montgomery Ward, it's understood. Sylvania spokesman confirmed only that company is "a major supplier" to Ward.

#### VIDEO EXPO SUPPLEMENT

Television Digest has published special 32-page supplement on industrial/institutional/educational/consumer video for distribution this week at Video Expo in Chicago.

Among major features: (1) Significance of consumer video boom to industrial/institutional video by Television Digest Editorial Dir. David Lachenbruch. (2) Summary & excerpts from soon-to-be-published report, "Private TV Communications: 1977," by Judith & Douglas Brush. (3) Illustrated condensed specs of leading industrial & consumer videocassette & videodisc systems. (4) Directories of industrial software producers and private video networks. (5) Exhibitors' Showcase.

Semiannual Video Expo, sponsored by Knowledge Industry Publications, is the major meeting & marketplace for industrial/institutional/educational video producers & users. May 17-19 Expo is at Holiday Inn/Mart Plaza, Chicago. In addition to distribution at Expo, special Television Digest supplement is being mailed under separate cover to all Television Digest subscribers and to leading video users for total circulation of 30,000.

**ZENITH FOR 1977:** Zenith distributors were told to expect 8.7-million color set year in 1977, with both 2nd & 3rd quarters running at 8.7-million rate, monochrome at 5.5-million for same quarters. Trendex first-quarter figures disclosed at Las Vegas convention showed Zenith with 22.4% share of retail color market, RCA 18.1%, Sears 8.2%. In monochrome, Zenith had 19.4%, RCA 14.7%, Sears & Panasonic 10.1% each, GE 9.3%. Big first-quarter surge for Zenith—in 12-week period surrounding Feb. convention—resulted from increased availability of 19" sets and aggressive promotional allowances in consoles, according to Mktg. Vp Robert Bowen. Result was 11.5% increase in Zenith weekly sales rate vs. 11.8% decline for "the competition."

On VCR: (1) Independent survey indicated Beta-max owners will spend \$500 on blank tapes in first year, making it good business—and "Zenith is dealing itself in." (2) Zenith r&d on videodisc will continue despite entry into VTR field—"if some problems can be solved...it'll be an excellent business," Exec. Vp Walter Fisher told news conference. (3) VCR may be featured in Zenith's national TV ads.

Color story this year is more features, same prices—especially in portables & table models. With 2 exceptions, new 13", 15" & 19" prices are unchanged. New 13" leader & AFC step-up are \$360 & \$380, electronically tuned Color Sentry model open-listed (about \$390), remote about \$440. Leader 17" (AFC) is \$400, electronically tuned Color Sentry step-up \$430, remote about \$510. New 19" leader (AFC) is open (about \$440), step-ups open at about \$450 & \$460-\$470. EFL 19" with Color Sentry starts at \$480 (down \$20), electronically tuned step-up and high-end Ellipse \$500, \$600 with remote (Ellipse down \$10). All 19", 23" & 15" remotes have Zoom.

In 23" line, all models have Color Sentry & electronic tuning, pricing unchanged, remotes adding \$100 to manual price. Tables are \$600 & \$650, manual consoles \$670 to about \$710, remotes \$770. Lone 25" table is \$680 (remote \$780), unchanged. In 25" console line (all with Color Sentry, electronic tuning), leg model is open-listed at about \$700, 4 step-ups \$750, Avanti at about \$800 (all with remote versions). Consoles with 14-channel Touch Command pushbutton tuning in new 5-model series are \$820 (remotes \$920), up about \$10 from comparable models. Two combos are open-listed, about \$1,295 & \$1,675 (both up about \$30).

New audio line centers on Mini-Wedge compact series, aimed at young adult market, in 8-track player (\$270), 8-track recorder (\$300) & cassette (\$320) versions. Zenith dropped prices up to \$30 on other compacts, increased power of Wedge 25% to 15 watts (unchanged at \$500), introduced Shure cartridges in Allegro I & II. Consoles were added at \$360, \$400 & \$430. Single radio was added—electronic digital clock (open, about \$65) with "billboard readout panel" mounted on top.

**Coals to Newcastle:** To reduce trade deficit with Japan & lower its U.S. trade surplus, Taiwan is shifting purchases of 33 products from Japan to U.S. Among items it will shop for here: Radios, radio-phonos & radio-tape combinations, phonos, tape recorders, telephones, calculators.

**GAMES—STRONG FINISH?** Despite limp market through most of first half, game industry generally sees strong over-all year, with heavy sales in 3rd & 4th quarters pushing volume to 7-10 million units. That's more than double 1976, but vicious discount pricing on low-end ball-&-paddle units will hold dollar volume below \$300 million, dropping average to \$40-\$50 from last year's \$60-\$65. Venture Electronics will show 5 games (\$20-\$90) at CES, including programmable, and MPU-controlled pinball machine. Programmable cartridges will be under \$20, with 3 available by year's end.

Second- (and 3rd-) generation arcade & programmable games will start showing up at retail in significant quantities during end of 3rd quarter, suppliers say, but tight supply of critical dedicated chips & microprocessors probably will see replay of last year when shortages hit b&p market during Christmas season. Semiconductor houses are being forced to turn out even more chips than they did last year, according to Coleco Pres. Arnold Greenberg, situation which inevitably will cause shortages.

Market will approach 7-10 million, Greenberg says, calling slowdown after Christmas "far less than we expected." Coleco shipped "6-figure" quantity of games during first quarter, is capable of "doing considerably more than a million this year." Coleco annual report says firm shipped about million Telstar b&p units in May-Dec. 1976, making it "number one video game supplier in North America."

Other producers' forecasts fall short of 10-million mark, but majority agree that first-half slump was function of seasonal factors, not market disintegration. Magnavox Video Game Gen. Sales Mgr. Thomas Garvin forecasts improvement in June with Father's Day & graduation promotions, sticks by earlier-1977 projection of 7-8 million units. Of total, 50% will be in under-\$50 b&p games, Garvin says, with rest "fragmented all over" between dedicated & programmable units.

National Semiconductor 5-7 million-unit projection shows prices dipping to \$15-\$25 at retail, sees market breaking out this way: Low-end (under-\$30), 3.5 million units, \$125 million; mid-range (under-\$100), 1.5-2 million, \$100 million; high-end (over \$100), 400,000, \$55 million. Sales during first quarter this year were very soft, according to National's Joseph Obat, with total sales less than 10% of 4th quarter 1976.

APF Pres. Sy Lipper (7-8 million) said market will pick up significantly in Sept. or Oct., blamed part of first-half slowdown on retailers' insistence that games are Christmas item, failing to promote & display them after season ended. Prices during remainder of year will bottom out at \$19.95, Lipper said, with market for programmables "absorbing everything the industry can make."

**Rectilinear Research** has applied to Commerce Dept. for import adjustment assistance. Agency will investigate whether increased speaker system imports have adversely affected sales, profits or employment. Import impact aid for companies is in form of low-cost loans or technical expertise.

## Trade Personals

**Leonard Schneider** promoted at RCA Consumer Electronics from cost analysis mgr. to product assurance dir.; **Cortland Hill** advanced from mfg. technology & services dir. to product design & test technology mgr... **James Jacobs** appointed GTE investor relations dir.; **P. Girdhar Gopal** named Sylvania Circuit Module Operation controller, succeeding **John Nugent**, who moves to similar post with Replacement Mkts. Operation.

**Kenneth Johnson**, one-time Packard Bell Sales pres., joins Standard Communications as personal communications products development dir... **William Cole**, ex-Motorola Communications, joins Cobra Communications as engineering dir., new post; **Patrick Flynn** advanced from eastern sales training mgr. to eastern sales mgr., replacing **David Glass**, who joins ITT Consumer Specialty Products Div. as national sales mgr. for planned personal communications products line; **Thomas Zimmerman** joins as asst. national sales promotion mgr... **Pete Reszko** promoted at Fanon/Courier from Fanon products eastern sales mgr. to national accts. mgr. for all products; **Al Paoletta**, eastern Courier products sales mgr. adds Reszko's former duties; **Tony Carrizzo** named asst. eastern sales mgr.

**Albert Ruttner** advanced at North American Philips to PR dir... **Jim Long**, ex-Heath, named Electro-Voice ad & sales promotion dir... **Pete Engler**, ex-Dancer-Fitzgerald-Sample, joins Ampex as consumer blank tape products brand mgr., new post... **Jack Ricci** resigns as Capitol Magnetics consumer products mktg. dir.

**Charles Prothro** advanced at Mostek from exec. vp to pres., succeeding **L.J. Sevin**, who continues as chmn.-chief exec.; **C.C. Mai**, r&d dir., and **John Shroyer**, wafer operations mgr., elected asst vps... **Wilfred Corrigan**, Fairchild Camera pres., named chmn. succeeding **Roswell Gilpatrick**, who continues as a dir... **Sanford Sussman**, ex-Cerro, named International Electronics chmn.-chief exec. in restructuring, replacing **Benjamin Grossman**, who remains a dir.; **Eugene Soloman**, ex-Machinery Sales, elected pres., replacing **Joseph Porto**, resigned; **Royal Lappin**, ex-Sangamo, named treas., succeeding **Herbert Brody**, who continues in advisory post... **John Foster**, ex-Motorola, named Fujitsu America southwestern mgr.

**Jon Winters** advanced at Sharp from national field sales mgr. to appliance national sales mgr., succeeding **Robert Lignori**, now with Norelco... **Charles Daigneault**, Sharp (U.S.) Consumer Electronics sales & mdsg. vp, elected a dir... **Howard Aronson** appointed Columbia Magnetics national consumer sales dir., succeeding **Gary Schwartz**, now with Almo Electronics.

**Norman Weldon**, CTS pres.-treas., adds duties as chief exec. formerly performed by Chmn. **Clinton Hartman**; **Charles Smith**, CTS Elkhart vp, named plant gen. mgr.-corp. vp; **Robert Hostetler**, CTS Knights pres., named corp. vp, adds responsibility for CTS Microelectronics & Service Plastics Inc.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Acton			
1977-qtr. to March 31	9,833,000	548,000	.20
1976-qtr. to March 31	2,128,000	132,000 <sup>a</sup>	.05
Downe Communications			
1977-qtr. to March 31	25,246,000	442,000	.08
1976-qtr. to March 31	32,535,000	321,000	.06
Foote, Cone & Belding Communications			
1977-qtr. to March 31	17,462,000	1,157,000	.48
1976-qtr. to March 31	14,369,000	599,000	.26
Lafayette Radio & Electronics			
1977-9 mo. to March 31	69,940,000	(563,000)	--
1976-9 mo. to March 31	74,828,000	2,143,000	.98
1977-qtr. to March 31	19,935,000	(1,248,000)	--
1976-qtr. to March 31	25,677,000	818,000	.38
MCA			
1977-qtr. to March 31	197,939,000	16,018,000	.89 <sup>b</sup>
1976-qtr. to March 31	217,119,000	23,886,000	1.33 <sup>b</sup>
Oak Industries			
1977-qtr. to March 31	39,370,353	709,145	.35
1976-qtr. to March 31	35,673,286	774,477	.42
Pathcom			
1977-qtr. to March 31	6,392,704	(2,093,409)	--
1976-qtr. to March 31	29,496,196	3,029,298	1.08
Philips NV <sup>c</sup>			
1977-qtr. to March 31	2,870,000,000	65,100,000	--
1976-qtr. to March 31	2,840,000,000	42,600,000	--
Sonderling Bcstg.			
1977-qtr. to March 31	6,019,000	203,000	.18 <sup>b</sup>
1976-qtr. to March 31	5,454,000	189,000	.17 <sup>b</sup>
Teletronics			
1977-9 mo. to March 31 <sup>d</sup>	7,577,000	455,000	.45 <sup>b</sup>
1976-9 mo. to March 31 <sup>d</sup>	6,733,000	464,000	.47 <sup>b</sup>

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Adjusted. <sup>c</sup>At guilder's current rate. <sup>d</sup>Restated.

**Ron Shelly** advanced at Texas Instruments Time Products Div. from operations mgr. to mgr., succeeding **William Heye**, assigned responsibility for unspecified new product; **Charles Clough**, U.S. semiconductor mktg. vp, adds worldwide mktg. duties... **Terry Trumbull**, ex-Plessey, joins NEC America as digital IC mktg. mgr.

**Douglas Chatburn**, ex-Meriton eastern sales mgr., named sales mgr. for new Western Div.; **Robert Fisher**, ex-key accounts mgr., appointed for East Div.

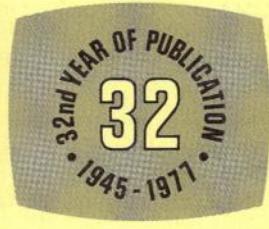
**Hitachi's** plans for U.K. color TV plant have hit snag. Responding to industry pressure, govt. has agreed to reconsider proposal. Plan for plant, to be built in depressed area with govt. financial assistance, drew fire from domestic producers who say new factory would overload industry (Vol. 17:13 p9). They note industry is operating at only 60% of capacity now, point out Sony & Matsushita color plants there will soon be turning out 150,000 sets yearly, warn that 500 new jobs at Hitachi plant would result in layoffs elsewhere.

**Advent** will introduce new projection TV, described by spokesman as "logical next step," at CES next month.

WEEKLY

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MAY 23, 1977

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 21

### Broadcast

**'NEW COMPETITIVE ERA'** is seen by NBC Pres. Schlosser at network affiliates gathering in L.A. Delegates skeptical of new prime-time series, optimistic about news changes, special & mini-series. Payne says network pledge to reduce violence has been fulfilled. (P. 1)

**PTA TRAINS PARENTS** to fight TV violence in Anaheim seminars. AMA awards 3 anti-TV violence grants. ABC says it's down to 2 'action' programs. Gerbner rejects CBS criticisms as 'corporate defense mechanism.' (P. 3)

**COURT EX PARTE RULING** too broad, Judge MacKinnon says in 'specially filed' statement. Wants Appeals Court to limit ex parte language to pay-cable case. (P. 4)

**FCC & UHF AT WARC:** Split Commission favors U.S. position at 1979 conference retaining 470-806 MHz band for UHF. (P. 5)

**ABC ENERGIES DEVOTED** to broadcasting growth, Goldenson tells stockholders; \$70 million capital spending planned this year; dividend raise likely. Records Div. is only trouble spot. (P. 5)

**NBC GIRDS FOR 'NEW COMPETITIVE ERA':** Compared to exuberant mood of ABC affiliates meeting week earlier (Vol. 17:20 p1), NBC affiliates gathering last week in L.A. was sober affair. However, by meeting's end, station executives seemed confident that network was making good faith effort to improve. Besides, several remarked to us, business has been so good that stations are doing well no matter what place network takes in national ratings.

Clouds hanging over network's poor performance last fall were dispelled by promise from top NBC & RCA executives to make all-out effort to gain in ratings strength, by news that network ranked No. 1 for first 18 days of Nielsen May sweeps, and by lively presentation of new fall prime-time shows in mini-musical comedy format staged by team of 4 professional hoofers.

