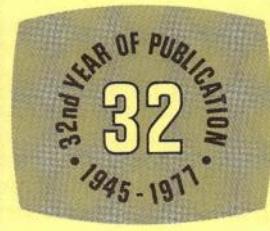


WEEKLY

# Television Digest®

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**COURT HANDS MAJOR VICTORY** to NAB & FCC on children's TV self-regulation. TV Code 'salutary reforms' praised. Earlier decision by same court on ex parte contacts hit. (P. 1)

**NAB MOVES ON TV SEX—MAYBE:** Board approves resolution for tougher language to be drafted; final action delayed until fall. Thurston, Broman, Hensel, Bolger, Scribner elected. Van Deerlin & Frey provide 'excellent input' on rewrite. (P. 2)

**NETWORK SPORTS PROBE** broadened by subcommittee to cover network-NCAA contracts, NFL, NHL, NBA & professional baseball coverage, network contracts with individual athletes. Hochberg named special counsel. (P. 3)

**CABLE AD NETWORK** planned by Vegas group, says it bought 24 hours daily for 6 years on RCA satellite, via Southern. Sanders chmn., Merklein pres., Bledsoe engineering chief. (P. 4)

**OTP FATE UP TO CARTER** as reorganization task force turns in recommendations. Plan would retain staff of 4-5 in Executive Office, shift remainder to Commerce. (P. 5)

**COURT HANDS NAB & FCC MAJOR VICTORY:** In ruling that ex parte contacts in informal FCC rulemakings are improper—in pay-cable (HBO) case (Vol. 17:13 p1)—a panel of D.C. Appeals Court made "a clear departure from established law," according to another panel of same Court. Decision came July 1 when Court upheld FCC policy statement on children's programs and agency's refusal to adopt firm rules (Vol. 14:40 p1). Appeal was made by ACT.

"I have never read a sharper rebuke by one panel of another panel of the same Court," FCC lawyer told us. Judge MacKinnon served on both panels; he issued clarifying statement on ex parte portion of HBO order some 2 months later, saying it was much too broad (Vol. 17:21 p4). Joining MacKinnon last week were Judges Tamm (who wrote decision) & Wilkey.

HBO panel (including Wright & visiting Judge Weigle) based ex parte ruling on 2 earlier cases which didn't apply, according to latest decision. One prohibited White House staffers from ex parte contacts in deciding international air carrier routes; other was FCC rulemaking reallocating VHF channel to St. Louis (Sangamon) where specific party stood to gain. "Where Congress wanted to prohibit ex parte contacts, it clearly did so," Tamm said. However, Congress clearly intended to permit such contacts in informal rulemakings such as pay-cable & children's TV cases through language in Administrative Procedures Act and Sunshine law, he said. Tamm added:

"Nonetheless, Home Box Office [decision] would prohibit or require publication and opportunity for comment on all ex parte contacts, no matter how minor, during the notice and comment stage regardless of the nature of the inquiry. The novelty of this requirement should have been apparent to all... Why not go further to require the decision-maker to summarize and make

available for public comment every status inquiry from a congressman or any germane material—say a newspaper editorial—that he or she reads on their evening-hour ruminations?.. In the end, why not administer a lie-detector test to ascertain whether the required summary is an accurate and complete one?"

Decision says Commission was perfectly proper to rely on self-regulation to improve children's TV, praises "salutary reforms" taken by NAB TV Code. "ACT's characterization of the Commission's action as an abuse of the administrative process misconceives the agency's role in, and the flexibility of, the informal rulemaking proceeding... ACT's participation in these proceedings was not just pro forma and its submissions were not simply ignored... We are satisfied that the Commission did not coerce the industry into accepting agency-decreed policies or standards negotiated at closed-door meetings. Any coercion that may have been involved in this case would appear to result more from petitioner's commendable energies."

Commission has appealed ex parte part of HBO case—along with ban on rules regulating sports on pay cable—to Supreme Court (Vol. 17:24 p5), and there's been much confusion over what decision means not only for FCC but other agencies as well. FCC lawyers also expect decision to have impact on appeals pending of L.A. Dist. Court ruling in family viewing case (Vol. 16:48 p2).

**NAB MOVES ON TV SEX—MAYBE:** Meeting in Williamsburg last week, NAB TV board adopted resolution praising past activities of TV Code board (as sought by TV Code board) and directing that new language be drafted for Code "which specifies that material generally perceived as obscene, profane or indecent is unacceptable" (as sought by outgoing TV Chmn. Robert Gordon).

However, language for foregoing still is to be drafted—by ad hoc group comprising representatives of both TV & Code boards—and reported back to TV board for approval in early fall. "And therein lies the rub," according to NAB non-network director who voted for resolution. "They'll have a tough time coming up with any language about sex that the networks will accept... They didn't fight very hard today to stop or table the resolution." Vote was 10-4, with networks and Forest Amsden, KGW-TV Portland, Ore., dissenting.

Gordon, however, sees language as no problem now that concept of tightening Code has been approved. He insisted on inclusion of anti-sex prohibitions in long-running battle with Code board (Vol. 17:26 p2, et seq.). Code Chmn. Robert Rich was in Williamsburg last week—along with 2 other Code board members—to plead that body's case. Gordon isn't expected to be on ad hoc group—to be selected by new TV Chmn. Kathryn Broman—to draft language.

Last week's resolution also directs Code board: (1) "To take positive, visible, affirmative steps to encourage industry & public awareness of both the spirit & letter of the Code." (2) "To reassert in more specific terms the broadcasters' recognition of TV as primarily a family medium." (3) "Through all means available...to provide for the widest possible dissemination of the revised language in particular and the Code in general throughout the industry, government, special interest groups and the population at large."

Radio Chmn. Donald Thurston, WMNB(AM) N. Adams, Mass., was elected NAB chmn. without opposition, succeeding Wilson Wearn, Multimedia. Also unopposed were Kathryn Broman, WWLP Springfield, Mass., as TV chmn. and Len Hensel, WSM Nashville, as radio chmn. Competition was strong for 2 remaining spots on NAB Exec. Committee: (1) Thomas Bolger, WMTV Madison, was elected TV vice chmn. over Robert McConnell, WISH-TV Indianapolis; vote was 8-6. (2) In 5-way race, David Scribner, Doubleday Bcstg., won radio vice chairmanship in 15-14 run-off contest against William Sims, KOJO Laramie, Wyo.; each received 8 votes in first balloting with 5 candidates.

NAB joint board received "excellent input" on Communications Act rewrite from its 2 chief sponsors—Reps. Van Deerlin (D-Cal.) & Frey (R-Fla.)—according to Wearn. Both were said to be "conciliatory," sought cooperation from broadcasters, faced "wide gamut" of questions. Recent attacks by NAB on motives of House Communications Subcommittee staff, and vice versa (Vol. 17:25 p4), will be toned down by both sides.

Possible fight over NAB endorsement of radio-only renewal bill was averted when joint

board reaffirmed long-standing goal for TV & radio renewal bill covering both "stability & term" of license. Exec. Committee has authority to change this approach, push radio-only bill, if political situation in Congress warrants it.

Board will hold Jan. 1978 meeting in P.R., voted to return to Maui, Hawaii, in 1979, to Palm Springs in 1980. Registration at fall conferences was set at \$85 for first station exec., \$40 for others from same station.

Dir. Roy Danish reported that TIO is preparing 30-min. TV program on how industry has cut back on violence, that it'll be ready for local telecast by mid-Aug. He said that TIO spent "unbudgeted dollars" to participate in and counter PTA violence hearings (Vol. 17:4 p5), that "the money was well spent." He attributed nearly balanced press coverage to TIO & local broadcasters' participation (after first PTA hearing was ignored by broadcasters), added: "You've got to go where the action is and give it your best shot."

In other actions, TV board approved series of public meetings this fall, as proposed by Senior Vp-Public Affairs Thomas Swafford and patterned after FCC public sessions. First NAB meeting is set Oct. 6 in San Francisco, others in Denver, Boston, Dallas, San Diego. Format (TV-radio phone-in or no broadcast at all) is to be decided. Participants will include Thurston, Broman & NAB Pres. Vincent Wasilewski.

Code played major role at radio board session, too, as that body referred controversial issue of contraceptive ads to Code board for further study, to report back in fall. Code body also was asked to consider: (1) Elimination of time standards or bring them in line with FCC guides. Code permits 18 min., FCC 20 min., of commercial time per hour. (2) Whether uncompensated network commercials in newscasts should be counted as commercial time by affiliate. (3) Ways of increasing Code subscriptions, now down to 37% of commercial stations.

Radio board abolished RIO & Small Market Committees, formed "super" committee with 3 sub-groups to represent small, medium & large markets. Sub-groups will meet separately for specialized problems, together to represent all radio. Also to be established is new Public Affairs Committee. Radio board allocated \$10,000 from convention income to improve monthly Radioactive magazine, which now has budget of about \$2,500 per issue.

**NETWORK SPORTS PROBE BROADENED:** Investigation of network sports by House Communications Subcommittee has been expanded, special counsel appointed, Chmn. Van Deerlin (D-Cal.) & Ranking Republican Frey (Fla.) announced last week. "In general, we will try to determine whether the networks have become so involved with arranging, promoting and scheduling sports events that they, in effect, have come to control those events. We'll be asking, is the public seeing an independent event covered by electronic journalists or an event staged for and controlled by TV?"

Subcommittee began probe in May (Vol. 17:22 p2) to determine whether fraud was involved in connection with CBS "winner-take-all" tennis matches, ABC boxing matches, or NBC-Soviet deal for coverage of 1980 Olympics. Van Deerlin said Subcommittee has found no evidence of fraud or criminal activity and expects to find none, but members decided probe should be broadened anyway as part of Subcommittee effort to rewrite Communications Act.

New aspects of investigation, Frey & Van Deerlin said, will include network-NCAA contracts, NFL, NBA, NHL and professional baseball broadcast practices—"with particular emphasis on provisions for exclusive telecasts"—and "the implications of exclusive contracts between the networks and individual athletes." On last aspect, Van Deerlin commented: "It seems a little unhealthy for the networks to become involved in the promotion of athletes that they are expected to cover objectively."

Investigation's goal is to provide "the widest and free-est possible sports coverage for the American people," Van Deerlin said. If staff finds that legislation is needed, it will be included in Communications Act rewrite project, congressmen said. Frey added that he intends to emphasize need for new sports anti-blackout law: "I think that would be one of the items we should include in the rewrite."