Emergence of ABC as new network leader last season has created "a new and volatile time of transition that holds out fresh opportunities, and we have the initiative, the resources, and the determination to turn them to our advantage," NBC Pres. Herbert Schlosser told affiliates. "The long-standing patterns have been broken and audience leadership will fluctuate in the new competitive era ahead."

New RCA Pres. Edgar Griffiths has given TV network "all the backing a broadcasting company could wish for," Schlosser said. "He believes in spending money to make money... His goal for NBC is the same as ours: To improve service to affiliates and the public; to plan the steps that will strengthen our competitive position; and through all this, to improve our profits."

Schlosser said changes in industry diminished importance of series programs, destroyed concept of TV "season." In programming presentations, other network executives joined Schlosser

in de-emphasizing series, putting stress on mini-series, films & specials. And it may have been sound strategy: Following wearing off of initial euphoria surrounding song-&-dance presentation of prime-time programs, affiliates were highly skeptical of chances for new series. "I didn't see a single one that had the potential for being a top-ten show," one said, and several others told us just about same. "I'm not sure how many will be in the top 25," one added.

Despite affiliates' skepticism, Ancil Payne, KING-TV Seattle pres. & affiliates chmn., was confident. He said affiliates had been "fair-to-middling frightened and doubtful" before arriving at meeting, but now are "optimistic" about network's future. He added that he expected network programmers would make "some refinements" in prime time before fall. "I think that every one of us who has programmed a station knows you can't always predict how a season is going to turn out. NBC slipped last year, but we are convinced that NBC is going to turn it around." Summed up another affiliate: "The movies were very good. The specials seemed strong. The series—some will work, some won't. All in all, the season should come off okay. It had better."

Payne said prime-time program presentation was "the best I've ever seen in 20 years," noted it was "the first time in 50 years that NBC has cracked jokes about itself." (Presentation was portrayal of typical day of NBC affiliate—filled with complaints about program subjects, problems with network officials, etc.)

Network has 3 goals in setting fall schedule, Exec. Vp-Programs Irwin Segelstein said: (1) To seek "inventory" of shows with proven draw or potential. (2) "Flexibility" to change schedule quickly to accommodate "events" & specials. (3) "Fulfilling pledge to affiliates to reduce the hard action shows on NBC this year." Payne later said affiliates were convinced that network was dealing satisfactorily with problem of violent programming, and that NBC policy on pre-screening shows for affiliates "is generally sufficient at this time."

Biggest changes unveiled seem to be in News Div. Since "all 3 evening news shows look the same...basically dull and uninteresting," according to TV News Vp Richard Fischer, NBC has developed format which will make news "innovative, fresh and journalistically sound. But above all, it will be interesting." Co-anchor David Brinkley will return to Washington, while John Chancellor will remain in N.Y. Lead story will be detailed, multi-faceted, will deal with how story "impacts on the American people"; 2nd segment will be world news round-up in "fast-paced, quick-moving style"; 3rd part will feature mini-documentary, while final segment will be "headline" recap of important news, followed by "closing piece which is poignant, moving or humorous."

Network also plans to "explore" possibility of offering West Coast "update" on evening news. Other changes will be made to refine "Today" show, increase special news programs from 33 to 46 hours, and beef up "Weekend News" to put it more on par with weekday evening news.

NBC plans 5 hours of new Sat. morning children's prime-time shows for fall, Vp-Children's TV Irwin Fox said, a total of 8 new programs. However, 5 of 8 new shows are animated cartoons, first live show not appearing until 11:30 a.m. Biggest hit is expected to be "I am the Greatest," animated show featuring voice of Muhammad Ali.

In sports, Exec. Vp-Olympics Robert Mulholland said he expects 1980 Moscow Olympics to be "the most watched event ever," asserted that NBC's contract with Soviet contains 'no fine print, no secret agreements.'

Past season sales were "excellent," Exec. Vp Mike Weinblatt told affiliates. He said ad agencies seemed to be "slower starting" in buying for next fall, but expected that prime-time cost-per-thousand would rise 15-20% over year ago. Network promised affiliates its "most expensive and expansive" ad campaign ever to promote fall season. Network also announced 60- or 90-min. shows with Henry Kissinger, Gerald & Betty Ford in fall & winter, said it has secured rights to make "Jesus of Nazareth" an annual event, stating that of 11,246 viewers who had written network about show since it was telecast in April, 'nearly 97%' praised it.

CBS-TV affiliates meet May 24-25, same Century Plaza Hotel, L.A. New Pres. John Backe is expected to address group for first time.

**PTA TRAINS PARENTS TO FIGHT TV VIOLENCE:** Approximately 1,200 parents attending National PTA Convention in Anaheim last week got bonus: In 6 standing-room-only seminars, PTA leaders told them how to influence stations to improve programming and decrease violence.

Meanwhile: (1) AMA awarded 3 more grants to expand its campaign against TV violence. (2) ABC-TV Pres. James Duffy said critics ignore networks' progress. (3) Researcher George Gerbner answered CBS' charges that his TV violence measurements are flawed.

We attended one PTA seminar led by National Secy. Ann Kahn. She told about 100 delegates to let station executives know that "this is not just a 3- or 6-month project...We are not going to walk away from this until we really see a change."

Strategy she outlined for PTA locals is two-fold: (1) Parents are urged to ask community leaders to express concern over gratuitous violence to station representatives during ascertainment interviews, or to ask to be put on station's "community leader" list in order to be interviewed themselves. (2) Parents then should inspect station's public file to assure that interviews were recorded properly and that station responds to ascertainment findings by reducing violence.

Kahn warned parents not to become discouraged when they get adverse publicity or are criticized. She said that only 20-30% of population doesn't agree with PTA's stand, and that only about 2% of press coverage nationally has been unfavorable. Respond to criticism or adverse editorials, she said, "but don't be thrown."

"The broadcasters will tell you, 'If you don't like it, turn it off.' That's okay for me and my child, but what about the child next door who doesn't have a parent home to turn off the set?" She told parents to tape "to the side of every TV set" list of network presidents & top TV advertisers and their addresses, stressed that parents must write about good programs as well as bad.

Carol Kimmel, National PTA pres.—who also directed parent seminar—rejected criticism that organization seeks to "censor" networks. "We don't want to do away with all violence. We want a more balanced approach to TV programming. This is not vigilantism. We feel we have just as much right to voice our opinions as they do to determine what we see." Added Kahn: "We don't want to get mixed up in the counting of violent incidents and those kinds of phony issues. What we want is for the individual to have a diversity of choice in programming."

AMA's TV violence project grants total \$75,703. Assn. awarded \$32,116 to assist in distributing findings of PTA's 8 nationwide hearings (Vol. 17:16 p2); \$35,812 for "wide dissemination" of Gerbner's annual violence index and related materials; \$7,775 to continue AMA's support of NCCB violence & advertiser rankings.

ABC's police and "action" programs "are down to 2--'Starsky & Hutch' and 'Baretta,'" network Pres. Duffy told AAAA meeting last week. "And the shift in emphasis in those 2 shows will be toward character development." He said TV critics ignore networks' "responsiveness... Criticism is a way of life in the TV industry. We're not only reconciled to it, we value it." However, he added, criticism must be "responsible & productive."

CBS criticisms of methodology of Gerbner's NIMH-supported research (Vol. 16:9 p6, et seq.) are subject of 6-month study to be published "soon" by 2 of Gerbner's researchers at U. of Pa. Annenberg School of Communication, Gerbner & associate Larry Gross wrote House Communications Subcommittee Chmn. Van Deerlin (D-Cal.). In meantime, they offered Van Deerlin preliminary observations.

CBS monitoring program has 3 flaws, Annenberg group claimed: It confuses analysis of programming content with study of its effects, defines violence "too narrowly and imprecisely," and "mistakenly attributes wide fluctuations in the level of violence to its use of a larger program sample." Gerbner & Gross say they did extra 6 weeks of monitoring of 1976 fall season to determine whether CBS criticism of Annenberg's small sample size was valid. During each of 6 weeks, they found, 3 networks maintained same ranking in number of violent incidents (NBC on top, CBS on bottom). "The limitations, instabilities and ambiguities of the CBS definition of violence" are responsible for CBS' week-to-week fluctuations, they concluded. If Gerbner method—rather than CBS'—is used, they wrote Van Deerlin, "the one-week sample

yields remarkably stable results." Calling CBS criticisms "a corporate defense mechanism," researchers ask that CBS refrain from "explaining away findings," concentrate instead on "taking the lead in responding to our call for pooling research data in the National TV Archive of the Library of Congress" (Vol. 17:10 p2).

**COURT EX PARTE RULING TOO BROAD:** In "specially filed" concurring opinion on D.C. Appeals Court decision overturning FCC's pay-cable rules (Vol. 17:13 p1), Judge MacKinnon said Court went too far in banning ex parte contacts in future Commission rulemakings. Other 2 judges in case—Wright & Weigel—did not join in MacKinnon's surprise statement.

MacKinnon said Court was correct in questioning ex parte contacts in pay-cable case because rulemaking "undeniably involved competitive interests of great monetary value." However, he added, "I would not make an excessively broad statement to include dictum that could be interpreted to cover the entire universe of informal rulemaking." He said Court has done just that and there are "so many situations where the application of such a broad rule [to FCC rulemakings] would be inappropriate." He said opinion should be rewritten to "restrict it to the facts of the case before us."

FCC is particularly concerned about ex parte implications of Court order, has appealed it to Supreme Court (Vol. 17:16 p3).

**Major issue in NABET strike against ABC News** is jurisdiction over ENG equipment. Strike started May 17, caused ABC supervisory personnel serving as camera crews to be banned from President Carter speech before United Auto Workers in L.A. ABC News Pres. William Sheehan protested to White House News Secy. Jody Powell "the failure of the White House press staff to intervene in this discrimination against ABC News." Also on strike are ABC program publicists, who joined NABET few years ago.

**MDS operators' association**—Common Carrier Assn. for Telecommunications (CAT)—holds 2-day seminar in Washington May 23-24, Mayflower Hotel. Speakers include: James Tanner, TEST; Wynn Rolt, Microtel; Steve Koppleman, EMCEE; Bill Parrott, Private Networks Inc.; Richard Vega, CAT pres.; Paul Kagan, publisher; Paul Milling, Taft; Chawla Sedesh & Norman Ray, TACO; Edward Taylor, Southern Satellite; William Gross, Micro TV; Jerry Kalb, consultant.

**SDX** (Society of Professional Journalists) has urged Supreme Court & Congress to establish "standards to protect unwilling viewers & listeners & minors [from obscenity] without diminishing the protection of the First Amendment." At same time, SDX said it's "unalterably opposed to any restriction on free expression and any prior restraint on publication."

**Lee Enterprises** purchased 50% of KOIN-TV Portland, Ore. from Newhouse Bcstg. for \$13.5 million, is offering to buy remaining 50% from local trust.

**Satellite networking** "could be no more than experimental before the early 1980's," NBC Vp-Operations & Engineering John Kennedy told affiliates in closed session. He added that "at least in the area of satellites, we seem to be in sync with CBS and ABC." He said networks won't soon use satellites for anything more than occasional transmission because of good AT&T service, greater expense due to need for top-quality dishes, and requirement that network have extensive 2-way capability—often from remote locations. Kennedy said type of antenna used by HBO is "unsuitable for network use" because of signal loss for approximately 5 days during equinoxes when sun shines directly into dish surface. He said satellites will become more attractive to networks when higher-frequency birds—which use smaller, cheaper dishes—are widely available.

**NCTA committee chmn.:** Associates, Irving Faye, AEL; Blue Ribbon, Robert Hughes, CPI; Communications Act Rewrite, Ralph Baruch, Viacom; Deregulation, John Gwin, Cox; EEO, Richard Munro, Time; Elections/Bylaws, Polly Dunn, Columbus, Miss.; Financial, Ken Gorman, Viacom; Govt. Relations, Douglas Dittrick, Viacom; Independent Operators, Mel Gilbert, Snyder, Tex.; Long Range Planning, Monroe Rifkin, ATC; Membership, John Saeman, Daniels; Pay Cable, Gene Schneider, United Cable; Public Affairs, Richard Loftus, Am-Video; Rural, Aaron Fleischman, attorney; Satellites, William Bresnan, Teleprompter; State-Local Regulation, William Strange, Sammons; Utilities, Amos Hostetter, Continental.

**Satellite Networks Inc.** is new company formed to provide domestic satellite interconnection facilities and local distribution services for TV, radio, voice, facsimile & data in major U.S. cities. Firm will build & operate earth stations, use MDS, CARS, other common carrier & microwave facilities to deliver signals to point of use. It pools resources of Microband National System, Satellite Network Services, and Oak Industries. Chmn. is Transcommunications Corp. Chmn. Hubert Schlafly; pres. & chief exec. is Mark Foster, Microband National System pres.

**Broadcasters** won't be required to publish & broadcast annually list of 10 most significant community issues, FCC said in turning down petition of Pittsburgh students. Licensees now are required to compile such list annually and place it in public file, along with programming designed to meet those issues. Commission said publication of community problems without list of programs aired in response would be of little use to public.

**Transistors for UHF** receivers available from NEC, Japan, offer noise of 2.6, 2.4 & 1 dB, according to CPB's engineering dir. Philip Rubin. "Such devices," he wrote FCC, "could easily exceed the noise performance which CUB has petitioned for."

**FCC AND UHF AT WARC:** In '5th Notice of Inquiry" on 1979 WARC conference, a sharply-split FCC tentatively decided to go into international discussions with UHF position of retaining 470-806 MHz band for UHF TV. Vote was 4-3, with Wiley, White & Fogarty dissenting. Dissenters said it locked U.S. into inflexible position, stressed domestic UHF allocations wouldn't be disturbed by more sharing.

UHF now shares lowest channels (14-20) in dozen major markets with land mobile; Chs. 70-83 are reserved for land mobile, with translators getting secondary usage; Ch. 37 is limited to radio astronomy. Newest FCC inquiry would leave that situation as is; dissenters want flexibility for further sharing.

Fogarty said if flexibility isn't provided U.S. delegation at WARC, "U.S. telecommunications requirements may be severely restricted through the year 2000... Reason and common sense clearly dictate that a proposal of maximum flexibility in UHF allocations would best serve this nation's over-all telecommunications interests... A more convincing demonstration of actual need is required... before we reserve the lion's share of the 470-890 MHz band exclusively for UHF broadcasting."

In joint statement, Wiley & White pointed out there will be 2 more inquiries before U.S. 1979 position is locked in, said Commission seems to be "making a decision that it need not make in 1977... Fortunately, the Commission will have additional opportunities to reconsider this point." Comments in newest inquiry are due Aug. 1, replies Aug. 22.

Effective July 5, radio stations will be required to make program logs and supporting data available to public and permit reproduction, under FCC rules change finalized last week. Similar rules apply to TV; FCC said TV stations haven't been "unduly burdened." Commission refused to require radio stations to maintain transcripts & tapes of news & public affairs programming, bringing dissent from Comr. Hooks.