Van Deerlin said Subcommittee was "not in any sense over-running or seeking to replace

the FCC's investigation of these same issues." He denied that Subcommittee was dissatisfied with FCC efforts, but later noted that FCC waited for CBS to conclude its own probe before determining whether to investigate, commented: "It is a little difficult to ask a network to blow the whistle on itself."

Networks said they'd cooperate. CBS at week end turned over to FCC results of its own investigation. According to network spokesman, CBS found "no intentional deception on the part of CBS personnel, but...as a result of administrative lapse, some inaccurate information was disseminated in connection with the matches. We are taking steps to prevent such situations from recurring."

Special counsel for House investigation will be Philip Hochberg, from Washington firm of O'Connor & Hannan. Hochberg, who has represented both NHL and NBA, will take 4-month leave of absence from firm to head probe. Van Deerlin said he chose Hochberg because "we need someone who is both an able attorney and knowledgeable in sports," promised that when probe involves any Hochberg client, another staffer will handle it. "We have moved to assure that no possible conflict of interest will exist," Van Deerlin said. First hearing probably will be held in about a month in N.Y.

In related matters: (1) FCC upheld Bcst. Bureau ruling that Commission lacks jurisdiction over NCAA policy of using access to TV to ensure compliance with its rules. John Choate, Sand Springs, Okla., had asked FCC in Aug. 1975 to investigate NCAA's policy of barring broadcasts involving colleges on athletic probation.

(2) IRS officials were negotiating at week end with representatives of Cotton Bowl Athletic Assn., Southern Methodist U., Tex. Christian U. & U. of Kan. attempting to retain tax exemption for schools' revenue from sports broadcasts. Broadcast income traditionally has been tax-exempt, but Dallas IRS agent recently decided it was unrelated to colleges' basic purpose—education. Before making definitive ruling, however, Dallas IRS asked Washington for advice. Case could be precedent for all other colleges, involve back taxes as high as \$150 million.

**CABLE AD NETWORK:** Advertising-supported cable network, linked via satellite, is planned by Network One Entertainment Corp., headed by Grady Sanders, Las Vegas.

Sanders said system is to start March 1, via Southern Satellite Systems, and he's committed to buy 24 hours daily for 6 years on RCA bird. Southern (Edward Taylor) is minority stockholder in Network One. Pres. of group is Frank Merklein, ex-vp, 20th Century Fox. Engineering chief is Ward Bledsoe, ex-Time-Life Bcst. Div. Sanders is identified as active in broadcasting, pay-TV & MDS for 25 years.

Plan is to offer movies, specials, series, sports, etc., according to Sanders. Spots will be sold both by network and cable systems—and systems will return unspecified percentage of revenues to network. It's expected ratings will run 3-4, at cost of \$2-\$3 per thousand. Systems will be required to: (1) Provide one full-time channel. (2) Provide own receiver or pay \$250 monthly for it. (3) Pay \$100 monthly for production, distribution, etc. (4) Pay \$200 monthly for promotion—which can be bartered back if system uses Network One spots for its unfilled time.

For program fare, group plans "network favorites", 2-3 movies daily, "rotating 6-7 titles throughout the week"; sports, "Las Vegas Specials." Program day: 10 a.m.-5 a.m. Eastern, 7 a.m.-2 a.m. Pacific. Las Vegas studio is planned.

**FCC exams for 3rd class operators** would be discontinued under rulemaking due to start shortly.

**NAB 1978 convention** in Las Vegas will retain Sun.-Wed. format of last one. "There were just too many complications" in plan to switch to 2 days radio, 2 days TV, joint day in middle, according to NAB convention planning committee headed by Leonard Swanson, WIIC-TV Pittsburgh. New convention committee met last week in Williamsburg after board meetings (see p. 1), recommended to NAB radio board that programming "college" be held in May instead of in conjunction with Las Vegas sessions. Convention committee members: Co-Chmn. David Scribner & Thomas Bolger; Jack Chapman, Frank McLaurin, Richard Painter & Ted Smith (all from radio board); Forest Amsden, Eugene Dodson, Daniel Pecaro & Swanson (from TV board).

**FCC network inquiry** has been put on ice until further notice, because Sen. Hollings (D-S.C.) cut off funds for it, told Commission to wait until new chairman replaces Wiley (Vol. 17:24 p1). FCC announced it had no choice but to stay proceeding, Wiley expressing regret, noting that all 7 commissioners supported inquiry and that competent staff had been selected, must be dispersed. Former Comr. Glen Robinson was offered job of heading inquiry, couldn't accept, but recommended Antonin (Nino) Scalia, who was selected.

**Home Box Office** adds 3 Westinghouse cable systems, which will receive service via 5-meter earth stations: Tallahassee & Panama City, Fla. & Valdosta, Ga. In L.A., Hollywood Home Theatre has become programming agent for Theta's large pay-cable operation, replacing TPS.

**OTP FATE UP TO CARTER:** Plan for reorganization of Carter's Executive Office—including OTP—has been transmitted to him for approval. Though plan actually is series of options for each of Office's 16 parts, recommendations on OTP reportedly have been approved by OMB Dir. Bert Lance, assts. Hamilton Jordan & Stuart Eizenstat, and OMB reorganization chief Harrison Wellford.

Broad outline of plan calls for retaining staff of 4-5 in Executive Office for communications policy-making, advising President, and interagency coordination, moving all other OTP staff & functions to Commerce Dept. N.Y. Times reported that Executive Office staff would be headed by Barry Jagoda, special asst. for media & public affairs. Jagoda wouldn't comment.

President's orders to reorganization team were to try to transfer out of Executive Office those functions that "did not directly serve him," Wellford stated. Though reorganization originally was described as attempt to reduce size of White House staff, task force spokesman told us selection of certain options could actually lead to larger staff. However, he added: "Common sense would say that the President's plan will not result in a bigger Executive Office."

Congressional reaction to OTP plan's basic outline was muted. House Communications Subcommittee delayed scheduled June 27 hearing on Executive Reorganization until legislation is submitted to Congress. Chmn. Van Deerlin (D-Cal.) told us he doubts House will be able to wage effective battle to preserve OTP, added that he thought Senate could do better using as weapon confirmation hearing for equivalent of new OTP dir. He said he's concerned that White House may name person with "public affairs" background to post that should be filled by scientist, added he's sorry he won't have OTP as "a valuable resource" for Communications Act rewrite. White House staffer insisted to us that Administration will provide House with adequate support.

House Communications ranking Republican Frey (Fla.) said he'd prefer OTP be "upped" rather than downgraded, told us he was concerned that staff of 4-5 wouldn't be adequate. At week end, Senate Communications Subcommittee Chmn. Hollings (D-S.C.) hadn't commented; earlier, he and Sen. Baker (R-Tenn.) wrote Carter that "continued and strong leadership" in telecommunications is needed from Executive Branch.

Plan was put on Carter's desk June 29, according to reorganization spokesman; President is expected to make final decisions by mid-July. Following that, reorganization task force will submit legislation to Congress. Bill is expected before Aug. congressional recess. If neither House nor Senate votes to disapprove plan within 60 days, plan goes into effect automatically.

General Foods Post Cereals Div. was sued for \$1 million in L.A. Superior Court by coalition of public interest groups charging that Div. "exploits trusting children in order to sell sugar concoctions as nutritious breakfast cereals."

**Senate Appropriations Committee** "directs the [FCC] to establish a proper fee schedule" in report accompanying Commission's fiscal 1978 money bill. Order rejects FCC plea that fee schedule would be "unwise, if not impossible" (Vol. 17:26 p4). Report tells FCC not to refund any fees until new schedule has been provided Committee. House-Senate conference subsequently approved \$61.4 million for FCC for 1978—\$1.6 million more than called for in President's budget. Senate report also notes that Committee "shares the [FTC's] growing concern about the effects of advertising on children" (Vol. 17:18 p5), asks it to try to set up program without additional funds. Conference okayed FTC budget of \$59.5 million, \$43,000 below President's request.

**FCC employees** are "fine, dedicated public servants," FCC Chmn. Wiley told FCBA in farewell luncheon appearance. To keep such high-quality employees, he said, govt. shouldn't impose on them ownership and employment restrictions that don't apply to other citizens, though he believes in need for conflict-of-interest rules. He added that he believes recent Court of Appeals decision expanding ex parte contact limits to have been "ill-advised." Wiley joked about his alleged telecommunications teachers, ex-FCC Comr. Nicholas Johnson and ex-Gen. Counsel Henry Geller, concluded: "Old chairmen never die. They just fade away into the FCBA."

**That tough EEO decision** against FCC by D.C. Appeals Court—involving KONO(AM) San Antonio & KCBS(AM) San Francisco (Vol. 17:17 p3)—will go en banc hearing before Court, on request of Commission. Meanwhile, Court remanded record to FCC, asking it to answer long series of questions about its EEO enforcement procedures. Commission must respond by Sept. 16, after which hearing will be set. Just about all possible parties are invited to participate as amici—FCBA, NAACP, NOW, NAB, Justice Dept., etc.

**TV Critics Assn.** has been formed by group of some 50 during 2-week session in L.A. viewing new programs. Purpose: "To maintain and improve the professional standards of TV criticism, reporting & editing; to exchange information; to expand opportunities for complete & accurate coverage." Co-chmn. of 7-man steering committee are Lee Winfrey, Philadelphia Inquirer, and Ron Alridge, Charlotte Observer.

**Lasers with 1-million-hour life** (100 years) are reported by Bell Labs. Barney Deloach, head of Lightwave Sources Dept., said aging tests using high temperatures indicate that gallium aluminum arsenide lasers can last a century. General Optronics recently said it plans delivery of 100,000-hour lasers in 3rd quarter (Vol. 17:26 p4).

**Rust Craft buyer** (Vol. 17:26 p6) turns out to be Ziff-Davis Publishing, and price is \$25 per share instead of \$20—just about double recent price on American exchange. Berkman family, which owns half of company's 2,290,712 shares, accepted offer which is being made to other shareholders. Broker is Howard Stark.

## Personals

**Av Westin**, one-time CBS & ABC News, returns to ABC as vp and exec. producer of ABC Evening News; **Robert Siegenthaler**, current evening news producer, will be assigned "new and important responsibilities within other areas of ABC News".... **Thomas Wolzien** promoted to NBC News news broadcast services dir. responsible for day-to-day coordination of ENG news coverage; **William Covington & Jeffrey Rosen** advanced to NBC senior attorneys.

**Randi LeWinter** promoted to ABC Entertainment East Coast daytime programs mgr.... **Morris Harth** advanced to CBS corp. information assoc. dir.; **Marcia Ratcliff** appointed CBS News reference library dir.; **Michael Lehrman** named dir., transcript, information retrieval & index dept.... **Jay Gerber** promoted to NBC vp-assoc. gen. counsel.

**Tom Paro**, NBC station relations vp, former mgr., WRC-TV Washington, named to new position of exec. vp, AMST, effective Sept. 6, to become pres. when **Lester Lindow** retires next year; Vp **Roy Easley** continues in position; Vp **Lee Hanson** resigned.... **Jerome Lansner** promoted to NAB vp and gen. mgr. of Code Authority.

**George Logan**, ex-KGNC-AM-FM Amarillo, returns to WIBW-TV Topeka as gen. mgr., succeeding **Jerry Holley**, now parent Stauffer Communications vp-broadcasting; **Dick Siley** advanced to All American Network gen. mgr., remains WIBW-TV program dir.; **Gerry Wallace** advanced to asst. program dir.; **Royce Bodiford** succeeds Logan as KGNC-AM-FM gen. mgr.

Rep. **Van Deerlin** (D-Cal.) addresses Ohio Assn. of Bcstrs. Sept. 14-15, Columbus.... **Rudolph Lutter**, blind FCC Bcst. Bureau attorney, commended by Pa. Senate for "contributions to humanity through his practice of law, teaching, and efforts on behalf of the handicapped".... **Edward Crosland & Laurence Whalen** named associates, Hamel, Park, McCabe & Saunders, Washington law firm.... **Lawrence Webb**, engineering asst. to FCC Comr. **Robert E. Lee** and one-time KRLA(AM) L.A. gen. mgr. (Vol. 17:26 p4), resigns.

**Wallace Miller**, ex-Theta Cable L.A. gen. mgr., rejoins Teleprompter as Oakland Piedmont, Cal. CATV system gen. mgr.... **Carl Buesking** named Magnavox CATV north central technical sales rep.... **George Martch** promoted at RCA Astro-Electronics to Telesat program mgr., responsible for Anik-B satellite being built for Telesat Canada.

**Gordon Sulcer**, Blair TV N.Y. account exec., appointed vp-client mktg. development dir., new post, in major expansion; account execs. **Don Gorman & Dan Harrison** head N.Y. red & blue ABC sales teams; **William Murphy & Steven Losee** named mgrs. of red & blue NBC sales teams; **John Tina**, ex-PGW, named to CBS sales team; **Abe Goren**, ex-WNBC(AM) N.Y., and **Judy Strumor**, ex-WIOD(AM) & WAIA(FM) Miami, Fla., named to ABC sales team; **Dan Malmad**, N.Y. account exec., moves to Cleveland to manage new Blair TV office: 800 Superior Ave. 44114, 216-566-7000.

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Charging network "oligopoly," seeking FCC declaratory ruling against various network practices (Vol. 17:23 p4), MPAA claimed support in ABC's stipulation in L.A. antitrust suit. In stipulation, ABC says it quickly learned what other networks offered to outside producers, then "offered substantially the same prices, terms & conditions..." MPAA seeks to stop certain network practices in options, exclusivity rights, derivative works, etc.

Restrictions on movies used in pay-TV broadcasting would be removed, to make rules same as those in pay cable (following cancelling of FCC rules by court), under rulemaking proposed by Commission. FCC has also granted pay-TV authority to Buford TV, Ch. 64, Cincinnati, and WXON (Ch. 20) Detroit. Two stations are offering some pay programs—WBWB-TV Newark & KBSC-TV L.A.

Lightest FCC agenda in Chmn. Wiley's tenure as head of agency is scheduled in July-Aug. There are no meetings July 5-8, Aug. 8-12 & 22-26. There's regular agenda only on July 12 & 28, Aug. 18 & 31. Special meeting Aug. 19 covers 1979 budget & cable franchising. There are Senate hearings July 13, 20 & 21.

FCC cable franchise standards revision awaits examination by Gen. Counsel Office. Cable Bureau recommends keeping 3-5% fee and "due process" requirement of local authorities. GC is understood to want FCC completely out of franchising picture. Subject had been scheduled for discussion June 29, was re-set for July 19.

New TIO subscribers ratified by NAB board: KOMO-TV Seattle; KATU Portland, Ore.; WFTV Orlando; WTHI-TV Terre Haute; KATC Lafayette, Ind.; WBAL-TV Baltimore; KOA-TV & KWGN-TV Denver; KDAL-TV Duluth; WUHQ-TV Battle Creek; WNDE Nashville; WRGB Schenectady.

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 17 (24th week of 1977):

	June 11-17	1976 week	% change	June 4-10	1977 to date	1976 to date	% change
Total TV.....	248,466	226,623	+9.6	208,410	5,632,710	4,871,132	+15.6
color .....	148,695*	137,154	+8.4	129,523	3,450,939	2,864,141	+20.5
monochrome ...	99,771	89,469	+11.5	78,887	2,181,771	2,006,991	+8.7
Total radio .....	1,275,788	957,655	+33.2	1,119,177	18,455,208	14,529,883	+27.0
home, portable .	1,029,248	718,973	+43.2	884,085	12,508,467	8,853,195	+41.3
AM-only.....	230,452	91,158	+152.8	235,005	3,087,964	1,969,312	+56.8
FM & FM-AM .	798,796	627,815	+27.2	649,080	9,420,503	6,883,883	+36.8
auto.....	246,540	238,682	+3.3	235,092	5,946,741	5,676,688	+4.8

Color TV 5-week moving average: 1977—127,295\*; 1976—125,103 (up 1.8%).

\*Record for 24th week of any year.

**CHANGES MIXED IN STARTING TV PRICES:** Median starting prices on color portables are down from year ago, console prices up. That's message of our annual survey of leader pricing—with major exception. Key 19" portable category remained right where it was last summer (\$400), and only \$15 below 1975 median, despite worries in industry that 19" leader would inexorably slide closer to \$300 level. That's not to say it isn't happening, since manufacturer suggested list prices, or guides, used here often differ sharply from actual prices at retail. But at least stated prices seem to be holding.

Pricing in general has become more complex—and sensitive—than ever, and this year we almost couldn't complete survey. Obvious immediate problems involve yen revaluation plus last-minute uncertainty over direction U.S. govt. would take on color import issue; many importers couldn't get prices to us until day survey went to press (July 1), and in one case we were forced to go with last year's leaders. But several domestic producers were also reluctant to issue specific prices, apparently hoping to hold off until industrywide pattern emerges. Judging by average factory prices, leaders are becoming less important as customers are increasingly lured with step-up features (see p. 9).

Catalog houses still hold dominant grip on lowball pricing. This year, Sears had lowest prices in 6 of 11 categories surveyed while Penney had leader in 2. Eliminating catalog chains, Philco emerges with sharpest prices in 13" & 21" sizes, Admiral in 23" console & 25" floor console, Sanyo in 19" portable.

Color TV industry can now truly call itself all-solid-state, with disappearance this spring of last GE 10" PortaColor hybrid. One result of that change was \$20 jump in GE 10" leader price, from \$250 to \$270.

This time, we also put together experimental median on 19" remote leader prices, but decided against separate listing since results were so erratic (prices range from \$489 to \$700). Median is \$560, but addition or subtraction of single model at high or low end changes figure drastically.

Some new models aren't listed in survey. MGA will add 21" (\$700) & 25" (\$780) to line later in year, but since they aren't on market now, we left them out. Toshiba prices are last year's, new models & prices to be introduced by fall. Admiral 13" & 19" are last year's models, with

introduction of new portables scheduled for Aug. All models in RCA line are XL-100s, with exception of 25" ColorTrak table model. Prices used in table below are manufacturer's suggested list prices, or equivalent. Prices in parentheses are estimated retail prices for open-listed models.

### COLOR TV STARTING PRICES

Brand	9-10"	12"	13"	15"	17"	19"	21"	23"	25" Console	25" Table	25" Leg Console	25" Floor Console
Admiral . .	-	-	(340)	-	-	(400)	-	600	-	-	-	600
GE . . . . .	270	-	340	-	380	410	-	-	600	-	-	670
JVC . . . . .	-	-	(350)	-	(400)	(450)	-	-	-	-	-	-
Hitachi . . .	350	-	330	380	390	(400)	-	-	-	-	-	-
Magnavox . .	-	-	350	380	-	400	-	-	650	-	-	650
MGA . . . . .	-	-	330	400	450	470	-	-	-	-	-	-
Panasonic . .	290	300	340	370	470 <sup>1</sup>	420	-	-	-	-	-	640
Penney . . . .	254	299	309	349	-	339	-	-	-	-	-	-
Philco . . . . .	-	-	-	330	-	370	440	-	-	-	-	630
Quasar . . . .	-	(310)	350	370	-	(420)	-	-	(610)	640	670	-
RCA . . . . .	-	-	-	(350)	(380)	(400)	(530)	-	(660)	630	650	-
Sanyo . . . . .	-	-	330	360	-	360	-	-	-	-	-	-
Sears . . . . .	248	-	325	345	280	310	-	480	-	530	570	-
Sharp . . . . .	300	-	330	400	-	380	-	-	-	-	-	-
Sony . . . . .	- <sup>2</sup>	400	-	460	520	580	720	-	-	-	-	-
Sylvania . . .	-	-	320	-	400	430	-	-	600	-	-	670
Tatung . . . . .	-	-	330	-	-	380	-	-	-	-	-	780
Toshiba . . . .	300	-	330	370	380	400	-	-	-	-	-	-
Ward . . . . .	275	-	-	375	-	320	650	-	-	-	-	650
Zenith . . . . .	-	-	360	-	400	(450)	-	(620) <sup>3</sup>	680	(700)	750	-
Median . . . . .	283	305	330	370	400	400	590	600	630	640	650	-
Median(7/76) .	280	320	335	370	410	400	570	630	600	600	600	620

1—Remote. 2—Also 5" AC-DC at \$460; 7.7" AC-DC at \$480. 3—23"tables start at \$600.

**COLOR IMPORTS DOUBLED IN MAY:** May imports of color TV in complete & chassis form totaled 393,100, up 104.1% from May 1976, setting new record for month, with bulk of increase provided by chassis from Mexico, Commerce figures show.