"Communications Coursebook" is loose-leaf 400-page volume due in Aug., edited by Scott Robb, former Washington NBC attorney, published by TV/Radio Age magazine, at \$14.95. It's designed as college textbook and for use by station and other industry personnel. It will be updated annually. For copies: Communications Research Institute, 25 Central Park West (Suite 1-B), New York 10023.

CPB & group of banks have signed agreement for \$32.5 million line of credit for satellite project (Vol. 17:19 p5). CPB also set June 2 conference in Arlington, Va. to explore use of system's spare channels by outside groups. Meanwhile, NPR has asked CPB satellite project staff to study feasibility of making radio distribution system totally discrete and separate from TV system.

State & local telecommunications officials have been invited to Washington May 24-25 by OTP for talks on common problems. Agenda includes: Public TV, satellites, coordination of federal & state projects.

Society of Cable TV Engineers meets in Washington June 22, Mayflower Hotel.

**ABC ENERGIES TO TV-RADIO:** "We have devoted virtually all our energies to the growth of our broadcasting properties," ABC Chmn. Leonard Goldenson told stockholders meeting last week. As result, he added, "one after another, our radio stations, our TV stations, our radio network and now our TV network have become the leaders of their respective industries."

He said ABC would spend \$70 million on capital improvements this year, "the great majority of it in broadcasting," and that spending levels will remain "substantial" in 1978-79. ABC raised dividend 25% last Dec., expects another raise this year. He said 2nd-quarter earnings will be "substantially above" last year, repeated forecast that 1977 earnings of \$6 per share "are attainable."

Pres. Elton Rule said ABC-TV won't get "full benefit" of last season's ratings win until this fall, said advertiser reception to fall schedule has been "excellent" despite "substantially higher" prices. He said ABC Records is only div. where company has "serious problems," that it will "incur a loss this year substantially greater" than in 1976 but that "our problems have been identified and will be solved."

**House Communications Subcommittee** begins panel sessions on Communications Act rewrite May 24-26 with discussion of FCC oversight, spectrum management, WARC. Panels include FCC commissioners & staff, OTP, Commerce OT, State, NASA, WU, Satellite Business Systems, Comsat, ex-FCC Comr. Robinson, Motorola, A.D. Ring & Assoc., Howard U., CPB, Assn. of American Railroads and attorney Curtis White. After Memorial Day recess, sessions pick up with FCC reform week of June 6.

**Bill combining compromise** pole-attachment bill approved by NCTA & NARUC (Vol. 17:11 p5) and FCC-sought forfeiture authority has been introduced by Senate Communications Subcommittee Chmn. Hollings (D-S.C.). Aide said Senate panel plans hearing on bill after June 6-8 cable "overview" hearing. Senate passed forfeiture bill last session, but companion House bill—which included pole attachment provision—never made it to floor.

**Despite questions raised** about its authority, FCC has launched investigation of charges that several tennis matches telecast by CBS weren't "winner-take-all" as advertised & promoted. Several Commission lawyers believe controversy more properly belongs at FTC—under false advertising. It's understood FCC also planned probe into ABC boxing scandal, has been asked by Justice Dept. to hold up.

**Advertising expenditures** of \$2.4 billion (up 9.1%) in radio and \$7.5 billion in TV in 1977 are John Blair & Co. predictions in 13th edition of "Statistical Trends in Broadcasting." Booklet, containing exclusive graphs & tables covering ad expenditures and growth trends over 23 years, is free: 717 Fifth Ave., N.Y. 10022.

**June 13-15 conference** in Rome on transatlantic communications will be attended by 5 FCC members—Chmn. Wiley, Hooks, Fogarty, White & Quello—and several top staffers.

## Personals

**Ancil Payne** re-elected chmn., NBC-TV affiliates board; **William Faber**, WFLA-TV Tampa, & **Allan Land**, WHIZ-TV Zanesville, vice chmn.; new to board: **Blake Byrne**, KXAS-TV Ft. Worth; **James Yager**, WDSU-TV New Orleans; **Donald Moeller**, KYTV Springfield, Mo.; **William Putnam**, WWLP Springfield, Mass.

**Giraud Chester**, Goodson-Todman Productions, elected IRTS pres.; **Richard O'Leary**, ABC-owned TV Stations, first vp...**H. Rex Lee**, chmn. of Public Service Satellite Consortium and ex-FCC member, appointed governor of American Samoa, post he held before joining FCC in 1968.

**John Mitchell** resigns as pres. of Columbia Pictures TV Div.; Columbia Pictures Pres. **David Begelman** adds responsibility for TV...**Jerry Holley**, WIBW-TV Topeka gen. mgr., elected vp-broadcasting, parent Stauffer Publications, succeeding late **Thad Sandstrom**.

**Marilyn O'Connor**, dir. of information for Assn. of Media Producers, named editor of NAB newsletter **Highlights**, succeeding **Candace Greene**, now NAB media relations dir...**Robert Nelson**, pres. of Washington Star Bcst. Div., nominated Asst. Secy. of the Army by President Carter.

**Nolan Bowie** named exec. dir. of Citizens Communications Center, not **Charles Firestone** as reported (Vol. 17:20 p6); latter named dir. of litigation...**Jack Valenti**, MPAA pres., elected a dir., Washington Star.

**Glenn Serafin** named AP broadcast exec. for Pa. & Va., succeeding **Anthony Rizzo**, promoted to general broadcast exec. for eastern U.S.; **Donald Harwood** named broadcast exec. for Ga. & Fla., succeeding **Donald Kienitz**, now gen. mgr., KOLE(AM) Port Arthur, Tex.

**Brian Byrne** advanced to regional mgr., northwest Arbitron TV sales, San Francisco...**Stephan Van Ophuijsen**, ex-ABC Radio Network, named vp-N.Y. sales, Mutual.

**Clark Davis**, Starr Bcstg. group vp & vp-gen. mgr. of WTVQ-TV Lexington, Ky., appointed pres. of Starr TV Div...**Gerald Jensen** promoted to news dir., WHO-TV Des Moines...**Ann Tallman**, ex-WWJ-AM-FM Detroit promotion mgr., appointed WWJ-TV ad mgr.

**Alexander Dusek**, ex-WBZ-TV Boston, Aug. 1 becomes Group W ad & promotion mgr...**Joseph Yurt** appointed mkt. development mgr., WJZ-TV Baltimore...**Charles Gabelmann** advanced to research & sales development dir., WABC-TV N. Y.

**Peter Flynn**, NBC Radio program dir., rejoins NBC-TV as affiliate relations southwestern mgr...**Michael Farrell** advanced to traffic planning mgr., ABC networking services, replacing **William Hynes**, named traffic dir.

**Thomas McGoldrick**, Tvb retail sales dir., named vp-retail sales...**Charles Hansen**, ex-PGW, joins Blair TV American sales unit, N. Y.

## WEEKLY Television Digest

with  
Consumer Electronics...  
PUBLISHED BY TELEVISION DIGEST, INC.

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

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**Justice Dept.** will defend FOI suits against govt. agencies only "when disclosure is demonstrably harmful," according to Atty. Gen. Griffin Bell. He said this applies even if documents "technically fall within the exemptions." Over 600 FOI suits now are pending and Justice is reviewing them to determine if information sought can't be released.

**NBC** affiliates were so pleased that CBS has been knocked out of first position in ratings that Robert Kelly, KCRA-TV Sacramento, offered resolution commending ABC-TV for proving that a competitor can "knock the stuffings out of CBS." No formal vote was taken.

**One-kw UHF translator**, Ch. 60, on World Trade Center, N. Y., has been granted to WBTB-TV, Ch. 68 pay-TV station in Newark. Facility is short-spaced with Patchogue, N. Y. & Bethlehem, Pa., required waiver. Station would be discontinued, if & when WBTB-TV shifts transmitter to Center.

**FCC** will ask en banc D.C. Appeals Court to reconsider remands of renewals of KONO(AM) San Antonio & KCBS(AM) San Francisco without hearing (Vol. 17:17 p3). Renewals were sent back to FCC because agency didn't provide pre-hearing discovery opportunities for protesting groups.

**Independent WDRB-TV** (Ch. 41) Louisville has been bought by Minneapolis Star & Tribune for \$6.5 million. Papers also own KTVH Hutchinson-Wichita, sold 41% of WCCO-TV-AM-FM Minneapolis last summer.

**OTP** meets with its rural task force May 26 to discuss ways of overcoming barriers to rural service. Proposed demonstration financed by govt. in specific area or areas is one of subjects.

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended May 6 (18th week of 1977):

	April 30- May 6	1976 week	% change	April 23-29	1977 to date	1976 to date	% change
Total TV.....	207,070	165,021	+25.5	270,092	4,422,193	3,647,124	+21.3
color .....	116,494	102,023	+14.2	162,851	2,700,653	2,131,724	+26.7
monochrome .....	90,576	62,998	+43.8	107,241	1,721,540	1,515,400	+13.6
Total radio .....	900,043	489,216	+84.0	791,991	12,418,863	10,658,918	+16.5
home, portable ..	633,159	232,191	+172.7	550,418	8,005,096	6,462,534	+23.9
AM-only.....	174,819	71,287	+145.2	85,084	1,896,736	1,503,638	+26.1
FM & FM-AM ..	458,340	160,904	+184.9	465,334	6,108,360	4,958,896	+23.2
auto.....	266,884	257,025	+3.8	241,573	4,413,767	4,196,384	+5.2

Color TV 5-week moving average: 1977—138,727; 1976—104,031 (up 33.4%).

**JOINT RCA-MATSUSHITA V-DISC VENTURE?** Matsushita is in advanced stage of development of videodisc system so closely related to RCA's that joint development between the 2 companies to combine best features of both seems a possibility.

Matsushita system has never been demonstrated publicly, but it's understood to have goals similar to RCA's—low cost, one-hour-per-side uncoated non-optical disc. One achievement is said to be simpler stylus assembly than RCA's. Neither company will comment for record, but one high RCA official said Matsushita's efforts are "about 35% covered by RCA patents" (Matsushita is RCA videodisc licensee) and "we could work with them."

There's not believed to be any formal arrangement on disc now, but the 2 companies are, of course, working together on another video project—Matsushita is supplying RCA's video-cassette decks.

**PACT ZAPS JAPAN'S U.S. COLOR PLANT PLANS:** Much tougher than anticipated rules restricting quota-free exports of color TV subassemblies to U.S. have been adopted. They kill off hope of Japanese manufacturers that they might sidestep limits on complete set shipments by simply setting up U.S. plants to marry imported chassis to American-made picture tubes & cabinets.

Hard-line definition of what Japanese can & can't do is contained in Orderly Marketing Agreement (OMA) negotiated by U.S. Office of Special Trade Representative (STR) and Japan's MITI. It was accepted formally by President Carter last week as alternative to higher duty rates recommended by International Trade Commission. OMA limits Japan's annual color exports to U.S. to 1.75 million (1.56 million complete, 190,000 incomplete) color sets for 3 years starting July 1.

There's no surprise in size of quota—we indicated 1.7-to-1.8 million was likely range last March (Vol. 17:13 p7)—but Japanese acceptance of what constitutes incomplete set is surprise, being far more stringent than that proposed by ITC (for exact wording see p. 12). While ITC would have permitted unrestricted import of virtually complete chassis, OMA says a quota-controlled incomplete TV is one which is assembled to point where shipping package contains either: (1) Picture tube with any significant portions of electronics, or (2) circuit board (or boards) with a frame (if used) plus any one of 10 other critical parts, whether or not fastened to board, including tuner, yoke or speaker.

Effect of definition is to assure that virtually any quota-free set assembled in U.S. from Japanese parts has 40% or more U.S. labor content, STR spokesman told us. He cautioned against confusing 40% labor guideline with 40% U.S. value added, noting that Japanese chassis with U.S. tube & cabinet would have at least 40% U.S. value, but much lower percentage of labor. He said Japanese govt. has agreed to encourage TV exporters to set up U.S. plants, and to do so in manner which insures U.S. labor is utilized.

Labor unions come out on top, because there will be job increases in both U.S. & Japanese-owned plants here. OMA appears to be serious blow to Sanyo, whose Forrest City, Ark. plant can't assemble quota-free sets (see p. 10), and it's doubtful MGA's Irvine, Cal. plant qualifies.

Reaction of Japanese leaders will determine effect on U.S. producers. If Japanese plunge into production here, it will have to be large-scale to be economical, and that might very well intensify, rather than ease, competitive pressure. Ball is now in MITI's court; MITI is charged with allocating quota, and we've learned initial proposal would give exporters percentage based on record over Jan. 1974-June 1976 base. That would penalize late starters such as Sanyo & C. Itoh (General's Teknika line), as well as Matsushita which shipped little in 1975 because of radiation problem, leave Sony with quota to spare.

Congress has 90 days from May 20 to reject OMA, institute ITC recommendation instead, but there is no organized move in that direction. Incidentally, in opting for color OMA, Carter also rejected recommendation by 3 ITC commissioners that higher duties also be levied on b&w imports.

Reaction to quota arrangement from leaders in anti-Japan movement was restrained. Zenith's John Nevin & Sylvania's George Konkol lauded STR efforts to reach what they saw as equitable compromise. They and COMPACT, labor-industry group whose import-relief petition to ITC resulted in quota, agreed measure offered only temporary relief, and more must be done if industry is to survive over long term. COMPACT said it was disappointed in size of quota, but didn't hint it would press for congressional override. Nevin said Zenith would continue to press Treasury, Justice, ITC & courts for action on charges Japanese TV producers operate here unfairly, and Sylvania said it's still proceeding with unfair import competition complaint before ITC.

In report to Carter on status of industry employment, Labor Dept. said 5,800 former TV assembly line workers at 7 plants have received import adjustment assistance valued at \$6.3 million, or \$731 each, in April 1975-Jan. 1977; that 600 more appear to be eligible for help now, and additional 500 may become eligible by year end. In similar report covering TV manufacturers, Commerce said most companies are import-injured and eligible to seek aid. Commerce apparently ignored fact that, with exception of Wells-Gardner, industry's most troubled companies are owned by financially sound giants (GE, GTR, Rockwell, N. American Philips) and couldn't qualify. It's also hard to imagine any of these suppliers of sophisticated space & military electronics asking Uncle Sam for technological help to build TVs.

**NEW SETS—RCA, PHILCO, HITACHI:** RCA's new cost-effective chassis takes over virtually entire console line for 1978, with sales to be aided by couple of hot promotions running well into fall. GTE spruced up its Philco line, adding auto-color and unique 21"-for-price-of-19" promotion. Hitachi added what may be most comprehensive remote control ever—with 23 buttons.

RCA concentrated on 25" color line, moved "Xtended Life" chassis—introduced in Feb. in 19" size (Vol. 17:9 p8)—to all XL-100 & ColorTrak 25s except Control Center models, resulting in 25% energy savings for 27.5-KV XL-100, 30% for 29.5-KV ColorTrak. All ColorTrak 25" models now have varactor tuning. Company said prices are comparable to predecessor line, but features & cabinets have been juggled in way which makes it impossible to tell (one series up \$30, one up \$25, one down \$75, another down \$25). See list on p. 11.