In related developments: (1) International Trade Commission (ITC) set July 5 oral argument on consent decrees to settle Sylvania's unfair import competition complaint against 5 Japanese TV makers. (2) Rules for policing Japan's color-export-to-U.S. quota agreement leave room for 3% allowance over 1.75 million limit. (3) Japanese CCTV suppliers want quota-free treatment for some monitors. (4) U.S. IC makers say they may need protection from Japan.

Total of 746,500 TVs was imported in May, up 71.5%, with b&w up 45.6% to 353,700. In first 5 months, imports of 3.3 million were up 46.9%, as color climbed 94.9% to 1.5 million b&w rose 21.5% to 1.78 million. Chassis imports (not reported separately until July 1976) included in color totals were 139,100 in May, 485,300 for 5 months—indicating that complete set imports were up about 32% for both periods. B&w chassis imports were 21,500 for May, 1.03 million cumulative.

Results by country for month & year to date: Japan total 368,300 (up 43.5%) & 1.53 million (up 36%), color 251,800 (up 40.2%) & 969,000 (up 37.4%), b&w 116,500 (up 51.6%) & 564,000 (up 33.8%); Taiwan total 213,900 (up 53.1%) & 1.09 million (up 13.3%), color 25,300 (up 110.3%) & 108,800 (up 99.6%), b&w 118,600 (up 45.6%) & 979,300 (up 8.1%); Korea total 52,200 (up 43%) & 255,300 (up 66.4%), color 4,460 (up 379.1%) & 30,500 (up 102%), b&w 47,700 (up 34.2%) & 224,800 (up 62.5%). Singapore supplied 1,300 color sets in month, for 5-month total of 4,600, Mexico 110,000 chassis in May, bringing cumulative figure to 399,600.

In calling for arguments on consent orders (Vol. 17:24 p9, 17:25 p8), ITC wants to know

whether they're in public interest, why Mitsubishi should get special treatment, adequacy of reporting & inspection provisions. All arguments presented are expected to favor acceptance. ITC will have only 4 members at hearing; Comr. Will Leonard resigned (Vol. 17:26 p7), and last week Comr. Joseph Parker entered hospital for tests.

Existence of special allowance of 52,500 sets over quota for Japan's color exports was revealed in letter to Customs by Special Trade Representative (STR) Robert Strauss. He said that number of sets & chassis without normally required Japanese govt. certification may be imported during each of 3 years covered by quota pact, subject to approval of STR's office. Allowance is intended to cover any special one-time problems. Strauss notified Customs of Tariff Schedule changes (see p. 11) and President Carter officially proclaimed July 1 start of agreement. Congress has until Sept. 28 to veto pact, but isn't expected to. Meanwhile, Japanese asked quota exemption for color monitors not equipped to receive off-air signals. STR's office is reviewing request.

Semiconductor industry met with Strauss last week to express concern over Japan's growing clout in LSI field. They complained that where Japan LSI makers have access to U.S. technology, U.S. producers aren't told results of Japanese govt.-funded R&D, and that they're being shut out of Japan's market for all but most sophisticated IC devices. It's understood U.S. companies didn't ask for specific protective measures, but stressed need for making trade in components & technology a 2-way matter.

**TV PRICES HIT 9-YEAR HIGH IN 1976:** Lowball leaders receive most attention in any discussion of TV prices (see p. 7), but it's obvious that industry is doing good job of selling up. Truism that TV prices never go up may have some semblance of merit on model-for-model basis, but fact is that last year's average TV factory prices (including imports) were highest since 1967—in both color & monochrome.

Average color TV factory selling price in 1976, according to EIA data, was \$349.04, up \$8 from 1975 and \$41.52 from record sales year of 1973—which, not-so-coincidentally, also set record for low prices. Average color price was higher in 1976 than in 1963 & 1964 and each year 1968-1975. Last year's price step-up was achieved despite fact that consoles & combinations represented a record low 29.4% of factory color sales.

Reason for price growth obviously is enrichment of mix within both portable & console categories. Biggest average price jump occurred from 1974 to 1975, year of major switchover to solid-state. Prices of solid-state sets have never reverted to levels established by hybrids—hybrid leaders were simply cut out quietly, and nothing replaced them. Industry has succeeded in promoting costly new advances such as automatic color, electronic tuning—and now remote control appears to be taking off as most important step-up feature ever. TV has finally found its automatic transmission—in 1977's first half, nearly 19% of color sets sold had remote control, up from 10% in calendar 1976 and 7.8% in 1975.

Average monochrome set went up \$5 last year to \$88.93, much of growth obviously due to increasing popularity of AC/DC models. Not included in prices of b&w is cost of optional batteries, growing into good business in its own right. Here's pattern of color & monochrome average factory prices based on factory sales (non-U.S. manufacturer brands not included before 1971):

Year	Color	Monochrome	Year	Color	Monochrome
1960. . . . .	\$391.67	\$131.92	1969. . . . .	\$328.06	\$77.84
1961. . . . .	380.95	124.62	1970. . . . .	316.54	75.07
1962. . . . .	351.60	128.24	1971. . . . .	323.76	81.21
1963. . . . .	345.88	117.95	1972. . . . .	319.39	78.77
1964. . . . .	347.58	109.35	1973. . . . .	307.52	76.74
1965. . . . .	356.28	105.79	1974. . . . .	316.01	79.06
1966. . . . .	371.31	98.16	1975. . . . .	341.05	83.97
1967. . . . .	362.21	92.48	1976. . . . .	349.04	88.93
1968. . . . .	335.64	74.19			

Consumer electronics sales in major categories (TV, radio, phono, components, tape equipment) totaled \$6.747 billion last year, according to EIA estimate, up 40% from \$4.82 billion in 1975, and just short of 1973's record \$6.822 billion. Tape equipment & audio components both passed \$1-billion mark in factory sales for first time in 1976, former at \$1.12 billion (up 63% from 1975), latter \$1.027 billion (up 57.5%). Record was also set in sales of auto radios, at \$497 million (up 40%). Color TV sales totaled \$2.86 billion (up 34.8%), b&w \$528 million (up 42.3%), phonos \$317 million (up 19.6%), home-portable radios \$398 million (up 7.9%). Figures are from Consumer Electronics 1977 annual review, available free from EIA Consumer Electronics Group, 2001 Eye St. NW, Washington 20006.

**CB IMPORT PETITION:** Five leading CB manufacturers have asked FCC to make sure Aug. 1 cutoff date on manufacturing CBs under old specs extends to imports. As forecast here (Vol. 17:25 p11), petition filed last week urges FCC to issue interpretative ruling or take other action to prevent flood of imports from Far East.

"Unless the Commission takes some action," petition said, "potential exists for the continued manufacture & importation of millions of additional radios that do not meet...new standards." Petition was filed jointly by E. F. Johnson, SBE, Dynascan, Motorola & Pathcom. Of five, only Johnson & Motorola produce own radios in U.S.

Due to absence of procedures for enforcing overseas manufacturing, FCC should declare Aug. 1 cutoff date applies to both U.S. manufacture & importation of CBs under old standards, petition says, or act "as soon thereafter as possible" to stop imports of non-complying radios.

Alluding to financial problems of industry, petition declares that FCC failure to act could force domestic producers & distributors to increase inventories of more expensive radios produced under new standards "while their overseas competitors dump additional low-cost, non-complying radios on the market."

Petition may be addressing itself to problem that doesn't exist. Combined mobile & base-station imports for May were 973,558, down 22.2% from year ago, while 5-month total of 4.74 million was down 16.2%. In May, 40-vs.-23 figures are even more indicative of slowdown in 23 production & imports. Of total (excluding combinations, SSBs, hand-helds), 670,547 were 40s, 164,058 23s. For first 5 months, 2.47 million 40s were imported vs. 1.24 million 23s.

**Note:** EIA Citizens Radio Section filed with FCC, supporting proposed ban on linear amps in CB band and concurring in rule change bringing commercially built amateur equipment under type-acceptance rules.

**Software is holdup in RCA videodisc program,** it's becoming increasingly apparent from recent *Business Week* article (Vol. 17:26 p10) and talk to Chicago security analysts by Research & Engineering Vp William Hittinger. "The software problem is still not solved and until it's solved we will not be in the market," he said. He elaborated to us that while RCA hopes to offer own software, it's also "exploring other ways"—presumably to entice others into software market. "Going it alone in the software business is a tough nut to crack," he told us.

**HOFFMAN TO EIA/CEG:** Major staff expansion & realignment of EIA Consumer Electronics Group sees Charles Hoffman assuming top staff post of senior vp, CEG. Jack Wayman gets new post of senior vp, Consumer Electronics Shows. Hoffman is 30-year veteran of consumer electronics, will leave job as Admiral consumer affairs dir. to serve EIA full time. He has served as both chmn. & industry vp of CEG, held posts at Warwick & Magnavox before joining Cortron which was merged into Admiral.

Hoffman will have direct responsibility for all CEG activities, including CES, govt. affairs, consumer affairs, communications, engineering & mktg. services. Wayman, who has headed CEG staff for 14 years, will be responsible for CES and all CES industry development programs. CES was initiated in 1966 under Wayman's guidance, has been expanded in each successive year, is probably EIA's biggest single activity.

Hoffman is expected to report for full-time duty some time before Aug. 1, meantime will spend few days each week at EIA's Washington hq. Meanwhile, EIA continues to operate without pres. since June 15 departure of V.J. (Jim) Adduci to head Motor Vehicle Mfrs. Assn., as committee sorts through long list of candidates from electronics industry, military and other trade associations.

**Sony reduced prices** of its 2 industrial Betamax units and introduced 2 new ones with added features. Introduced last Dec. (Vol. 16:50 p10), recorder with tuner (SLO-260) drops from \$1,445 to \$1,350, while play-only model (SLP-100) is cut from \$1,150 to \$1,050. To be shipped this month is play-only unit with remote touch-tone-type random-access control (SLP-300/RM-300) permitting call-up of any portion of tape by dialing up 4 digits corresponding with tape-counter number for location desired; price is \$1,600. For Oct. delivery is recorder (SLO-320) with stop-action capability at \$1,475. Both new models are designed for automatic program operation, use DC motor drive, have automatic rewind at end of tape and won't operate if there's moisture on head drum. Intensive 4-week industrial ad program began June 28.

**Announced home VTR production** by Japanese firms (output to be shared by Japan & U.S. market): Sony (Beta), currently 15,000 monthly, 25,000 by fall, 50,000 early next year. Sanyo (Beta), 1,500 monthly now, 5,000 by Sept. Toshiba (Beta), producing some units, no figures. Sanyo (V-Cord), 1,500 now, being increased to 2,000. JVC (VHS), 8,000 now, 15,000 by year's end, 30,000 by spring. Matsushita (VHS, VX-2000) has made no recent public estimates.