There are 3 XL-100 consoles at \$630-\$650 designed to compete with Zenith's 23" consoles—and to sweeten package RCA is mailing \$50 rebate check to XL-100 console purchasers July 14-Aug. 13. "Trades Fantastic" promotion on ColorTrak (which Consumer Electronics Vp-Gen. Mgr. Roy Pollack said increased RCA's console share 0.5 percentage point in 2nd half last year) is being repeated in simplified, more generous form Aug. 25-Oct. 1, with \$100 allowance toward

sets selling at \$850 & up, \$75 toward \$750 sets, \$50 on table models & \$700 consoles. RCA is emphasizing contemporary-styled sets, highlighted by unique double-sided series shaped like trapezoid when viewed from above, resting on mirrored chrome pedestal which makes set appear to be floating in space. Color line below 25", revamped in Feb., is unchanged.

In monochrome, RCA has changed promotional emphasis from 9" to 12", bringing out new chassis and 2 models with cabinet about same size as 9", both under \$100—"lowest-priced solid-state b&w TV ever introduced by RCA." Buyers get \$10 rebate on 16" & 19" monochromes bought July 14-Aug. 13. Ad spending for next 5 months will set new record.

RCA's Matsushita-built videocassette recorder wasn't shown, will be introduced at Aug. distributor convention in Indianapolis. Said Mktg. Vp Jack Sauter: It will be "elegant...feature-laden," will have accessories and "will be introduced with fanfare & strength that many manufacturers would find hard to generate for a complete TV line." It will be called "SelectaVision VCR," will also carry "VHS" insignia, going to dealers around Labor Day. It will be available this year in deck version only.

"It would be premature to prognosticate" any price changes in color, Pollack said in news conference, but forecast general upward "drift." Over last 5 years, in terms of improved product & inflation, he said, "we have earned a 30% increase." He said RCA's first-quarter color sales beat 1973's record, forecast industry sales of 8.5-8.7 million color, well over 5.5 million b&w.

In N.Y., RCA Pres. Edgar Griffiths made these points in answers to questions by security analysts: (1) VCR deck will be priced in vicinity of Sony's, reflecting scarcity rather than cost, so sizeable profit should result. Price should come down relatively rapidly, but economics of deck dictate good profit even with price erosion. (2) RCA made substantially more dollars of profit, in areas where its products are comparable, than Zenith reported in first quarter (\$6 million). (3) RCA is determined to regain No. 1 position in color, but won't seek market share at expense of profits. (4) Company is now geared to break even on color TV in 6-million-set year. (5) RCA is a little short of inventory, will probably sell everything it makes this year.

RCA's long-term target, Griffiths said, is evolution of TV set into home information center. First major change toward this end could come as early as 1980 model year—but such innovations will be added only if they're profitable.

\* \* \* \*

Philco added "Color-Rite" auto-color system, including light sensor, to all 25" sets (\$630-\$680), with 20-channel varactor tuning at \$660-\$680, brought out two 21" slot-mask table models which, at \$440 & \$470, it will promote as "19-plus-2" series—2 more inches of viewing at a price close to some 19" models, dropped some 19" sets \$5-\$10 to range \$370-\$420. Monochrome line, now all-solid-state, is relatively unchanged in price, runs \$90-\$250.

Hitachi line is topped by varactor-tuned 19" at about \$650, featuring remote with 16 random-access channel pushbuttons plus color, tint, contrast, volume, off-on—virtually all functions being transferred from set to remote unit. (For highlights of new lines, see p. 11.)

**SANYO ARK. NOT OSAKA ON MISSISSIPPI:** There are no slogans on walls or uniforms on workers. Except for handful of Japanese to be seen bending over desks or drawing boards in office cubicles, there's little to indicate that Japan's Sanyo has taken over former Warwick color plant in Forrest City, Ark. (Vol. 16:41 p10 et seq.).

We were on hand last week for formal opening of Sanyo Mfg. Co. (SMC), taken over from Warwick (now Thomas International) last Jan.—Sanyo Japan owns 73%, Sears 25%, public 2%. Official ceremonies were delayed to coincide with changeover from sets made with parts imported from Warwick's Mexican feeder plants to new sets assembled from chassis shipped from Osaka.

Anyone who visited plant just before Sanyo takeover would find little different today. Virtually all members of management team there have been retained, and basic woodworking & TV assembly line equipment is unchanged. Much of facility was overhauled & updated in 1973 when

Warwick switched exclusively to solid-state color. At that time, Forrest City was converted from integrated TV manufacturing plant to assembly operation, receiving circuit boards & other parts from feeder plants, so nature of work there is same as it has been for past 4 years.

Sanyo has made some changes, primarily in quality control, installed more test equipment and complete TV signal generating system; Warwick was testing finished sets with off-air broadcast signal.

Employment is 900, more than double what it was when Sanyo moved in; peak was 2,400, but that was back in hybrid era. Three assembly lines are in operation, one cranking out 500 19" sets daily, other 2 assemble 425 25" consoles each, for annual rate of about 350,000, all for Sears. By Aug., when SMC will be supplying three 19" models to Sanyo's U.S. sales arm, one more 19" & one more console line should be going, employment will approach 1,300 and annual output rate is slated to top 590,000.

SMC is shipping about 600 TVs daily to Sears—some from inventory built under supply contract that expired last month, plus about 400 Fisher audio systems from stocks maintained in Forrest City—Sanyo acquired 31% interest and operating control of Fisher Radio from parent Emerson Electric in 1975. Warehouse also holds modest supply of Coronado-brand color consoles built by Warwick for Gamble-Skogmo but not yet delivered.

TV console cabinet shop is virtually complete woodworking operation, even has particle-board veneer lamination capability, but can't mold plastics, so all grilles & decorative trim is outside-sourced. Chassis from Japan are almost fully assembled; tuners & yokes, where not actually attached to chassis, are shipped in same cartons. SMC is buying most picture tubes from Sylvania (Warwick's traditional source) & RCA, importing some 19" tubes from Nippon Electric.

Same basic single-board chassis is used in both 30 Kv 25" consoles & 25-Kv 19" models; 19" will be stepped up to 28 Kv soon. Standard 90° shadow-mask tubes are used in consoles (slot-mask for 19"), but 100° tri-potential 25" slot mask tube from Sylvania may be phased in before year's end. Of 11 new consoles made for Sears, 2 use new single-knob 82-channel varactor tuner; remaining 9, including remotes, have 12-position touch-button varactor.

SMC had some start-up problems with 25" sets—but they've mostly passed now. There've been none with 19", according to Tony Harvill, holdover TV plant mgr., who told us "we unpack 500 [chassis] & ship 500 [complete sets] a day." Yoshimi Takemoto, Sanyo Electric (U.S.) pres. and an SMC dir., said SMC will have more integrated production capability in several years, indicated timetable could be speeded up if necessary to make sure SMC's output isn't included in any Japanese TV export quota (see p. 8).

Plant opening marked Sanyo's 30th anniversary and 2nd anniversary of start of Warwick acquisition talks, Chmn. Kaoru Iue said in prepared remarks. Sears & Whirlpool (then 57% owner of Warwick) asked Sanyo "to help reestablish color TV operations" at Warwick 2 years ago, he said. Either technological help or active investment was sought (similar proposal is understood to have been made to Toshiba, Sears' other major TV supplier) "and after many discussions we decided to participate," Iue said.

Advent management got yet another shakeup last week with departure of Pres. Pierre Lamond, resigned at request of Chmn. Peter Sprague who adds Lamond's duties & titles. Lamond, formerly with Sprague at National Semiconductor, joined Advent from Coherent Radiation in March 1976. His leaving eliminates what Advent staffer told us was serious personality conflict, may clear way for return of founder Henry Kloss, who cut connections last month (Vol. 17:17 p15).

Video Expo, commercial-institutional video show in Chicago last week, drew 3,000 attendees, more than double the 1,200 at 1976 show. N.Y. Video Expo will be held in Oct.

Sanyo finally entered CB market under own name with 3-model line to be introduced at CES: \$100 leader, \$130 step-up with LED readout and \$150 high end with automatic noise blanker. Firm will adopt "aggressive position," expand line, Vp William Byron said. Also introduced was "Audio Spec" high-performance car stereo line (under-\$100 to \$180) and range of new car speakers.

GE claims new process for doping silicon wafers cuts days from manufacturing time for high-power solid-state devices, says system which pulls dopant into wafer rather than depositing it on top can be used in producing transistors & ICs, may lead to new types of semiconductors.

**CANADIAN ATTRITION:** Beset by unrestricted imports, shaky economy and political instability, 3 Canadian firms are discontinuing manufacture of TV sets in favor of importing, and others are sharply revamping production-vs. -import scheduling.

Sylvania Canada will phase out color TV assembly operation by May 31, supply Canadian market from U.S. Entertainment Products Vp-Gen. Mgr. Thomas Shepherd said move was dictated by "economic factors which no longer make it feasible to assemble color sets in Canada if we are to remain competitive." Sylvania will continue to assemble stereo in Montreal.

Philips Electronics Industries will end 26 years of TV manufacture by year's end when it phases out production of 19" & 25" color sets. Company has been producing about 50,000 sets a year, importing smaller models. Philips will continue to sell color sets procured from Far East and U.S., with consoles probably coming from N. American Philips subsidiary Magnavox. Philips decided to give up domestic production after failure of negotiations with Magnavox to supply part of latter's needs for U.S. market. Canadian govt. has established duty-remission program giving extra credits toward imported-set duties for sets exported from Canada (Vol. 17:2 p10). It was under this program that Philips intended to export to Magnavox. However, according to Canadian Philips' E.G. Wrights, high cost of Canadian labor foreclosed such a deal.

Electrohome announced 10-year marketing agreement with JVC through Kanematsu-Gosho to supply complete 19" color sets and chassis for consoles. Electrohome will continue to develop commercial & industrial products and to assemble electronics for own and Advent's projection TV system. Company hinted it eventually may add JVC's VHS videocassette recorder to its products. RCA Ltd. has reshuffled its schedules to take advantage of duty remission. Its Prescott, Ont. facility will produce 19" color sets for export to U.S. and company will import virtually entire line from U.S. — including 19" duplicates of sets it exports to U.S.

Entire duty-remission concept is controversial, benefiting RCA more than any other Canadian manufacturer. If duty rebates are considered subsidy by U.S. Treasury, TV imports from Canada could be subject to countervailing-duty levies.

Canada's depressed TV market appears overpopulated with brands. In addition to RCA, surviving manufacturers & assemblers there include Admiral, GE, Quasar, Panasonic, Hitachi & Toshiba. Top brands are RCA, Zenith, Toshiba, Hitachi, Admiral, Electrohome, Sears, Panasonic. To make matters worse, there are widespread predictions of color TV price increases this fall as Canadian dollar continues to decline in relation to yen & U.S. dollar.

Meanwhile, Motorola is closing Midland, Ont. car radio plant, which formerly supplied Chrysler, now making own radios.

**Sony will give free** licenses for manufacture of cassettes for hi-fi Elcaset audio tape system to help spur industry interest. It opened hardware patents last year.

**RCA, PHILCO, HITACHI:** RCA's new 25" line starts with XL-100 leg console at \$630, 2 floor consoles at \$650 (all formerly open-list, in same price area). ColorTrak table models are \$650 & \$750 (remote), apparently unchanged from open-list predecessors. ColorTrak consoles, now all with varactor tuning: Four units at \$700 (up \$30 from mechanically tuned predecessors), 4 remote sets at \$850 (up \$25), new series of 6 models at \$750 (comparable to last year's \$825 series but without power tuning), 5 pushbutton power-tune sets at \$900 (down \$25), 5 control center remote versions \$1,100 (up \$5).

RCA monochrome line is unchanged except for addition of ComPac 12" series starting with 2 open-list models under \$100, step-up at \$110. Remainder of b&w & color prices are unchanged from Feb. (Vol. 17:9 p9).

Philco color starts with 15" at \$340 (up \$20), new Philcomatic step-up at \$360; 17" sets have been discontinued; 19" are \$370 (down \$5), \$400 (unchanged), Philcomatic at \$420 (down \$10); new 21" table models are \$440 & \$470. Consoles: 4 at \$630 (up \$10), 4 varactor-tuned sets at \$660-\$680 (up \$10-\$30), combination at \$1,150 (unchanged). Monochrome sets are \$90, \$100 & \$120 (AC-DC) in 9" (unchanged); seven 12" are \$100-\$120 (unchanged); 16" introduced in Dec. are unchanged at \$130 & \$140; 19" at \$145 (unchanged) & \$160 (up \$4); 22" table at \$200, consoles \$240-\$250 (unchanged).

Philco introduced new series of 40" stereo consoles, equipped, as are its other consoles, for 4-channel matrix sound by adding 2 speakers. Six 40" units are \$240-\$280; 46" units are \$330-\$350; 60" console is \$350. Compact stereos are \$150, \$200 (8-track player) & \$230 (8-track recorder).

Hitachi CES color additions (prices tentative) feature 19" at \$399 (unchanged) & \$429 (up \$10), new varactor-tuned sets at \$450 & \$500 (remote), random-access 23-button remote at \$650. Four new 12" b&w sets are unpriced.

Most automated TV set is Heathkit Computer TV. Remote-controlled set has 2 pushbutton keyboards—one 12-button unit permits random-access tuning of 16 or 24 channels. Eight-button unit accesses memory and turns on-screen clock display into computer readout. Keys are used to program up to 32 channel changes in advance, screen displaying channel selection and time of program as viewing schedule is being set up. Automatic antenna rotor changes direction as channels change. Complete system, including 25" color set is \$900 in kit form, excluding cabinet (\$130-\$250).

**CB Scene:** Lafayette & Pathcom posted losses in quarter to March 31. Lafayette operating loss was reduced by \$585,000 tax credit. Company blamed bad weather, sluggish sales of 40-channel CB. Pathcom's loss includes \$1.67 million CB inventory write-down... E.F. Johnson, whose opening quarter net fell from \$3 million to \$282,000, skipped usual 20¢ quarterly dividend... Motorola plans to build 60,000-sq.-ft. facility in Albuquerque to develop & produce ceramic materials, components & piezo-electric speakers for Communications Systems Div. in late 1977, eventually expand to 110,000 sq. ft.

**OMA DEFINITIONS:** Orderly Marketing Agreement limiting Japanese color TV exports to U.S. (see p. 7) contains following coverage definitions:

A complete receiver is "a TV receiver, fully assembled, whether or not packaged or tested for distribution to the ultimate purchaser," or "a complete kit of a TV receiver which can be assembled into a fully assembled television receiver."

An incomplete receiver is "a TV receiver which, while not complete as defined above, is assembled to a substantially full extent, that is:

"a. a picture tube is packaged together with a significant portion of TV receiver electronics, that is, a printed circuit board that performs any of the functions of the intermediate frequency detector and modulator; or

"b. all or part of a chassis frame, if required, with a main printed circuit board [or boards] which is packaged together with one or more of the following components: tuner or channel-selector assembly, antenna, deflection yoke, degaussing coils, picture tube mounting bracket, grounding assembly, other parts necessary to fix the picture tube in place, consumer operated controls, other parts necessary to fix the tuner in place, and speakers."

In its less restrictive recommendation, ITC defined incomplete set as one "at least assembled to the point where the picture tube is in place as a part thereof, or if the picture tube is not in place, at least assembled to the point where no more remains to be done, prior to the installation in its cabinet, than the incorporation of the picture tube, tuner and incidental components."

## Trade Personals

**Julius Koppelman**, RCA Group vp, takes over responsibility for Communications Group, reporting directly to Pres. **Edgar Griffiths**; he's also responsible for Distributor & Special Products, Picture Tube Div. & Service Co.; **Howard Hawkins**, ex-pres. of RCA Communications, continues as RCA exec. vp with responsibilities for Random House & RCA Records and as advisor to Griffiths; **RCA Staff Vp Paul Potashner** proposed for election June 1 as group vp with responsibility for home furnishings & food subsidiaries... **Terrance Donnelly**, ex-Ampex, joins Fuji Photo Magnetic Tape Div. as sales & mktg. mgr... **James Morrison** advanced at Altec from University Sound national sales mgr. to Sound Products Div. commercial sales vp.

**Stanley Seltzer**, ex-Morse, & Phono Sonic Chmn. Oscar Fisher form Phoenix Audio International, console phono mfg. firm with plant in New Albany, Ind... **Irving Stern**, JBL mktg. chief, adds duties as mktg. exec. vp for parent Harman International... **Sheldon Schumaker**, ex-Electronic Arrays, joins Intersil as mktg. dir., succeeding **Mel Phelps**, now national accounts sales dir., new post.

**Richard Emberson**, IEEE staff dir., takes interim post of acting gen. mgr., replacing **Herbert Schulke**, resigned effective July 22... **William Treleaven** advanced at Rockwell Electronic Devices Div. from western sales mgr. to worldwide sales

## 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
Electrohome <sup>a</sup> 1977-year to Dec. 31 1976-year to Dec. 31 1977-qtr. to April 1 1976-qtr. to March 26	93,660,000 87,545,000 27,469,000 21,206,000	(8,002,000) (3,481,000) (355,000) (268,000)	-- -- -- --
Grey Advertising 1977-qtr. to March 31 1976-qtr. to March 31	14,544,000 12,354,000	961,000 392,000	1.17 .33
Movielab 1977-qtr. to April 3 1976-qtr. to March 27	6,876,287 6,132,921	180,852 <sup>b</sup> 221,758 <sup>b</sup>	.13 .16
Resdel Industries 1977-9 mo. to April 3 1976-9 mo. to April 3 1977-qtr. to April 3 1976-qtr. to April 3	23,692,310 31,272,336 8,279,925 11,997,516	(837,480) 2,301,265 (478,762) 968,107	-- 2.41 <sup>c</sup> -- 1.02 <sup>c</sup>
Seaport 1977-qtr. to March 31 1976-qtr. to March 31	4,717,000 4,452,000	99,000 <sup>b</sup> 70,000 <sup>b</sup>	.03 .02
Sega Enterprises 1977-9 mo. to March 31 1976-9 mo. to March 31 1977-qtr. to March 31 1976-qtr. to March 31	22,186,000 17,821,000 7,747,000 5,752,000	74,000 1,382,000 (615,000) 640,000	.04 .73 -- .34
Starr Bcstg. Group 1977-9 mo. to March 31 1976-9 mo. to March 31 1977-qtr. to March 31 1976-qtr. to March 31	23,490,583 21,991,842 7,467,863 7,375,351	1,200,339 (50,821) 629,394 (16,889)	.84 -- .43 --
Taft Bcstg. 1977-year to March 31 1976-year to March 31 1977-qtr. to March 31 1976-qtr. to March 31	109,075,211 93,215,968 20,266,398 15,941,323	15,515,363 11,518,153 2,168,644 1,960,427	3.79 2.85 .51 .48
Telemation 1977-qtr. to March 31 1976-qtr. to March 31	2,295,000 --	44,000 (222,000)	.04 --

Notes: <sup>a</sup>In Canadian dollars. <sup>b</sup>Includes special credit. <sup>c</sup>Adjusted.

dir. for microelectronic devices, succeeding William Wagner, resigned... **Joseph Finn**, ex-Honeywell, appointed BASF Systems production & inventory control mgr... **John Shroder**, Nikko eastern sales mgr., adds duties as N.Y. branch mgr.

**Dalton Pritchard**, RCA Labs, named IEEE Vladimir K. Zworykin Award winner for color TV work... **Vincent St. Onge** appointed GTE Precision Materials Parts Div. vp-gen. mgr.

**JVC** will unveil VHS videocassette recorder and announce U.S. marketing plans at pre-CES news conference June 4 in Chicago. **ITT** Pres. **Harold Geneen** told security analysts his company will introduce Philips-type home VTR in Europe this summer, along with Grundig & Philips (Vol. 17:20 p10).

**KLH** is expected to recall about 7,000 speaker systems which, it told Consumer Product Safety Commission, could fail and pose fire hazard if driven too hard.

WEEKLY

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MAY 30, 1977

VOL. 17, NO. 22

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**NO 2nd-PLACE BLUES AT CBS-TV** affiliates convention as enthusiasm for 10 new shows is high. 'We know that we are on the way back,' says Wussler. Backe questions 'sacred cows.' Leonard sees rewrite as 'dangerous activity.' (P. 1)

**ALLEGED SPORTS FRAUDS** become focus of Justice, FCC & House investigations; CBS, NBC & ABC are targets. Would-be Super Bowl siphoner is put 'on warning' by Van Deerlin. (P. 2)

**QUELLO STOCK HOLDING** cited as conflict of interest; says he'll sell promptly. House panel hits FCC waiver policy on 'constructive interests.' (P. 4)

**SALANT ON CIA 'CONNECTION'**: Interview in L.A. Times covers practices stopped when Salant became head of CBS News. He notes, however, that activities were considered 'much more natural then.' (P. 4)

**GERBNER'S GOVT. FUNDS** for TV monitoring program cut off by NIMH because project is no longer 'basic research.' CBS's Leonard critiques House draft violence report. (P. 5)

**POLE BILL HEARING** is set in Senate, while companion measure is introduced in House. (P. 5)

**WILEY DEFENDS RECORD** in wake of recent string of adverse court decisions. (P. 5)

**NO 2nd-PLACE BLUES AT CBS-TV**: 'My reaction is extremely positive, and I'm reflecting the general reaction of the affiliates... CBS showed us the best group of pilots I've ever seen... At this point, I'm not willing to concede any network anything for this fall.' These are words of CBS-TV Affiliates' Chmn. Charles Brakefield, WREG-TV Memphis, at conclusion of last week's affiliates' convention in L.A.

Brakefield's enthusiasm was matched by most of more than 3 dozen other affiliates we talked to. Charles Crutchfield, WBTV Charlotte, predicted CBS would be back on top in prime time by Dec. Ex-NBC-TV Pres. Donald Durgin said CBS pilots were "great," saw "huge influence" of Chmn. William Paley in their selection. However, half-dozen broadcasters who attended all 3 affiliate conventions in last 3 weeks predicted ABC would remain clear rating leader through first half next season.

**CBS-TV Pres. Robert Wussler** and other top network execs. declined to dispute that prediction, although Wussler said: "We know that we'll have a considerably better 77-78 season... We know that we are on the way back... The rallying behind us by the affiliates was tremendous... We have shown them we can do it."

**Of ABC's sex comedy hit "Soap"**—which is expected to be runaway ratings hit (Vol. 17:20

### Consumer Electronics

**MATSUSHITA'S 4-HOUR VHS** videocassette system selected by Magnavox & Sylvania, giving system lead over Betamax in number of U.S. marketers. Quasar sticking with VX-2000 for time being. No decision by GE or Admiral. (P. 7)

**IMPACT OF QUOTA** on Japan's color exports to U.S. in terms of pricing & availability seen at least year off. Stockpiling evident in 15% hike in Japanese color shipments. (P. 8)

**CB MAKERS SPLIT** on ITC filing. E. F. Johnson readies complaint on injury to domestic market; other producers divided on whether to join. Hy-Gain to decide at CES. (P. 8)

**QUASAR & SYLVANIA** lines show major upgrading. Quasar adopts 100° tri-potential slot-masks in 19" & 25" sizes. Sylvania improves GT-Matic, puts it in 31 of 32 sets. Both introduce microprocessor digital tuning. (Pp. 9 & 11)

**ADMIRAL DOMESTIC COLOR** output dropped 73% in first 2 months as imports from Taiwan rose, Labor Dept. says as it approves aid for dismissed workers at Harvard, Ill. (P. 10)

**CB OUTLOOK GRIMMER** than in Jan., but major producers still see 8-10 million in 1977. (P. 11)

p1) - Wussler said CBS wouldn't have accepted program. He made affiliates happy by promising selective rate increases based on "greatest cost efficiency in delivering audiences." He told us that 50-60 stations already have been granted increases (one said his compensation already had been raised, first increase since 1962), that 55% of affiliates will have increases by end of year, resulting in 20% increase in network's compensation payments.

Convention featured programming only—with many reports (such as sales) from past CBS gatherings omitted—and all sessions were held in Century City complex. Full pilots or excerpts from 10 new shows in fall schedule were aired. ("There isn't a 'Ball Four' or 'Caluccio's Dept.' [2 noted past failures] in the bunch," commented Jacques DeLier, KWTV Oklahoma City.)

Wussler said network committed \$32 million to 260 different program projects last fall, resulting in 40 pilots, all good, giving network inventory to make needed changes early in season. Just as at NBC-TV (Vol. 17:21 p1), specials and mini-series will be stressed heavily. CBS already has scheduled more than 60 specials for 1977-78 season, including full week next year to celebrate network's 50th anniversary. Vp Bernie Sofronski gave reasons for specials: (1) To bring prestige & recognition; (2) holidays; (3) program development; (4) "and some specials are aired to maintain or improve our relations with some of the performers."

TV Research Dir. Arnold Becker noted that "for the first time in history, a CBS research director is here to concede that...your network was in 2nd place" in prime time. "While we take some pleasure in the fact that NBC, our traditional rival, was in 3rd place, that nasty upstart ABC was 3rd from last." However, he noted it took CBS only one year to regain top spot in Sat. a.m. (which it lost in 1965), 2 years in daytime (1973-74), predicted "it should not be too terribly long before we are back in the driver's seat" in prime time. He also used figures to show that CBS still leads in audiences for all day parts combined.

Making his first affiliates' convention appearance, CBS Pres. John Backe said his lack of a broadcasting background has proved to be advantageous because: "It has allowed me to challenge some of the sacred cows, some of the caveats...I think you're going to see us challenging the accepted ways of doing things more often at CBS...and I think we can look forward to the fall season with optimism—cautious optimism to be sure, but optimism nevertheless...From now on, I think you'll be seeing CBS doing a little less poking at windmills and a little more poking at NBC & CBS."

Washington Vp Bill Leonard said that "potentially the most dangerous activity" in govt. is proposed rewrite of Communications Act. He saw in House Communications Subcommittee staff option papers (Vol. 17:17 p8) "the seeds of which may, probably will, become a bill. That bill may take a form almost totally anathematic to your interests. And, over the next months and perhaps years, may require all of your best efforts to prevent, alter or amend."

Much to approval of affiliates, network did away with early morning busing (to CBS studios) of previous years, held presentations at ABC Entertainment Center across street from Century Plaza Hotel. About only criticism of affiliates was lack of entertainment, special presentations and/or humor—except, of course, for pilot screenings.

As always, CBS spent much more money than other networks on affiliates, set up complete circus (with big top, rides & side shows) in hotel parking lot. There were prizes galore, free golf lessons, etc. CBS Chmn. William Paley didn't attend, but he called midway through festivities "just to see if everything was going all right," according to CBS exec.

Day after convention, Wussler, Bcst. Group Pres. John Schneider and Affiliate Relations Dir. Robert Wood went to San Francisco to look over that city as site of 1978 convention. NBC also reportedly is moving out of Century Plaza in favor of San Francisco next year, which last hosted affiliates' convention several years ago when ABC met there to announce Mon. night NFL.

**JUSTICE, FCC & HOUSE FOCUS ON SPORTS:** Possibility of fraud in connection with network sports telecasts has caught eye of Justice Dept. (JD), FCC & House Communications Subcommittee. FCC asked CBS to conduct investigation, report within 20 days if several network tennis matches were "winner-take-all" as advertised & promoted (Vol. 17:21 p5). At TV affiliates' convention last week (see p. 1), Gen. Counsel John Appel said: "Needless to say, we had al-

ready been looking into this and we will of course report the results to the Commission."

Earlier, JD began looking into allegations of fraud—several made by ABC itself—involving ABC boxing match telecasts; agency reportedly asked Commission to hold off on its own probe. Finally, House panel chaired by Rep. Van Deerlin (D-Cal.) has begun its own investigation of possible fraud in ABC & CBS sports telecasts as well as in NBC-Soviet deal for coverage of 1980 Olympics.

At FCC "oversight" hearing last week, Wiley told Van Deerlin Subcommittee that Commission lacks jurisdiction over NBC-Soviet negotiations, but said that if agency finds evidence of distortion, fraud or rigging by either CBS or ABC, "you can be very certain that the Commission will be concerned."

On related matter, congressmen brought up N. Y. Times report that sports promoter Bill Sargent had offered NFL \$400 million for 5-year rights to Super Bowl and championship play-off game for exhibition in chain of theaters via closed-circuit. Networks currently pay total of about \$57 million per season for rights to entire season of games, but Sargent told Times he could offer much larger sum simply by charging 2 million people \$100 each for seats. Super Bowl audience on conventional TV has been as large as 82 million.

"I think it's a rip-off, and if there's anything we can do to stop it, I think we should," Subcommittee ranking Republican Frey (Fla.) said. Wiley replied that FCC can't intervene because it has no jurisdiction over theaters. (NAB Pres. Vincent Wasilewski later wrote Van Deerlin that "early action by the Congress" is needed to prevent loss of major sports events to other media. "While this latest pay-TV proposal plans to use theaters at the outset," Wasilewski said, "we see no reason why it could not eventually provide pay TV by cable to the home as well in light of the recent court decision in the HBO case.") Commented Van Deerlin: "Let's put them on warning" that Subcommittee is pledged to protect major sports events from being taken off conventional TV.

Most of remainder of FCC hearing delved in great detail into agency's openness & responsiveness to consumers. Questions from congressmen and staff brought out some weaknesses in independence of agency's in-house Consumer Assistance Office and in its implementation of Sunshine law—both of which Chmn. Wiley promised to remedy. However, questioners got nowhere in suggesting that Wiley begin inquiry into how to aid public participants financially in FCC proceedings—idea favored by Comrs. Fogarty & Hooks, but opposed by 5 others.