**FCC's GAME GLUT:** As feared when FCC was forced to drop equipment-authorization fee schedule (Vol. 16:51 p2 et seq.), agency has become free testing lab for video game producers. Before fees were dropped, FCC charged \$1,500 for first submission of game to labs, \$1,125 for subsequent filings if game failed tests. Now it's free, and spokesman says 500 games have been submitted since beginning of fiscal year Oct. 1, that figure will climb to 800 by year's end if games continue flowing in at current rate.

"They don't have to go to the independent labs any more," he said. "We get 4, 5 or even 6 games from one manufacturer, all with different model numbers, and there's no way we can turn some of them down—we've got to test them all. If the labs only approve one, he says to himself: 'Great, that's what I wanted to know. That's the one I'll sell.'" Since independent labs are thought to charge about \$1,000 to put game through pre-FCC tests, some suppliers may now be saving up to \$6,000 by going directly to FCC.

In addition to extra workload, labs estimate that \$1.4 million in fees will be lost to govt. in year ending in Oct., figure climbing higher as submission rate grows. At same time, as games themselves become more complex (programmables, added control functions), testing procedure takes longer than ever. That's extending time between submission & approval significantly, giving some firms jitters over getting product on market in time for fall season.

What can FCC do about it? Nothing, apparently. Staffer said Chief Engineer's Office has considered requiring submission of various test data which would be reviewed by labs before acceptance of game. But feeling is that would require rulemaking, "which would be tough to get through." Bright spot for labs is reduction in number of 40-channel CBs now being submitted for type acceptance. "They've slowed to a trickle," spokesman said, estimating that of 1,200 received since labs began accepting 40s on Sept. 10 (about half of them resubmissions), only about 100 remain to be tested.

**Warranty war rages in Canada.** It started when Electrohome increased parts & labor warranty to 3 years. Some competing TV brands followed, others adopted slightly different policies. While Electrohome warranty makes consumer responsible for transporting 17"-&-under sets to service dealer, GE's warranty covers 3 years' repair or replacement of parts "without charge, including transportation costs." Dealers generally bear part of warranty charge—GE warranty states: "Your dealer covers the cost of labor." Philips, which has one-year warranty, adds \$20 to dealer cost for big-screen sets (in-home service), \$10 for 13" (carry-in). Some other companies, including RCA, have one-year warranties, offer consumer 2-year extension.

"Plain English" rewrite of CB rules has been proposed by FCC in response to complaints that existing rules are hard to read & understand. Comments are due Oct. 3, replies Nov. 1. In concurring statement, Comr. Lee said he continues to question whether licensing CB users "serves any useful purpose."

**TV DATA CHANGES:** Agreement limiting Japan's color TV exports to U.S. has resulted in Tariff Schedule changes to bring breakouts for TV into line with definitions of chassis assemblies & subassemblies in quota restriction (Vol. 17:21 p12). Changes are effective July 1.

Dropped from Schedule are classifications added last year covering color & b&w imported in "unassembled or unfinished" form. First pair of new breakouts cover complete color & b&w kits, followed by "other assemblies" containing picture tube—for b&w, color 17"-&-under, color 18"-&-over.

Special color-only master classification is for imports of circuit boards & ceramic substrates without picture tubes. First breakouts cover those which are included under quota and imported (1) with part or all of chassis frame, or (2) without frame. Third division covers quota-free board assemblies. To current list of specifically reported TV subassemblies imports (tuners, antennas & deflection parts), TV cabinets and "other" have been added. Last is value-only and is mainly for b&w boards. Catch-all classification for all other TV parts remains unchanged; TV tubes, tube parts and most individual discrete components continue to have separate classifications.

As result of change, monthly import data for unfinished TV no longer will be directly comparable with that for same year-earlier periods, since some color subassemblies will be counted as unfinished sets for first time, while some unfinished b&w, which would have been counted under old standards, will now be buried.

**Morse** shareholders approved debt-restructuring plan (Vol. 17:23 p13), which company said should solve financial problems for rest of year. Morse said it lost \$10.4 million in year to March 31, on sales of \$99.6 million, against year-earlier loss of \$36.6 million, sales of \$121 million. Indicated 4th-quarter results are \$5 million loss on \$22.1 million sales. In same 1976 quarter, Morse had sales of \$26.2 million, loss of \$31 million, which included major inventory writeoffs & plant-closing expenses (Vol. 16:29 p9)...**Tatung**'s annual report shows U.S. subsidiary had \$7.5 million sales last year, accounted for just 3% of firm's \$220.3 million consolidated volume...**Masco** will write off \$750,000 in 2nd quarter, reflecting after-tax share of loss posted by CB importer Royce. Loss came just before Masco sold its 49% interest back to Royce (Vol. 17:26 p12).

**Pressure on Admiral** to show profit is expected to increase as result of President Carter's decision to halt B-1 bomber production. Admiral's parent Rockwell is prime contractor. Belt-tightening has already started. Rockwell last week said it's quitting production of high-end calculators, will no longer market them or low-end units imported from Far East assemblers, but will continue producing chips. Reasons for move are indicated in Commerce Dept. study saying Japanese have improved IC technology, are now in position to compete with U.S. manufacturers of higher-priced multi-function hand-held & desktop calculators.

Japan Electronics Show is set for Osaka, Oct. 14-19.

## Trade Personals

**D. P. van de Merwe**, Magnavox senior vp, reassigned back to Dutch parent N. V. Philips with abolition of Magnavox's Business Development Group; **Nat Adamson** leaves product planning vp post in same realignment in which Senior Vps **Kenneth Ingram** & **John Fauth** assume strengthened positions in sales-mktg. & products-operations respectively (Vol. 17:25 p12); **Ralph Horne**, ex-materials mgmt. vp, appointed vp of new Mfg. Administration Dept., reporting to Fauth... **Joseph Haimes** advanced at RCA Distributor & Special Products Div. from ad & mdsg. vp to consumer products vp in realignment; **Edward Boschetti** upped from materials vp to components vp.

**Mark Boone** named vp of Kraco's new Consumer Electronics Div... **Victor Palenske**, ex-STP, joins Motorola Auto Products Div. as mktg. services mgr... **Jon Kelly** (Audio Technica) & **Allen Novick** (TEAC) elected to IHF board, replacing **Arthur Gasman** (British Industries) & **Jay Schwab** (United Audio).

**William DeMucci**, ex-Audio Magnetics, appointed Intermagnetics operations vp... **Rich Gannon**, ex-GAF, appointed Ampex Consumer Tape Products central sales mgr.; **Vince Nelson**, ex-Scripto, named for east... **Paul Kavicky** promoted from GTE asst. secy to asst. vp-financial services... **John King**, ex-RCA Solid State Div., appointed gen. mgr. & acting mktg. mgr. for Hi-G's new Electronics Div.

**William Brydia**, ex-General Instrument, appointed Leader Instrument sales, mktg. & administration vp; Chmn. **S. Ohmatsu** adds post of pres., succeeding **Samuel Eisenberg**... **Robert Chamberlain** promoted at Advanced Micro Devices from northwest area sales mgr. to European mktg. dir., succeeding **Marshall Cox**, resigned... **John Garrett** appointed GE Semiconductor Dept. mktg. mgr., replacing **Daniel Louney**, on special assignment... **Benjamin Grossman**, ex-International Electronics chmn., now chmn. of Electron Tubes International, formed from tube business purchased from IE; **Robert Grossman** appointed pres.; **Irwin Greenbaum** named mktg. vp.

**Antenna provided** by receiver manufacturer for UHF must be capable of receiving all UHF channels, even if single antenna is provided for both UHF & VHF, FCC said in clarifying ruling requiring set manufacturers to attach UHF antenna to every receiver marketed with VHF antenna attached (Vol. 16:51 p9). Clarification—made in response to "a number of inquiries" asking whether common UHF-VHF antenna would meet rule's requirements—specifically rules out "simply connecting the built-in VHF antenna to the UHF antenna terminals."

**International videodisc** and home video programming conference will be held Nov. 16-19, N.Y.U. Loeb Conference Facility. Conference will study programming, market, system formats, etc. Chmn. is Charles Arden. For information: Box 102, Cooper Station, N.Y. 10003, 212-982-5244.

**Govt. in action:** State Dept. recently informed embassy in Japan that FTC has launched investigation into possible unfair or deceptive practices by CB firms as transition from 23 to 40 channels takes place. FTC announced investigation in Nov. 1976.

## 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
Capehart			
1977-year to March 31	43,139,000	(4,442,000)	--
1976-year to March 31	45,665,000	(3,239,000)	--
1977-qtr. to March 31	6,359,000	(3,862,000)	--
1976-qtr. to March 31	7,812,000	(2,548,000)	--
Corning Glass			
1977-24 wk. to June 19	527,990,000	47,581,000	2.69
1976-24 wk. to June 13	475,824,000	41,472,000	2.35
1977-12 wk. to June 19	258,600,000	23,474,000	1.33
1976-12 wk. to June 13	236,739,000	22,456,000	1.27
Kansas State Network			
1977-9 mo. to May 31	11,852,000	1,410,000	.82
1976-9 mo. to May 31 <sup>a</sup>	10,063,000	820,000	.48
1977-qtr. to May 31	4,274,000	590,000	.34
1976-qtr. to May 31 <sup>a</sup>	3,656,000	266,000	.16
A.C. Nielsen			
1977-9 mo. to May 31	197,148,000 <sup>b</sup>	14,332,000 <sup>b</sup>	1.32
1976-9 mo. to May 31	170,979,000 <sup>b</sup>	12,322,000 <sup>b</sup>	1.16
1977-qtr. to May 31	69,745,000	5,467,000	.50
1976-qtr. to May 31	59,603,000	4,279,000	.40

Notes: <sup>a</sup>Restated. <sup>b</sup>Record.

**Ad notes:** Magnavox picks Wm. Esty agency for videodisc system advertising... BBB's National Ad Council ruled Maxell supported claim that UD cassette tapes have better guarantee than tape recorders and that tapes were "too good for most equipment." NAC also amended statement of substantiation of British Industries' market-share & price claims for BIC record changer to say case was closed solely because ads were discontinued... Pioneer runs full-page trade ads warning it will make frequent field checks to uncover dealers who use Pioneer products in bait-&-switch ads, "take appropriate steps" against offenders... Ampex will offer \$12,000 stereo system as first prize in consumer sweepstakes, have 99 runner-up prizes. Company will spend more than \$1 million in radio campaign themed: "If it's worth taping it's worth Ampex."

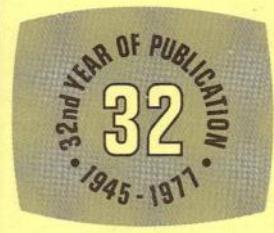
**Watch watch:** Motorola transferred watch module operation from Communications Group to Semiconductor Group, where it's under control of Vp Earl Comersall, mfg. systems & technologies dir... **National Semiconductor** is suing Motorola for \$5 million in Cal. Superior Court, alleging failure to deliver quartz crystals. Suit also asks that Motorola be required to repay any damages stemming from \$1-million suit for failure to deliver watch modules. Microsonic Trading has pending against National Semiconductor... **Fairchild Camera** has agreed to cross-license arrangement, will pay unspecified sum in settlement of patent-infringement suit brought by Time Computer in Dec. 1975 (Vol. 15:50 p12). Time Computer spokesman said firm now has dozen licensees worldwide for patents which cover switching, circuitry & display for multi-function watches.

**Timer-calculator** phone accessory from Japan's Virgin Arts Co., gives running display of charges for long-distance calls, retails for about \$55.

WEEKLY

# Television Digest®

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The authoritative service for broadcasting, consumer electronics & allied fields

JULY 11, 1977

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**FLA. TELEVISED TRIALS PRAISED:** Favorable reaction near unanimous; judges & lawyers convinced TV cameras don't disrupt proceedings. State's attorney sees TV in courtroom 'permanent thing.' Stations pool coverage. (P. 1)

**AGREEMENT ON 1"** helical non-segmented VTR reached by SMPTE working group, compromising disparities in Ampex & Sony systems and launching new standard for teleproduction recorders. (P. 2)

**'SOAP' DOESN'T WASH** with Group W's McGannon, who scratches first 2 episodes as 'publicly objectionable.' United Church of Christ condemns 'gratuitous violence and exploitative use of sex.' (P. 3)

**BROADCAST PANEL DISCUSSIONS** for Communications Act rewrite set for weeks of July 25 & Aug. 2 by House Communications Subcommittee. (P. 4)

**HBO & ACT-EX PARTE CONFUSION:** ACT expected to seek en banc rehearing. Lawyers uncertain about rulemaking contacts. Administrative Conference weighing recommendation. (P. 4)

**FTC AD PROGRAMS** faulted by House Govt. Operations Committee report citing regulatory lag, inadequate monitoring, poor use of corrective ads & affirmative disclosure requirements, lack of co-operation with NAD-NARB. (P. 5)

**FLA. TELEVISED TRIALS PRAISED:** Year-long experiment allowing cameras & microphones in Fla. state courts started last week, and favorable reaction has exceeded wildest expectations of broadcasters. For instance, Dade (Miami) State's Attorney Richard Gerstein told us: "I was originally opposed... I thought it would be disrupting and have an adverse impact on the judges, juries & witnesses, but I said I was willing to be shown [and] I was wrong... I think that probably TV in the courtroom is going to be a permanent thing... I have heard no adverse reaction from any judge."

Broward County Judge Morton Abrams noted that "no one seemed to pay any attention [to TV camera] which sort of surprised me." Dade County Chief Judge James Kehoe: "I am very pleased... But it's going to be up to the media to make it work." Tallahassee Chief Judge Ben Overton said he noticed "only a few minor glitches"—one when he ordered that red light be covered on TV camera. "I don't see how it can do anything but help," according to State's Attorney Ed Austin in Jacksonville. "We have a credibility gap with the public. It doesn't really understand the [judicial] system."

**Fla. TV coverage was authorized by State Supreme Court** in response to petition filed by Post-Newsweek stations' WJXT Jacksonville & WPLG Miami (Vol. 17:15 p3). Order permits single camera in lower courts, 2 cameras in appellate bodies, allows judge to bar cameras only

if proceedings are "disrupted." Chief judge in each Fla. county is responsible for setting guidelines—in most instances in cooperation with media.

There was much pooling by Fla. TV stations last week as courts were covered in every major market for first time. In Miami, first station to set up in courtroom automatically becomes pool camera. Tampa-St. Petersburg stations worked out deal July 13 whereby WTWT Asst. News Dir. John Hayes will handle pool for 3 months. Tampa had murder-rape trial to cover last week as opposed to stations in other cities which had nothing very exciting to televise.

Miami defense attorney Gerald Kogan, agreeing everything worked well first week, said real test in Miami will come when major jury trial is televised. "I don't know what the reaction will be then," he told us. WTWT News Dir. Hugh Smith said there'd been no problem in covering jury trial there. "The experience we've had has been nothing but positive... The judges were very apprehensive at the start but up to this point it's been a good relationship."

Since each county sets guidelines for coverage, there are differences county-by-county. Smith told us that in Hillsborough County (Tampa), cameramen must dress "like lawyers" while in Pinellas County (St. Petersburg) no such requirement is imposed. In Broward County (near Miami) cameras are prohibited from showing jury but they can in next-door Dade (Miami). Palm Beach County hasn't drafted guides yet, but stations there are permitted to use extra lights forbidden in other counties.

WTVJ Miami News Mgr. Robert Beers said audio was bigger problem first day than lighting—although everybody we talked to in Miami (including Beers) said court pictures were inferior because of lighting. Original guidelines required wireless mikes and sound was "very fuzzy," he said. Next day, judge permitted mikes with cords.

Orlando stations didn't pool last week, will this week, for appeal of drug conviction by Rommie Loudd, ex-pres. of Fla. Blazers. WFTV has had mini-cam (all stations are using ENG) in the courtroom 3 days, according to Gen. Mgr. Walter Windsor. "The judges have been highly-pleased and haven't interfered in any way."

Jacksonville had a quiet first week, according to WJXT News Dir. Joe Moreland. TV cameras were in courtrooms first day only with all 4 stations pooling coverage. In every city, we were told how well TV stations cooperated and that major story was medium itself—fact that cameras were routinely in courtrooms. Post-Newsweek Stations News Vp James Snyder said company has no plans to file similar action in other areas where company has stations. "We're hoping the Florida trial will work so well that it'll open up coverage in other states," he said.

Several other states—Ala., Colo., Ga., Wash., Okla., Tex.—permit cameras in court on much stricter rules than Fla. experiment. Judges in those states can order cameras out at request of witnesses, attorneys, defendants, et al. Fla. judges don't have that discretion.

**AGREEMENT ON 1" HELICAL VTR FORMAT:** Last major obstacle to new lower-cost, high-performance standard for broadcast teleproduction VTRs was overcome last week when SMPTE working group on non-segmented 1" helical VTRs "agreed in principle" on new format which reconciles difference between the 2 major contenders fielded by Ampex & Sony.

Technical details still must be worked out, and exact specs & standards may take 6-12 months to appear in print, but working group members indicated agreement was specific enough to permit VTR manufacturers to start "preliminary design work" on new standard machines. One source said both Ampex & Sony made "significant concessions" to reach "equitable compromise." Another indicated that format was more similar to Sony's than Ampex's.

Although not yet informed of new standards, Sony at week's end reiterated to us that it had promised to retrofit BVH-1000 format machines to any new standard at maximum cost of \$1,000. Ampex Audio/Video Systems Div. Vp Don Kleffman said company was pleased that agreements represented "compromise by all parties concerned." He added that Ampex was "in the process of developing a plan to insure that all current & future buyers of the VPR-1 recorder as presently manufactured & delivered will be able to convert to the proposed format." Climactic meeting of working group was held in Chicago July 7. Second working group is considering segmented 1" helical standards, but this is strictly a formality—standard is that of Bosch's BCN, which al-

ready has achieved wide acceptance in Europe, but American broadcasters prefer non-segmented systems.

Although networks and some telecommunication houses have been buying Sony & Ampex 1" machines for use where standardization isn't important, stations have held off pending agreement by working group. For foreseeable future, 2" quad is expected to continue to be "standard" for interchangeable tapes, just because so many machines are in use—but last week's action by SMPTE group must herald beginning of end for that format which has served industry since introduction of video recording in 1956.

**McGANNON WASHES OUT 'SOAP':** Chmn. Donald McGannon has informed ABC that Group W's sole ABC-TV affiliate, WJZ-TV Baltimore, won't carry first 2 episodes of "Soap" because he found them "publicly objectionable." Despite fact that show is "well-written, well-produced, well-acted, craftily conceived and effectively executed," he wrote ABC-TV Pres. Frederick Pierce, "presenting such subjects in a serialized comedy simply tends to lend an aura of insensitivity that I believe will be offensive to significant portions of the audience and a number of institutions." Show had been criticized by some ABC affiliates and L.A. Catholic Archdiocese (Vol. 17:26 p5).

McGannon said he feared show's "leering sensationalism" would lead to "escalation" of sexual program material, also noted that program is scheduled for 9:30 p.m. EST—"a time at which enormous numbers of children will be reached." He promised to review future episodes & scripts "and be attentive to the network's efforts to modify the content if, in fact, that turns out to be your intent."

In related matters: (1) United Church of Christ 11th General Synod adopted resolution condemning TV's "preoccupation with gratuitous violence and exploitative use of sex," demanded that TV portray life "realistically and honestly," asked church's Office of Communication to work to eliminate such violence & sex consistent with freedom of speech and press. "The predominant concepts expounded by TV are poles apart from the Christian understanding of the human potential and God's purpose for what has been created," group resolved.

(2) AMA House of Delegates passed resolution at recent San Francisco convention (Vol. 17:26 p5) asking that Assn. "take a strong stand against TV programming which is sexually suggestive or pornographic and that this philosophy toward programming be made known to network program directors and major advertisers." Board is expected to consider resolution this fall.

**KSCI (Ch. 18) San Bernardino** has gone on air as commercial but non-profit station owned by Global TV—transcendental meditation (TM) movement. Most programming will be "educational in nature" promoting TM, according to station spokesman. Robert Doane is pres., Thomas Factor vp. KSCI start brings U.S. operating stations to 975—710 commercial, 265 non-commercial.

Publisher Harcourt Brace Jovanovich is buying WDIO-TV Duluth & satellite WIRT Hibbing, Minn. for about \$4.5 million; HBJ owns 50% of Resort Network of 4 FM stations.