Wiley clung to suggestion that Congress pass law before such a program be begun or even considered. "I have to say that I put higher priority on running the Common Carrier Bureau... I have to look at priorities. I would have to put some of those priorities ahead of this." (Later, Wiley told NAB state presidents meeting that in testifying on funding for public interest participating—"an issue which I know is near and dear to your hearts—I felt a little like Anita Bryant defending the Mattachine Society." Broadcasters gave him strong round of applause.)

Other highlights: (1) Wiley said networks should have "a year or 2" more to decide how to serve hearing-impaired viewers following FCC approval of PBS petition allowing closed captions in TV signal. However, Fogarty said he was "disappointed" in networks' response, said FCC has power to make closed captioning mandatory.

(2) FCC's broadcast financial data isn't adequate, Wiley said, stating Commission will need better information to gauge stations' health accurately, especially in judging impact of cable. (3) FCC "could do more to review licenses," Fogarty said, but otherwise is making "diligent efforts" to serve consumers.

(4) Rep. Maguire (D-N.J.) angrily denounced Commission's actions in attempting to bring better TV service to N.J. Wiley defended FCC decisions, noted that application for N.J. UHF station now is pending. Responded Maguire: "Do you mind if I yawn while you talk about UHF?" He renewed pitch for transfer of N.Y. VHF to N.J. (5) Wiley said he still supports all-channel radio legislation—for auto radio market alone. He noted that FM penetration in homes was over 90%, but that "free market forces don't work" for autos.

**QUELLO CONFLICT CITED:** Of 53 regulatory agency commissioners studied by House Investigations Subcommittee, only one—FCC Comr. Quello—was found to have conflict of interest, according to staff report. Quello promptly said he'd sell stock.

Quello issued statement declaring that he had regularly listed stocks involved on annual financial form, and that stocks had been cleared at time of his nomination to FCC. He said they were added to FCC's "prohibited list" after his confirmation. Though he attempted several times to read statement, he never was recognized by Chmn. Moss (D-Cal.), who said: "He has no option but to divest."

Stock involved: 800 shares of Martin Marietta (worth about \$20,000), 100 shares of Gladding (\$300) and 100 shares of Pennzoil (\$3,200). Rep. Collins (R-Tex.) called Quello's holdings "the most remote situation [of conflict] I've ever seen."

Staff report and congressmen's questions brought out that: (1) Civil Service Commission—not FCC—enforces conflict rules for commissioners, but doesn't judge their holdings according to Communications Act requirements, and isn't furnished by FCC with list of prohibited stock holdings. (2) FCC employee with prohibited stocks is informed that if he transfers stock to spouse, conflict rules will be waived. Wiley said waivers aren't routine. However, security chief Fred Goldsmith said he could recall only one exception—person who had no spouse, had to sell.

Chmn. Wiley promised to work more closely with Civil Service Commission to improve enforcement, but refused to change spouse-waiver system. Gen. Counsel Werner Hartenberger called FCC interpretation of law "a thoroughly defensible one," but congressmen disagreed—often in angry exchanges with Wiley & Hartenberger.

"This is a clear circumvention of the law," Rep. Maguire (D-N.J.) stated. "I don't think this is at all responsive to the law," Moss said. When Wiley suggested that Congress tighten up law, Rep. Luken (D-O.) commented: "We don't need to change the law. We need to change the people who are administering the law." Replied Wiley: "I don't agree." Retorted Luken: "People outside your agency would be incredulous at your subterfuge."

Wiley stood his ground, even when Moss concluded hearing by saying he has "sometimes encouraged chairmen to change their minds by making them uncomfortable."

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NAB legal dept. has published 600-page "Legal Guide" on FCC rules, congressional reports and court decisions (\$35 for members; \$70 non-members). "The Guide represents, by its very bulk, a testament to the constantly increasing burdens broadcasters must bear in mind in keeping track of and complying with a seemingly endless stream of paperwork generated by the FCC's regulatory process," according to NAB Gen. Counsel Erwin Krasnow.

CBS-TV has won bidding for movie "Network," paying \$5 million for 3 airings in 1978-79.

**SALANT ON CIA 'CONNECTION':** Debriefing of CBS correspondents by CIA chief Allen Dulles and other contacts with CIA were found by CBS News Pres. Richard Salant when he became head of News in 1961—and he stopped practices—according to interview with Salant by Robert Scheer (ex-Ramparts Magazine) in May 27 L.A. Times. Among other things, according to article, CIA contact asked & received outtakes and other film from people such as Ted Koop, CBS Washington vp. Salant is quoted saying CIA agent visited him and advised that predecessor Sig Mickelson 'knows all about' such arrangements.

Salant told us he hadn't seen article. We read final quote attributed to him: "There does seem to have been a failure in our own shop to draw the line as strongly as it should have been." Salant said that "Scheer should have added that I also said: 'We're judging by current standards. Such activities were considered much more natural then—and they weren't confined to TV & radio. Debriefing by Dulles seemed quite natural at the time.'" Salant said he didn't know of similar ABC & NBC activities.

Koop told us last week he never had anything to do with outtakes, never arranged meetings with Dulles. "He used to ask the correspondents to dinner when they returned from overseas, but he didn't ask me." His office did supply CIA with film which had been broadcast, he said. "New York asked us to do it. We did so. And they paid for it. There was nothing wrong with it. I've done nothing unethical, nothing I'm ashamed of." Mickelson was out of country, couldn't be reached. He now heads Radio Free Europe & Radio Liberty, which once received CIA support.

Salant spoke at Stanford U. May 20, declaring that editors shouldn't attempt to "play God" by letting worry about consequences of reports affect their news judgment. Except for "clear cases of national security," he said, "in general I don't want to know what the impact is." He also termed N.Y. Times "most overrated paper" in U.S., said "wire services have deteriorated."

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Program producers are prepared to offer testimony, MPAA Pres. Jack Valenti wrote Chmn. Van Deerlin (D-Cal.) of House Communications Subcommittee, "about practices by which the networks have effectively eliminated any price competition in the procurement of entertainment programs from independent producers." Among them: Demands for unreasonable exclusivity, requirements that program creators give up rights for an indefinite period for spin-offs, and that programs be produced using network facilities. He said requirements are "exercised in a parallel manner" by 3 networks, prevent development of "diverse and competitive sources for TV program services."

Pre-screening of network prime-time entertainment programming for affiliates 30 days in advance would be mandatory under bill introduced last week by Reps. Markey (D-Mass.) & Mikulski (D-Md.).

Publisher Robert Howard (13 papers in 8 states) buys WBEN-TV Buffalo from Evening News for \$25.5 million.

**GERBNER TO LOSE GOVT. FUNDS:** National Institute of Mental Health's Advisory Mental Health Council has determined that TV violence monitoring carried out by Annenberg School's George Gerbner no longer constitutes "basic research." Therefore, NIMH last week informed Gerbner, funds he requested for continued monitoring have been denied. However, NIMH told him that if he sought funds solely for continued basic research—and went elsewhere for monitoring funds—Council would consider granting money on more limited basis.

NIMH staff, agency's research review committee and its advisory council all came to basically same conclusion: That NIMH research funds are limited; that highest priority should be for unexplored areas; that Annenberg project now is so refined that it no longer is "unexplored area." NIMH stressed that decision had nothing to do with extensive network criticisms of Gerbner's study, calling his work "the most important research on TV today." Behavioral Research Div. Chief Dr. David Pearl said Gerbner's research has been "excellent...the most sophisticated attempt we have seen which deals with TV programming," but added: "With the limited funds we have, we are unable to continue to fund his monitoring."

NIMH will fund Gerbner through Feb. 28, 1978. He told us that until then, he'll look elsewhere for money. He said AMA grant of about \$35,000 annually for next 3 years (Vol. 17:21 p3) will help—but isn't enough. If efforts to raise money elsewhere fail, he said, he'll ask Congress for funds. TV violence monitoring "is just like the government issuing economic indicators, labor statistics, or the weather report," he said, "except that my report is on the cultural climate."

Meanwhile, CBS Washington Vp Bill Leonard has written stinging critique of draft House Communications Subcommittee violence report (Vol. 17:19 p2). In letter to congressional staffers Alan Pearce & Bruce Wolpe—who authored draft—he charged report would "indirectly" involve govt. in programming, accepts Gerbner's work "as gospel," misunderstands role of networks & advertisers in programming decisions, and sets up networks as scapegoats. "For my personal part," he wrote, "I find the document startlingly pejorative... In its present stylistic tone, the draft seems more an adversary document than a sober consideration of a problem."

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**WAEO-TV Rhinelander, Wis.**, owned by former Rep. Alvin O'Koniski (R-Wis.), has been set for renewal hearing to explore charges of network clipping, fraudulent billing, misrepresentations to FCC, inaccurate logging, etc. Application to sell station is deferred, meanwhile.

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**AAF Washington conference**—June 11-15, Hyatt Regency Hotel—features FTC Chmn. Michael Perschuk, Rep. Burke (D-Cal.), MPA Pres. Jack Valenti, NARB Chmn. Kenneth Cox.

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**TOCOM sells 313,000 shares** at \$3.60 each to Canada's Selkirk Holdings Ltd., broadcaster-cable operator, giving latter 33-1/3% equity in TOCOM.

**POLE BILL ADVANCES:** Senate Communications Subcommittee has set June 23-24 hearing for combined pole attachment-FCC forfeiture authority legislation introduced by Chmn. Hollings (D-S.C.) (Vol. 17:21 p5). At same time, Reps. Wirth (D-Colo.) & Brodyhill (R-N.C.) and 15 colleagues introduced legislation covering pole attachments alone.

During House Communications Subcommittee hearing last week, FCC Chmn. Wiley said he continues to believe that pole attachment regulation should be left to states, and that FCC has no jurisdiction over poles. Comr. Quello, however, said he favors congressional action to give FCC jurisdiction over poles—so long as measure is combined with forfeiture legislation. Combination bill likely will be opposed by small cable operators. Wiley later told NAB state presidents meeting that he, too, would oppose legislation if it doesn't include forfeiture authority.

Broadcasters should tell House Communications Subcommittee members that if panel acts on pole attachment measure, it should also consider renewal legislation, Wiley advised broadcasters. He said pole bill's passage by House Subcommittee pledged to rewrite Communications Act would be signal that panel hadn't really ruled out "piecemeal" approach to communications legislation.

**WILEY DEFENDS HIS RECORD:** In wake of recent string of adverse court decisions, FCC Chmn. Wiley last week delivered spirited defense of his tenure as chmn. Addressing NAB state presidents meeting, Wiley said he decides issues not to avoid court reversals but because he believes in positions he takes.

"Right or wrong, this is my philosophy, and I'm not going to change it or apologize for it at this time," he said. Citing pay cable, EEO, children's TV, ex parte contacts, cross-ownership and radio formats issues—all either on appeal or already reversed by courts—he stated: "Would you rather have me decide on the basis of what I think is the public interest, or would you rather have me judge on the basis of what the court will decide? I want to make the judgment on the basis of what I think is right, and that's why the President and the Congress made me chairman of the FCC."

Group showed it liked Wiley's policies. "Mr. Chairman, you've been tough, but you've been fair," one member commented at session's end, and Wiley received standing ovation.

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Any station which engages in "diary distortion" will be deleted from future Arbitron TV & radio rating reports, according to Pres. Theodore Shaker. He said abuses occurred in 2 markets, consist of activities (contests, promotions, etc.) which confuse diary keepers "or entice them to use their diaries as 'entry forms' and to record inflated listening or viewing hours." He suggested formation of industry committee to police such practices.

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**Mass. federal court** has dismissed \$4 million damage suit against NBC because of network plans to discontinue NIS. Suit, filed by WNUS(AM) W. Springfield (Vol. 17:10 p7), also sought injunction to prohibit NBC from terminating fulltime news service.

**Personals**

**Paul Putney**, deputy chief of FCC Bcst. Bureau, resigns June 10 to return to Philadelphia law firm Bechert, Price & Rhoads; **Martin Levy**, Bcst. Facilities Div. chief, succeeds Putney; **David Landis**, asst. chief, succeeds Levy.

**Richard Dudley**, forward Communications pres., appointed to CBS-TV Affiliates' Board, succeeding **Earl Hickerson**, ex-WCEE-TV Rockford...**Jo Ann Emmerich** promoted to dir., ABC daytime programs, East Coast...**Paul Pearse** rejoins Blair TV as sales vp, Detroit office.

**Tracy Westen**, UCLA law prof., appointed FCC Consumer Protection Bureau deputy dir.; **Ellis Ratner**, National Advertising Div. attorney, takes over FTC children's TV ad program from Special Projects Div. Dir. **James DeLong**; **Alfred Dougherty**, one-time Competition Bureau deputy dir., recently with Hogan & Hartson, Washington law firm, named Competition Bureau chief.

**NCCB Chmn. Nicholas Johnson** keynotes June 15 conference on local public affairs TV, N. Y., sponsored by New School for Social Research...**Robert Reich**, FTC Consumer Protection Bureau asst. dir. for evaluation, named dir., Office of Policy Planning & Evaluation...**Robert Ross**, ex-OTP gen. counsel, named Washington counsel, Southern Pacific Communications.

**Emilio Daddario** resigns as dir. of congressional Office of Technology Assessment, successor unnamed...**Edward Ney**, Y&R, elected AAAA chmn.

**S. James Coppersmith** appointed vp-gen. mgr., WNEW-TV N. Y....**Roy Albertson** advanced to gen. sales mgr., KOMO-TV Seattle; **Phelps Fisher**, KOMO-TV local sales mgr., promoted to corp. mktg. dir., parent Fisher's Blend Stations...**R. Douglas McLarty**, Durham Life Bcstg. Service TV project mgr., appointed station mgr., WRDU-TV Durham, acquired recently by Durham Life from Triangle Telecasters...**Sylvia Hueston**, ex-N. Y. State Senate aide, appointed WABC-TV N. Y. community relations dir.

**John Schwarzwalder**, former exec. vp-gen. mgr. of KTCA-TV St. Paul, drops consulting practice to become station mgr. of KOKH-TV Oklahoma City., succeeding **Paul Ringler**...**Eric Taussig**, ex-CBS, named RKO General labor attorney...**Doyle Peterson**, ex-Heftel Bcstg., appointed Starr Bcstg. Group mktg. dir.

**Donald O'Connor**, ex-Frank N. Magid Assoc., joins KWTV Oklahoma City as national sales mgr...**Clarice Scriber**, ex-Baltimore Sunpapers, appointed information services mgr., WJZ-TV Baltimore...**Claudia Martinez** advanced to public service dir., KXAS-TV Ft. Worth.

**J. Ronald Milavsky**, NBC Social Research dir., named a vp...**Linda Berken** advanced to artist relations dir., ABC Entertainment.