**Future of cable**, as seen by Kenneth Robinson, Justice Dept., ex-OTP, from "Deregulation of Cable TV," edited by Paul MacAvoy and published by American Enterprise Institute: "As the cable TV industry grows and matures, regulation of the industry will become a more difficult and complicated undertaking. Certainly, as more and more citizens have CATV services available to them, the probability that Congress would act to withdraw or constrain those services greatly diminishes. As one commentator noted, the public, 'once having tasted the lollipop, will not lightly suffer Congress taking it away from them.' What is much more probable, of course, is that the cable TV industry will come to appreciate the clear and demonstrable benefits a regulatory thicket can afford, especially if that thicket is built on and operated like traditional models. The benefits which traditional regulation can offer to regulated industries are well known and in some quarters notorious. Most likely, the cable TV industry will come to the recognition of this fact, if they have not done so already. The public policy concern at such future time, then, will be with how to forestall the industry, imposing its own version of a regulatory briar patch to protect cable TV from future, potential competitors."

**FCC Comr. Hooks**—who takes over as NAACP exec. dir. Aug. 1—hand-delivered resignation to White House July 8, to become effective July 27. Also at White House last week was Chmn. Wiley, invited to lunch by Personnel Dir. James King. "It was 99% social," King said. "I personally am very grateful for his [Wiley's] help." When asked by King, Wiley said no major issues which President should know about are likely to be decided by FCC this summer. Also discussed were appointments to replace Hooks & Wiley—no timetable or names mentioned. Wiley's term expired June 30; he's expected to remain chmn. into Sept.

**Gaylord Bcstg. reaches** full complement of 7 TV stations (4 V's, 3 U's) with FCC approval of acquisitions of WVUE New Orleans (\$12.5 million) & WUAB Lorain-Cleveland (\$10.5 million). In approving WVUE sale, Commission waived policy which prohibits single owner from acquiring more than 3 stations in top 50 markets, said it would start inquiry to determine if top 50 policy "serves a useful function...or whether multiple ownership was limited sufficiently under existing rules."

**Children's advertising** is FTC's "No. 1 priority," Chmn. Michael Pertschuk told gathering of San Francisco consumer groups last week. Most objectionable, he said are TV commercials for sugared products. He also predicted Supreme Court test of unfairness in ads.

**HOUSE TV PANELS SCHEDULED:** House Communications Subcommittee, delayed by full Commerce Committee work on energy legislation, has rescheduled Communications Act rewrite panel discussions on broadcasting for weeks of July 25 & Aug. 2, issued tentative list of witnesses, supplied witnesses with questions.

Discussions open July 25 with "overview." Witnesses include Erik Barnouw, author; Everett Parker, United Church of Christ; David Adams, NBC vice chmn. Topics: 'What policy goals should we set for broadcasting? Does the Communications Act...adequately articulate those policy goals?..Should broadcasters continue to be regarded as 'public trustees'? Is regulation of broadcasting necessary at all?..Is there justification for treating radio & TV broadcasting differently?"

July 26 session will deal with broadcasting & spectrum. Topics include how to improve rural service, and whether spectrum could be used more efficiently by reshuffling of VHF or UHF assignments, adding assignments, using lottery or auction, regulating receivers. Witnesses include James Ebel, KOLN-TV Lincoln; Robert Crandall, Council on Wage & Price Stability; Richard Block, Council for UHF Bctg.; Ray Livesay, WLBB(FM) Mattoon, Ill.

First Amendment is topic July 27, witnesses including Bill Monroe, NBC News; Charles Firestone, Citizens Communications Center; Robert Shayon, Annenberg School. Questions include: "Is there any justification for treating broadcasting differently than other media? Should broadcast journalism have greater First Amendment protection than entertainment programming? Than advertising? Are there tensions between the First Amendment rights of the broadcaster and those of the public?..Can these tensions be resolved?"

Industry structure & ownership come July 28, with David Blank, CBS; Don Curran, Kaiser Bctg.; Ragan Henry, Bct. Enterprises Network; Leland Johnson & William Lucas, Rand Corp. They'll be asked if localism is desirable, if FCC rules promote it, what Congress can do, whether diversity is desirable, and how to promote it.

Programming panel Aug. 2 has Jack Valenti, MPAA; Jack Schneider, CBS; Leavitt Pope, INTV. They'll discuss how networks & syndication jibe with localism, how to change licensing, ascertainment, ownership and programming practices to preserve local services. "The FCC has never, on its own, denied a license renewal on the basis of the broadcaster's failure to serve local needs," briefing paper notes. "Does this indicate that all broadcasters are meeting local needs, or that the renewal requirement is essentially meaningless? Or, does it mean that more specific requirements are needed (program percentages, etc.)?"

Aug. 3 panel deals with regulation vs. competition: James Gabbert, NRBA pres.; Henry Geller, Aspen; Thomas Swafford, NAB; Paul MacAvoy, Yale U. Questions: Could permanent license or long-term lease eliminate regulatory problems? Would deregulation and increased emphasis on competition do better? Is self-regulation prefer-

able to govt. regulation? Does it raise First Amendment problems?

Final panel Aug. 4 is on broadcasting & new technologies: Philip Rubin, CPB; Richard Marsten, CUNY. They'll discuss impact of new technologies, how they can provide program choices, how they might change govt. regulation.

**HBO & ACT—EX PARTE CONFUSION:** Rehearing en banc by D.C. Appeals Court probably will be sought by ACT, according to counsel Henry Geller, following decision supporting FCC last week (Vol. 17:27 p1). Decision has Commission and industry lawyers in quandary—because another panel of same court, in Home Box Office case (Vol. 17:13 p1)—had substantially opposing views on ex parte aspect of cases.

FCC has sought U.S. Supreme Court review of HBO decision, holding that its view on ex parte matters (informal, private discussions with commissioners or staff) were too rigid—preventing almost any non-public contact on almost any rulemaking. Last week, Court in ACT case argued that there's nothing wrong with talking to FCC about matters involving public at large—such as ACT case, which dealt with children's programs. However, in ACT case, court did state that there should be "Sangamon" restrictions on ex parte contacts in cases which involve "resolution of conflicting private claims to a valuable privilege," such as in HBO case.

Meanwhile, FCC Gen. Counsel Werner Hartenberger says "HBO is still law of the land, as far as I'm concerned. If anyone asks me, I tell them I think the HBO ex parte rules apply."

Said another lawyer: "The Appeals Court has got to take it en banc. They simply have to straighten it out. Meanwhile, if the Supreme Court refuses to take it, Sangamon is the law."

On another front, Ex Parte Committee of U.S. Administrative Conferences meets July 13 to consider HBO & ACT decisions, has before it draft of report prepared by Northwestern U. Law School Prof. Nathaniel Nathanson. It questions "the advisability of an across-the-board ban on ex parte contacts during informal rulemakings." Committee will submit final recommendation to Conference Plenary Session in Sept.

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**FCC finalized rules** affecting carriage of UHF stations via changes in predicted contours, grandfathering UHFs to keep carriage rights on systems even though Grade B contours often shrink under new engineering formula. Vote was 4-3 on grandfathering, Wiley, Fogarty & White saying it "twists the Commission's longstanding concept of grandfathering as a permissive device to allow rather than to require the continuance of the status quo." However, they said they're all for helping UHF: "We fully support the Commission's action allowing carriage of all commercial UHF stations throughout their Grade B contours regardless of their market status under our cable rules."

**Rep appointments:** KTVH Little Rock & WJRT-TV Flint name Blair TV; WTEV Providence, WCEE-TV Rockford & KGMB-TV Honolulu switch to Katz.

**FTC AD PROGRAMS FAULTED:** House Govt. Operations Committee, in report to be released July 11, takes FTC to task for regulatory lag, inadequate ad monitoring and litigation, poor cooperation with ad industry self-regulatory efforts, giving short shrift to citizen & public interest group attempts to initiate FTC rulemaking. Report comes as Senate & House enter final stages of work on FTC improvement legislation.

"The FTC's current advertising program is inadequate for the economically important purposes of requiring ad substantiation, correcting misinformation and increasing over-all information to consumers," report concludes. Among problems cited are agency's slowness to act; "inadequate" monitoring by regional offices; agency-imposed curbs on corrective advertising that make "this important remedial tool...available in only very unique circumstances"; poor use of affirmative disclosure requirements; case selection procedure "so encompassing... that it offers little or no guidance and is self-defeating."

"Closer cooperation between the [NAD &] NARB and the FTC" also is recommended by House Committee, which states that self-regulatory body acts more quickly than FTC and that eliminating overlap between industry & govt. ad substantiation programs could save govt. about \$50,000, NAD about \$30,000.

To cut regulatory lag, agency should require commissioners to vote on proposed rules within 30 days after submission by staff, limit rulemaking investigations to one year, and narrow FTC judges' ability to grant delays. Agency also must be made to respond more quickly to petitions filed by citizens & public interest groups and to furnish "adequate explanation" for decisions on such petitions. Outside groups should be used by FTC as "an investigatory tool," report states, to further reduce delays. At week end, FTC officials hadn't seen report, had no comment.

FTC Improvements Act of 1977 is scheduled for House action July 13, also is pending before Senate. Bills are essentially identical, providing sharp curbs on parties violating or delaying FTC orders & procedures; more flexible antitrust remedies; increased independence from President. Bill would allow FTC to seek damages for unfair & deceptive ads; facilitate filing of class action suits for consumer fraud; require agency to act within 120 days on petitions for rulemaking.

"To the most uncommon of men, a beloved regulator..." reads plaque presented to FCC Chmn. Wiley by NRBA during Washington board meeting to plan Oct. 9-12 New Orleans convention. House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) will keynote convention. Exhibit space at new Hilton Hotel is sold out to 68 manufacturers; 57 hospitality suites have been reserved.

New World Press Freedom Development Committee received \$100,000 grant from Gannett Foundation, first major contribution to campaign to raise at least \$1 million to defend and advance world press freedom (Vol. 17:18 p6).

"Telecommunications Policy" is new quarterly publication, without ads, issued by private organization—IPC Science & Technology Press Ltd., England. General editor is Lawrence Day, employed by Bell System in Montreal in long-range planning & marketing. Asked if he's concerned about charges of conflict of interest because he works for Bell, he said: "I guess there's a potential problem. That's why we have a good editorial board." Magazine lists 30 on board, including from U.S.: Walter Baer, Rand; Henry Boettinger, AT&T; John Diebold, Diebold Group; Roger Hough, consultant, Mountain View, Cal.; Robert Morgan, Washington U.; Norman Nisenoff, Forecasting International; Edwin Parker, Stanford U.; Paul Polishuk, Horizon House; Ithiel Pool, MIT; John Richardson, Commerce Dept.; Walter Sutter, Western Union; Michael Tyler, Harvard U.; Jacques Vallee, Institute for the Future, Menlo Park, Cal. Asked about function of board, Day said members don't pass on articles: "Mostly, they dig up material. They're good go-fers." Day said magazine is growing faster than forecast. It started in Dec., has had 3 issues. Price is \$78 yearly. U.S. office: 205 E. 42nd St., N.Y. 10017, 212-889-0700.