**Patrick Callahan**, on leave from Provincial House Inc., Lansing, Mich. health care firm, named acting chief exec. officer of NPR following merger with

Assn. of Public Radio Stations (Vol. 17:19 p5); **Edward Elson**, Atlanta News Agency pres., named NPR chmn.; **Lee Frischknecht**, ex-NPR pres., named senior vp-programming & distribution; **Matthew Coffey**, ex-APRS pres., named senior vp-representation. Search Committee is to recommend permanent chief exec. officer by July 13.

**Howard Morgens**, P&G chmn. emeritus, and **Charles Pilliod**, Goodyear Tire & Rubber chmn., elected Comsat dirs., succeeding **George Killion** & **Leo Welch**, retired...**John O'Hern** named Petry TV vp...**Chuck Schwartzman**, ex-Avery-Knodel, joins Metro TV Sales, N. Y.

**Gary Schmidt**, ex-Audio Services pres., joins RCA Bcst. Systems as sales rep for Mich. & northern O...**Jerome Vondergeest** named Thomson-CSF Labs liaison mgr. for Colo., Wyo., Mont., Ida., N.M. & El Paso...**Milton Shefter** promoted to vp-videotape, new post, Consolidated Film Industries...**Michael Carney**, ex-Memorex, joins Fuji Photo Film U.S.A. Magnetic Tape Div. as broadcast video specialist.

**Richard Reilly**, ex-International Video western mgr., heads new San Francisco branch of United Media, video equipment marketer: 150 Old Adobe Way, Los Gatos 95030, 407-866-9484...**Gail Sermer**-sheim, Telesis mktg. dir., elected C-TAM pres., succeeding **Greg Liptak**; **Trygve Myhren**, ATC vp-mktg., named pres.-elect.

**William Shea**, Shea Gould Climenko & Casey, N. Y. law firm, elected a Teleprompter dir.; **Michael McPhee** named Northeast Minn. Cable TV gen. mgr.; **Rick Perrone**, ex-Warner Cable, appointed southeast mktg. mgr.

**G. James McCulloch** named pres., **Paul Hurney** vp, Artel Corp. & Artel Service Corp., pay-TV firms acquired from Adams-Russell...**Neil Serafin** advanced to Magnavox CATV Systems national customer service mgr.

**Barry Lewis** promoted to Katz corp. development vp...**Allen Ducoy**, ex-ABC, named Filmatlon eastern operations vp.

ATC won breach-of-agreement suit against Optical Systems (Channel 100) in connection with Optical's pay-TV service to some 2,000 ATC subscribers in San Diego. Declaratory judgment for ATC was rendered by Superior Court of Cal. for San Diego County. Trial resumes June 13 to consider ATC damage claims.

**D. C. Appeals Court**—on 5-4 vote—refused to reconsider March 16 order overturning FCC ruling that George Carlin record broadcast by WBAI(FM) N. Y. was "indecent." Original Appeals Court ruling was 2-1 (Vol. 17:12 p1); FCC isn't expected to appeal to Supreme Court.

**Marconi** has been licensed to make Ampex's new line of studio & portable helical videotape systems and time base correctors.

Comments deadline in multiple-ownership rule-making has been moved from May 23 to Aug. 22, replies from June 2 to Sept. 1, at NAB's request.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended May 13 (19th week of 1977):

	May 7-13	1976 week	% change	April 30- May 6	1977 to date	1976 to date	% change
Total TV.....	187,522	168,894	+11.0	207,070	4,609,715	3,816,018	+20.8
color .....	113,812	106,900	+6.5	116,494	2,814,465	2,238,624	+25.7
monochrome .....	73,710	61,994	+18.9	90,576	1,795,250	1,577,394	+13.8
Total radio .....	823,839	457,119	+80.2	900,043	13,242,702	11,116,037	+19.1
home, portable ..	546,251	203,802	+168.0	633,159	8,551,347	6,666,336	+28.3
AM-only.....	143,364	57,081	+151.2	174,819	2,040,100	1,560,719	+30.7
FM & FM-AM ..	402,887	146,721	+174.6	458,340	6,511,247	5,105,617	+27.5
auto.....	277,588	253,317	+9.6	266,884	4,691,355	4,449,701	+5.4

Color TV 5-week moving average: 1977—135,571; 1976—104,589 (up 29.6%).

**MAGNAVOX, SYLVANIA CHOOSE 4-HOUR VHS:** Last July, we described the then-unannounced VHS home videocassette system as key to "stop-Betamax" drive (Vol. 16:30 p8). Now, with almost all returns in, it's clear that if VHS—developed by JVC, modified & pushed by parent Matsushita—hasn't stopped Sony's Betamax, it has certainly prevented it from becoming de facto standard.

With last week's announcements that Magnavox & Sylvania will market Matsushita-built 4-hour VHS decks this year, VHS now has 8 manufacturer adherents in U.S. market vs. probable 6 for Betamax. Manufacturers pledged to VHS represent about 38% of U.S. color TV market compared with 32% for Betamax. Lineup for Matsushita-built 4-hour VHS: RCA, Magnavox, Panasonic, Sylvania, Hitachi, Mitsubishi, Sharp. For 2-hour VHS: JVC. For 2-hour Betamax: Zenith, Sony, Sanyo, Toshiba, Pioneer, Aiwa (latter having announced no U.S. plans). For Matsushita VX-2000: Quasar.

Magnavox & Sylvania said they had reached "agreement in principle" to offer machine in U.S. this fall (Sylvania said "late fall")—very few further details. Sylvania made announcement at Las Vegas convention (see p. 9), didn't show machine itself. Nobody has said anything definitive about pricing; it's known that either VHS or Betamax could be priced profitably below Sony's \$1,300—and initial pricing probably will be based on scarcity rather than actual costs. RCA Pres. Edgar Griffiths hinted price near Sony's level (Vol. 17:21 p9), while GTE Consumer Electronics Mktg. Vp Robert O'Neil last week indicated Sylvania is thinking of something lower to start—perhaps around \$1,100.

Quasar, offering sole VTR below \$1,000, called \$995 VX-2000 "outstanding success," and Sales-Mktg. Vp Alex Stone said at convention: "We are sold out and are putting our distributors on allocation." Quasar has added 2nd quality-control line for inspection of incoming decks to speed them into field. Asked about commitment to non-standard system, Quasar Pres. Robert Bloomberg replied "we are not ruling out a switch" to another system "if the market requires a change," but indicated Quasar would stay exclusively with VX-2000 for at least rest of year. Quasar's attitude is that it will be a year or more before there are enough 2-hour Betamaxes or 4-hour VHS decks to make competitive impact on 2-hour VX-2000. Stone estimated industry could sell 250,000 VTRs this year if it could get supply.

Only major TV manufacturers not committed publicly to VTR are GE & Admiral. Rockwell Consumer Products Pres. Charles Urban dismissed published Japanese report that Admiral had

chosen VHS. "We are looking into the situation in Japan," he said, but "we are not even in active negotiation." GE spokesman said company was still undecided on entering VTR field, was studying systems. Curtis Mathes will offer VTR under own name, will announce system soon, according to Chmn. Curtis Mathes Jr.

**TV QUOTA IMPACT SEEN YEAR OFF:** Growing stockpiles of Japanese-made color TV & chassis and stepped-up U.S.-based production effort by Japanese manufacturers should delay any price boosts or shortages stemming from Japan's 1.75 million annual color-export-to-U.S. quota (Vol. 17:21 p7) for a year at least. That's view of most industry observers we've talked with.

How many receivers Japanese actually have in inventory in complete-set form is open question. Commonly-quoted range of 800,000 to million represents 35% to 40% of EIA April inventory, or about same as color imports' share of market. Finance Ministry reported Japanese shipped 255,900 color TVs to U.S. in April, up 15.6%, bringing 5-month total to 757,000, up 20.5%. But EIA color sales to dealers were up 38% in April, 27.3% for 5 months, so Japan isn't even holding its own. Japan's TV exports in April of 376,400 were up 26.2%, as b&w rose 57% to 120,400, bringing 5-month total to 1.2 million (up 25.1%), and b&w to 439,600 (up 34%).

Sony and Matsushita's Quasar said they would have no problems producing quota-free color sets from Japanese parts in their U.S. plants. Quasar Pres. Robert Bloomberg said as result of 2-year modernization program, Franklin Park, Ill. facility now assembles all 19" & 25" color parts. Current 13" & 15" models are assembled from chassis, so changes may have to be made there, and 12" is only fully Japan-made set in line, he told us.

Spokesman acknowledged that Forrest City, Ark. plant, which assembles 19" & 25" color using complete imported chassis (Vol. 17:21 p9), will have to modify operations so more U.S. labor is used if it's to get around quota on unfinished sets. "We're working on how to do that right now." Meanwhile, he said, Sanyo will use month remaining before quota goes into effect to ship as many chassis as it can to U.S.

Panasonic's plan to have color consoles assembled in Canada remains in force (Vol. 17:18 p9). Spokesman said Panasonic Canada, which has modest assembly operation, can draw on resources of sister companies Quasar Canada & Quasar U.S. for any subassemblies it needs. At MGA (Melco Sales), we were told company still expects to be making 21" & 25" color in leased Irvine, Cal. facility. "We've already had some pilot production runs and expect to be making sets for sale in a month," Vp Steve Saake said. He said MGA didn't plan as extensive an assembly operation as required by quota rules, "but we'll adapt to meet them. It shouldn't be too difficult to change as we've just started," he said. Toshiba said it's continuing to investigate possible plant locations, hasn't made decision.

Three-year quota agreement contains several safeguards to prevent Japanese manufacturers from violating spirit as well as letter of restraint program. Japanese govt. has pledged to take action to stop companies which ship color to U.S. from 3rd countries or divert unauthorized shipments to U.S., make "every reasonable effort" to see companies comply with requirements for quota-free chassis exports. There's also clause allowing U.S. to demand corrective action if Japanese concentrate exports on single screen size. U.S. will monitor imports to insure Japan's restraint program doesn't turn into bonanza for other exporting countries, discuss revision or cancellation of agreement with Japan if condition of U.S.-based industry improves substantially.

**CB MAKERS SPLIT ON ITC FILING:** E. F. Johnson may have to go it alone in seeking govt. relief for domestic CB industry from flood of imports (Vol. 17:15 p8). Despite efforts by Pres. Richard Horner to line up support, most other domestic & "semi-domestic" producers said they probably won't join Horner in filing import-injury claim with ITC under Sec. 201 of Tariff Act.

"There's a high probability we'll go ahead and file, if not with others, then alone," Horner told us. Sec. 201 is only realistic solution to problem, Horner says, since: (1) There's no home market for CBs in Japan and proving dumping could take up to 5 years, becoming "a very expensive proposition." (2) Customs Court ruling on countervailing duties (Vol. 17:16 p7, 17:17 p15) doesn't apply to CBs.

Reaction among handful of other CB firms making all or some CBs in U.S. ranged from flat refusal to get involved to limited support for effort (Motorola, which produces entire line in U.S., couldn't be reached at press time). Hy-Gain was essentially only one to leave door open on joining Johnson. Exec. Vp Ted Andros said his firm—which does final CB production in Puerto Rico using imported parts & subassemblies—"certainly supports Mr. Horner's activity," and decision on whether to join effort will be made after meeting with Horner at CES. But Andros said restricting trade "is a difficult proposition. In the long run, U.S. manufacturers simply have to be competitive."

Several pointed out that Japanese producers have cut back drastically on 40-channel production in recent weeks, are reaching end of 23-channel output. "It's likely to be academic, even if Johnson were to win," said one. "If it's quotas based on production at its peak, the limit might be lower than actual production at the time it goes into effect."

Other reactions: "We're sympathetic to the problem, but we don't feel this is the way to resolve it. The Japanese are already cutting back to reasonable levels" (Pathcom Pres. William Thomas). "We don't know if we'll join, because we don't know what's involved yet" (Regency Pres. Floyd Ritter). "We're not interested in doing that at all" (Tram/Diamond Pres. James O'Callaghan). "I don't think we'd be inclined to join. We're in a mongrel situation, with our production split about 50-50 between here & Japan in terms of dollars. If we do it, it would be done independently. We're looking at it" (Browning Pres. Gardner Greene).

Size of domestic-made CB market isn't clearly defined—estimates range 5-15% of total—but Johnson unquestionably accounts for vast bulk of it. Horner says his firm feels it's worth the effort to go it alone, which he predicts can be done without enormous expense. "It's like a ball of string. You can buy a foot or a mile. It depends on how complicated your filing is."

Detailing scope of CB import penetration in U.S. "is relatively straightforward & simple task," Horner said, adding that informal conversations with ITC staffers have led him to believe recommendation could be expected 2-4 months after complaint is filed. Johnson also has talked with those involved in color TV injury case, Horner said, "and we know what's involved."

But president of leading firm in high-end CB market (all imported) disagreed: "It's an incredibly expensive, complicated & time-consuming effort. At this point, the best thing would be to let the market slow down and settle down."

**MAJOR UPGRADING BY QUASAR, SYLVANIA:** Spread of automatic color and digital tuning continued last week in 1978 color lines shown by Sylvania & Quasar. Quasar adopted Sylvania 100° tri-potential 19" & 25" slot-mask tubes, as forecast here (Vol. 17:16 p9), and introduced pseudo-stereo TV sound system. Sylvania added new circuits to its GT-Matic, now featured in all sets except 13" leader, and announced biggest ad & promotion campaign in its history for next 6 months.

On consecutive days, Sylvania & Quasar announced application of microprocessor to TV tuning. Sylvania's "Tomorrow Tuner," on consoles at \$800 & up, is version of GI's Omega, has digital keyboard plus 8 extra buttons marked A to H, which viewer can program to select "most-viewed" channels. Remote version, due in Aug., will have up-&-down channel change rather than calculator-like keyboard, programmable to any 16 channels in any sequence, will add less than \$100 to price of set. Quasar-developed, Matsushita-made digital touch tuning on high-end 25" (\$850) requires no setup, automatically adjusts for offset channels. Initial remote (\$925) will be signal-seeker (up-&-down), but calculator type will be available later. Both sets use LED readouts (Quasar's is gold).

Quasar's new active color-correction system is called Dyna-color, currently is used only in 100° (Dynabrite) tube sets, \$490 & up in 19", \$750 & up in 25". Audio Spectrum Sound (\$550 in 19", \$850 & \$925 in 25"), in double-ended sets, has single midrange speaker on right, tweeter & woofer on left, balance control, giving stereo-like effect and improving sound quality. Quasar prices were said to be up 3-5% because of upgrading of line, about comparable with last year on feature-by-feature basis.

Quasar improved color market share in each of last 2 years, according to Pres. Robert

Bloomberg, had "periods of profitability" in year ended May 31, "plans to be profitable" this year. Sales-Mktg. Vp Alex Stone said Quasar has "conservative" outlook for rest of year, sees 3rd quarter color & b&w sales up just 10% from last year, well below present growth rate, said he hopes "industry will carefully temper forward planning to insure an orderly market."

Sylvania's "3rd-generation GT-Matic" has 2 new ICs to improve existing features, adds room light monitor and new Automatic Sharpness Control, maintaining sharpness at consumer-set level, but softening picture when necessary to compensate for noisy picture. Most sets now have varactor tuning. Of regular (non-carryover) line of 32 sets, 20 are characterized as "Supersets"—meaning they have either pushbutton or single-knob electronic tuning, new GT-Matic, Dark Lite 50 tube, 30,000-KV chassis. On feature-by-feature basis, according to Consumer Electronics Mktg. Vp Robert O'Neil, prices are down \$20-\$30, but our analysis of upgraded line shows some upgraded prices, too (see p. 11).

Perhaps even more significant than product itself is promotional clout Sylvania is putting behind new line. According to O'Neil, next 6 months will see "strongest consumer campaign in Sylvania's history" and "strongest trade campaign ever attempted by any TV manufacturer." Latter will be geared to "\$100,000 Challenge"—Sylvania offering to contribute \$100,000 in TV industry scholarships if any competitor can submit production model TV set which 1,000-member consumer panel judges to have superior "over-all picture performance." If Sylvania wins "challenge," outcome is obvious material for next year's consumer ad campaign.

Sylvania officials, while elated by Japan quota agreement, didn't harbor any illusions that higher prices would result. Pricing situation came in for much discussion at news conference. Home Entertainment Vp-Gen. Mgr. Frank Lann said bluntly: "The customer today is not enjoying the product he could be enjoying, because we don't make enough profit. It takes a healthy industry to accomplish advanced product design. The fact that the videocassette recorder was developed offshore is a symptom. What happens in the future depends on what the industry does in our own kind of orderly marketing." Added O'Neil: "The customer is stealing merchandise from our industry... You can't have R&D, you can't have an adequate sales training program, if you're selling a \$399 product at \$349. The industry simply isn't investing in the future the way it should be."

In Sylvania's immediate future is more international cooperation among GTE companies. Examples: Component audio line probably will be completely redesigned into worldwide product, with substantial input from German subsidiary Saba. Saba-developed varactor tuner probably will be incorporated into Sylvania sets next year.

GE released prices of its TV lines last week, showing reductions of \$20 in 13", \$40 in 17", \$10-\$20 in 19" as compared with year ago (see p. 11). And Zenith, in post-convention move, last week wired distributors notifying them of increased allowances on selected closeout models (believed to be principally 19" & consoles) after review of competitive offerings.

**LD VIEWS ADMIRAL:** Admiral's color TV production virtually ground to halt in Jan. & Feb., according to Labor Dept. report issued in conjunction with import adjustment aid certification for former employees at firm's Harvard, Ill. plant. Study shows plant's color output dropped 38% in 1974, rose 28% in 1975, sagged 19% in 1976, sank 73% in Jan.-Feb. 1977. B&w production there fell 59% in 1974, 32% in 1975, rose 18% last year, was down 27% in Jan.-Feb.

Admiral substituted imports from its Taiwan plant for U.S. production, LD indicates, noting company imports of color in complete and chassis form rose 45% in 1976, accounted for 41% of color sales; imports of complete color provided 28% of volume in 1976, up from 15% in 1975. While b&w imports dropped 29% in 1976 and domestic output rose, Admiral's b&w inventories jumped 96%.

Admiral's color sales fell 29% in 1974, rose 4% in 1975, were off 21% in 1976, down by 41% in Jan.-Feb. B&w sales fell 34% in 1974, jumped 55% in 1975, dropped 28% last year, slipped 14% in Jan.-Feb. Production worker (both color & b&w) employment was trimmed 32% in 1974, 30% in 1975, 19% in 1976, 6% this year, while engineering force was cut 12% in 1975, 16% last year.

**Advent introduces** new Model 10 VideoBeam projection system, using same tubes, lenses & electronics as Model 750, but with 5-ft. Ektalite screen instead of 6-ft., making possible viewing in room as small as 12 ft. long. Console has been restyled with more emphasis on furniture and Model 750's video & audio input & output jacks and remote control eliminated from new model. Marketing starts in Oct. Advent announced \$500 increase in price of Model 750 to \$2,995. New Model 10 will be \$2,595.

**GE, QUASAR, SYLVANIA:** GE's heavily redesigned color line (Vol. 17:13 p9, 17:19 p8) shows some sharp reductions from year ago. New solid-state 10" Porta-Color sets are \$270 & \$280, replacing last year's hybrid models which were priced \$10 lower. New 13" are \$340, \$350 & \$360 (all down \$20); 17" are \$380 & \$390 (both down \$40). Leader 19" is \$410 (down \$10), with Color Monitor step-ups at \$420 (down \$10) & \$430 (down \$20), another at \$450. VIR 19" sets are now \$450 (3 models) vs. last year's single model at \$540; digital remote versions (2) are \$630. New 25" table is \$600; six consoles at \$670 (unchanged), 5 VIRs at \$720 (down \$60), 2 at \$760 (down \$40), 3 new models at \$790, 2 remotes at \$900, 4 at \$930.

Monochrome line from GE (unchanged except as noted): 12" at \$105, \$110, \$115; AC-DC at \$120 & \$130 (both up \$5); 15" at \$125, \$130, \$135 & \$140 (all up \$5); 19" at \$155, \$160, \$170 (up \$5) & \$175 (latter price included stand last year).

Quasar color line starts with pair of carry-over open list 12" (down about \$30 to \$270 & \$290), new model at \$330; new 13" at \$350 and 15" at \$370 are unchanged; 19" open-list leader is about \$380, down \$40, with steps at \$430, \$450 & \$460, first model with Super Insta-Matic is unchanged at \$470, steps are \$480 & \$500, remote is up \$30 to \$580. The 19" with Dynacolor circuitry & 100° tri-potential tubes are \$490 & \$550, latter double-sided with Audio Spectrum sound (AS). In 25", table model is open (unchanged at \$600), with remote at \$720 (up \$20), leg console up \$10 to \$640, double-sided credenza open (\$650, unchanged). First Super Insta-Matic console is \$670 (down \$10) with remote at \$790; step-ups (4) are \$700 (2 remotes at \$820), double-sided console \$750 (remote \$840); console with one-knob manual electronic tuner \$750 (up \$10), pair of step-ups are \$780 (up \$10). Five Dynacolor consoles with 100° tubes are \$750, 3 with electronic digital tuning & AS are \$850, available with limited-function remotes at \$925.

In b&w, Quasar left prices unchanged. AC-DC 9" carry-over & new 12" are \$130 & \$150; AC-only 12" are \$110, \$115 & \$125, new 13" is open (\$140), 19" open (\$150) & \$170.

Sylvania color (prices unchanged except as noted): 13" at \$320 & \$350 (latter up \$10); 17" at \$400; 19" summer special at \$400 (reduced \$20), regular line at \$430, electronic tuning \$470 (both up \$10), remote \$540 (down \$10); Superset 19" series, 3 models at \$500, remote \$580 (all down \$20); 25" table \$600 (up \$10), Superset remote \$700 (up \$20). Consoles in summer closeout series: Two 25" at \$588.88 (down \$31), 4 at \$630 (down \$50), 2 combos \$1,195. New console line starts with 4 at \$670; Supersets, 3 at \$700, 2 at \$730, 5 remotes at \$780; digitally tuned sets, \$800, 3 at \$820; combination, \$1,695.

Sylvania b&w prices are unchanged: 9" AC-DC \$130; 12" at \$100, \$105 & \$110; 16" at \$130 & \$140 restyled 19" \$150 & \$160; 22" table \$200; consoles \$240 & \$250.

**Mergers & acquisitions:** Bankrupt Litronix has 2 acquisition offers. Company said it has received feelers from W. Germany's Siemens & Honeywell.

**CB OUTLOOK:** Top CB makers have scaled down 1977 projections from rosy 11-12 million of Jan. but majority still feel market will hit 8-10 million. Bulk of 23s will be out of pipelines by Aug., most say, but 40-channel pricing could remain depressed through remainder of year—with low-end discount price slipping to \$69.95 before end of summer.

Generally, industry agrees 500,000-700,000 23s remain in pipelines. E. F. Johnson Pres. Richard Horner, however, says there are probably 1 million left, and GE spokesman put total at "not more than 2 million." During year, ratio of 40s to 23s will be roughly 2-to-1, most say, with Horner again putting 23s total higher—at half or more of total 1977 sales.

Here's outlook of major firms: Hy-Gain, 8-10 million; Pathcom, 8 million (down 20% from original forecast); Browning, 8-9 million; GE, SBE, & Johnson, 10 million. Industry is far from stable, virtually every firm said, with long period of pricing pressures & shakeouts still ahead. "This is the stormiest beginning for any big industry since World War II," said SBE Pres. David Thompson.

Heavy pressure on 40-channel pricing isn't just function of bargain 23s in market, but result of severe cash-flow problems of many firms. "It depends on the banks at this point," pres. of leading firm told us. "The equity-to-debt ratio now is way out of line. So, if the banks call in those notes, the only choice a company has to raise money is by selling products—even if it's at a loss. Until the financial problems clear up, you'll see a lot of discounted 40s being sold to raise cash."

Additional factor complicating situation is start of traditional late spring—early summer slump in CB sales. "Maybe it's seasonal," Hy-Gain Exec. Vp Ted Andros said, "but I can't really tell. We're going through a spring slump and maybe it'll pick up again in a month. But I haven't been able to track any real seasonal variations in CB sales, so we're not sure what will happen the rest of the year."

**Note:** Market slump forced Regency to shut down 40-channel production, lay off CB personnel. Said Pres. Floyd Ritter: "We're marking time, and I can't tell when we'll start up again. We've got more 40s in our warehouses than we'd like to have." He added that scanner production lines are in full operation, and scanner market remains strong.

Phono disc & pre-recorded tape sales, at list, were worth record \$2.74 billion last year, with units up 11% to 592 million. Sales by type: LPs \$1.66 billion (up 12%), SPs \$245.1 million (up 16%), 8-track stereo \$678.2 million (up 16%), 8-track quad \$5.1 million (down 37.8%), cassette \$145.7 million (up 47%). Sales of recorder reel tapes were negligible, are no longer included in data.

FCC extended date for comments on proposed tightening of CB spurious & harmonic radiation specs (Vol. 17:8 p11 et seq.) to Aug. 29, replies to Sept. 28, at request of EIA Consumer Electronics Group. Comment deadline on proposals to ban linear amps and bring amateur equipment under type acceptance was extended to June 24, replies July 6.

# WEEKLY Television Digest

with  
Consumer Electronics...  
PUBLISHED BY TELEVISION DIGEST, INC.

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

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## Trade Personals

**L. Dean Chitwood** advanced at RCA Service from central region consumer products sales mgr. to consumer products field sales mgr., succeeding **Earl Malm**, now consumer products sales mgr... **Dennis Barnhart**, ex-Rockwell, joins Microelectronics Corp. as worldwide mktg. vp, new post.

**Paul Zimmer** resigns as SBE national sales mgr... **Werner Zieler**, Siemens (U.S.), assumes temporary duties as Components Group vp, succeeding **Richard Rudolph**, resigned.

**Charles Allen**, TRW chief financial officer, advanced from vp to exec. vp... **William Hooper** quits post as Superex national sales mgr.

**Joseph Bradley**, Burndy Components Div. sales & mktg. dir., named vp; **Alan Peltz** advanced from asst. treas. to treas... **Robert Meinicke**, Bourns components operations gen. mgr., named corporate vp.

**Patrick Wilson**, ex-Augat Inc., rejoins Sylvania Home Entertainment Products as public affairs mgr., succeeding **Ralph Emerson**, resigned... **Allen Ross** shifts from Tyco Labs to subsidiary Dynaco as pres., succeeding **David Webster**, resigned.

**Health & safety effects** of radiation—including microwave ovens, broadcast radiation, CB, RF sources, and X-rays—will be studied during 5-day Senate hearing set for June 16-17 & 27-29 (Vol. 17:16 p10). Hearing is sponsored jointly by Sen. Stevenson's (D-Ill.) Science, Technology & Space Subcommittee and Sen. Ford's (D-Ky.) Consumer panel.

**Liquid crystal TV** with about a 7" picture has been shown in Tokyo by Hitachi. Display on developmental set is 1.6" thick.

## 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
Chyron 1977-9 mo. to March 31 1976-9 mo. to March 31	2,536,544 2,616,661	208,580 <sup>a</sup> 522,526 <sup>a</sup>	.25 .63
Comcast 1977-qtr. to March 31 1976-qtr. to March 31	2,823,378 2,431,820	138,261 141,583	.08 .08
Communications Properties 1977-6 mo. to April 30 1976-6 mo. to April 30 1977-qtr. to April 30 1976-qtr. to April 30	13,037,000 10,839,000 6,671,000 5,559,000	1,002,000 (190,000) 587,000 (80,000)	.21 -- .12 --
Gray Communications Systems 1977-9 mo. to March 31 1976-9 mo. to March 31 1977-qtr. to March 31 1976-qtr. to March 31	10,612,171 8,952,146 3,832,392 3,084,600	798,250 539,652 232,409 185,980	1.68 1.14 .49 .40
Outlet Co. 1977-qtr. to April 30 1976-qtr. to April 30	36,288,069 30,421,672	533,529 399,793	.20 .15 <sup>b</sup>
Tele-Communications 1977-qtr. to March 31 1976-qtr. to March 31	12,650,000 10,879,000	371,000 178,000 <sup>a</sup>	.05 .02
Tokyo Shibaura Electric <sup>c</sup> 1977-year to March 31 1976-year to March 31	3,476,400,000 3,222,700,000	49,800,000 31,400,000	-- --

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Adjusted. <sup>c</sup>At yen's current rate.

**CB Scene:** FCC will publish consumer handbook, "How to Identify & Resolve Radio & TV Interference," in July or Aug. Book will include color photos of typical TV interference patterns, tell how to identify various types of interference, list remedies. FCC says it had 80,000 interference complaints last year, expects 100,000 in 1977... FCC said CB rules in "plain English" will be proposed in near future... **Superscope** was awarded Cal. Highway Patrol contract for 960 Aircommand CBs... Because "substantial errors" on proper use of CB radios are appearing in media, FCC Personal Radio Div. Chief John Johnston has asked anyone "involved in preparing movies, TV and radio programs, advertisements, short stories and articles" to call 202-632-7299 to have FCC staff explain relevant FCC CB rules... **Cobra's** answer to 40-channel CB price cutting is power microphone giveaway. **Cobra** will ship mikes direct to consumers who purchase rig May 16-Aug. 9... U.S. Customs seized 3,000 CBs (valued at \$292,192) in Harbor City, Cal. which carried made-in-Korea labels and for which duty-free entry was sought. Units were produced in Japan. Duty bill would have been \$17,500... New edition of FCC's CB rules (stock No. 004-000-00342-0) is available for \$1 from Govt. Printing Office, Washington 20402. New version is shorter & cheaper than previous editions because it omits rules of other 2 personal radio services. FCC requires CB licensees to have copy of current rules.

**Toshiba** plans to set up consumer electronics manufacturing venture in Brazil, is talking with possible local partners. Firm already has heavy electrical equipment producing venture there.