Executive Branch reorganization task force met with President Carter last week to discuss reform of Executive Office of the President—including OTP (Vol. 17:27 p5)—and at week's end was frantically redrafting certain parts to Carter's specifications. However, task force members declined to say which parts were being changed, would only state that Carter is expected to make final decisions early this week. Meanwhile, OMB's Tom Belford, asst. to President for reorganization, requested public comment in July 7 Federal Register on all aspects of Executive Branch Reorganization, including regulatory reform. Among questions Belford posed: How does present regulatory system preserve competition? What are deficiencies and how could they be remedied? "Do you think there may be better approaches than direct regulation for achieving national goals?" Are agencies "properly accountable" to public? "How can we achieve more effective public participation in agency decisions?" Comments are due Aug. 5.

Written comments (30 copies) on electronic advertising restrictions contained in Sen. Kennedy's (D-Mass.) saccharin legislation (Vol. 17:26 p3) are sought by Senate Communications Subcommittee by July 14. Full Commerce Committee probably will hold markup July 19 or 26 without formal hearing, in order to report bill to Senate floor by July 27 deadline imposed by Senate Human Resources Committee, which approved bill as drafted by Kennedy 2 weeks ago.

Advertisers spent \$302.2 million (up 25.8%) on network TV in April with weekend daytime showing largest gain (48.7% to \$33.8 million), according to BAR-TvB. Jan.-April billings totaled \$1.2 billion (up 24.2%); ABC got \$398 million, CBS \$391.2 million, NBC \$382.8 million.

IVC quit operations, filed under Chapter 11, because banks cut off credit. Spokesman said there's "a small hope" of working out problems with banks. Company lost \$1.5 million in quarter ended April 30.

## Personals

Howard Monderer promoted to NBC vp-law, Washington; Bertram Zeldin advanced to vp-sports sales, NBC-TV.

In reorganization of NBC-TV west coast program dept.: Deanne Barkley appointed vp-motion pictures for TV & mini-series; Richard Lindheim, vp-dramatic programs; Peter Andrews, vp-dramatic program development; Pat Betz, vp-current dramatic programs; comedy & variety depts. remain unchanged...Donald Norris, ex-WTEV Providence, joins ABC-TV as affiliate station ad mgr.

John Shenefield nominated by President Carter to be Justice Dept. Antitrust Div. asst. atty. gen. (Vol. 17:16 p4)...FCC Comr. Robert Lee attends common carrier symposium in Tokyo in Oct. at invitation of Japanese govt...Michael Harwood, retired Army colonel now with Washington accounting firm, is expected to be named NAB secy.-treas. this week; job has been vacant since John Kinzer resigned in April (Vol. 17:18 p6)...Emmett Kitchen, engineering asst. to FCC Comr. Margita White, named vp-asst. gen. mgr., National Assn. of Business & Educational Radio, Washington.

Station Mgr. Robert McBride promoted to vp-gen. mgr., WJBK-TV Detroit, succeeding Jay Watson, now gen. mgr. of KOLD-TV Tucson...David Kennedy, ex-CBS-TV Stations Div., named business affairs dir., WBBM-TV Chicago...Pat Servodidio promoted to vp-local sales mgr., WOR-TV N. Y.; Patrick Pennucci advanced to local sales mgr.

John Barbera, ex-WNAC-TV Boston, named national sales mgr., WISH-TV Indianapolis...Angela Solomon, WNET N. Y. public information dir., named a vp...Euan Fannel advanced to business affairs dir. KMOX-TV St. Louis.

Daniel Head, ex-Nuclear Regulatory Commission, appointed FCC judge...Wayne Coy Jr., vp-legal affairs, WETA-TV Washington, joins Cohn & Marks law firm.

Nancy Chasen, special counsel to White House Consumer Advisor Esther Peterson, named FTC asst. gen. counsel for legislation & congressional liaison, succeeding Thomas Adams, resigned; House Investigations Subcommittee Counsel Mark Rosenberg will be Chasen's deputy, succeeding one-time FCC staffer Penelope Farthing, now at Agriculture Dept.

Vance Harrison promoted to vp-midwest rep, Blair Represented Network, Chicago hq; James Lewis, Blair TV Atlanta office sales mgr., Mark Robbins, Minneapolis sales office mgr., and Sidney Brown, Dallas account exec., named Blair TV vps.

Henry O'Neill, ex-WFSB-TV Hartford, named vp-eastern sales mgr., Top Market TV...Joseph Indelli promoted to Metromedia Producers Corp. national sales mgr., new post; he's succeeded as Southeast Div. sales mgr. by Herbert Weiss, ex-NBC Radio national sales vp.

John Metelski, ex-OTP national security communications counsel, joins AT&T Long Lines Govt. Communications Div. as special projects mgr...

William Donahoe, Belden Corp. Houston field sales mgr., promoted to Electronic Div. national sales mgr., new post; Leonard Cebol appointed sales training & development mgr., new post; Charles Parker replaces Cebol as CATV products sales mgr.

Edward Horowitz advanced to HBO mid-Atlantic sales, market development & service mgr., succeeding Dennis Garcher, who moves to southeast region for new business development, W. Palm Beach... Steven Friedman appointed vp, Professional Products Div., Robins Bcst. & Sound Equipment; firm names Richard Pass Assoc., Philadelphia, sales rep.

Arnold Taylor advanced to national sales mgr., Ampex Audio-Video Systems Div...Charles Anderson, ex-Jerrold, named Magnavox CATV Systems mid-Atlantic sales mgr...Neville Bennett named Tele-mation acting engineering administrator...Harold Rice, ex-operations vp, named vp, video & audio services, in realignment of RCA American Communications (Americom) into 3 business groups, each responsible for different market. Other new posts: Jack Boning, vp, govt. communications services; Jack Underwood, vp, commercial communications services; John Christopher, technical operations vp.

Named TV Guide regional mgrs.: John Lovett, Kansas City; Marion Loper, New Orleans; Randy Jones, St. Louis...Bryan Cowgill, 22-year program veteran with BBC, promoted to managing dir., succeeding George Cooper, retiring in Oct.

RTNDA mail elections ended in tie for Dist. 5 dir.—covering Minn., Wis., N. & S. D.—between Dewey Heggen, KFYR-TV-AM Bismarck, & Wayne Godsey, WTMJ-TV Milwaukee, necessitating run-off ending Aug. 10. Newly elected to RTNDA board: Norman Hartman, KOVR Sacramento; Robert Rogers, KENS-TV San Antonio; Lou Pratt, WMAQ(AM) Chicago; John Spain, WBRZ Baton Rouge; James Topping, WFSB-TV Hartford; Sidney Margles, Standard Bcst. News, Ottawa. Re-elected: Dean Mell, KHQ-TV Portland; Paul Mueller, KSL-AM-FM Salt Lake City. Ex-officio: Elmer Harris, Canadian RTNDA pres.; Dillon Smith, WMAQ-TV Chicago & BEA pres. Hartman & Spain take office immediately; others Sept. 18 at end of RTNDA convention in San Francisco, where Paul Davis, WCIA Champaign, & Ted Landphair, WMAL-AM-FM Washington, will compete for pres.-elect. Ernie Schultz, KTVY Okla. City, is current pres.-elect.

Drop-in of Ch. 4 Albany, N. Y. won't be added to 4 VHF drop-ins FCC considers "most feasible" in outstanding rulemaking (Vol. 17:10 p4), Commission said last week in denying reconsideration sought by Mohawk-Hudson Council on ETV. Agency said Ch. 4 proposal hadn't been denied but that "the burden of going forward with a cost-benefit analysis" would be on outside parties.

Broadcasters shouldn't be required to pay copyright fees to record companies & performers, NAB Asst. Gen. Counsel James Popham told Copyright Office hearing last week. He called such payments "unnecessary, unwise and unfair," said they would amount to almost 17% of broadcast industry's total pre-tax profits.

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 24 (25th week of 1977):

	June 18-24	1976 week	% change	June 11-17	1977 to date	1976 to date	% change
Total TV.....	288,663	283,517	+1.8	248,466	5,921,373	5,154,649	+14.9
color .....	170,257	147,991	+15.0	148,695	3,621,196	3,012,132	+20.2
monochrome ..	118,406	135,526	-12.6	99,771	2,300,177	2,142,517	+7.4
Total radio.....	1,254,409	1,149,532	+9.1	1,275,788	19,709,617	15,679,415	+25.7
home, portable ..	1,024,808	903,361	+13.4	1,029,248	13,533,275	9,756,556	+38.7
AM-only.....	209,242	134,396	+55.7	230,452	3,297,206	2,103,708	+56.7
FM & FM-AM ..	815,566	768,965	+6.1	798,796	10,236,069	7,652,848	+33.8
auto.....	229,601	246,171	-6.7	246,540	6,176,342	5,922,859	+4.3

Color TV 5-week moving average: 1977-139,579\*; 1976-131,816 (up 5.9%).

\*Record for 25th week of any year.

**JUNE, 2ND QTR. SET COLOR SALES HIGHS:** Climaxed by final week which soared 36% above last year, last month was best June, and April-June best 2nd quarter, in history of color TV sales to dealers, EIA figures will show next week. Sales for June totaled some 794,760, up 15.2% from June 1976 and 1.3% above previous June record set in 1974.

June was 2nd record-setting month in 1977—other being April. Between them came sluggish May, which momentarily broke brisk sales stride (Vol. 17:24 p14). But things seem to be back on track now, based on seasonal factors of last 5 years. June & 2nd-quarter sales were at 9.1-million annual rate, first half at only slightly lower 9 million.

Second-quarter record was 1,861,280 sets, up 17.6% from year earlier and 2% above previous high logged in 2nd-quarter 1973. Sales for first half—3,868,300—were up about 21% from last year's half, and 2nd best in history (to 3,952,457 in 1973). Year's 26th week recorded highest sales figure since Oct. 1976, but didn't come very close to record for final June week—262,042 set in 1974.

**CB SALES—23s LINGER, 40s LANGUISH:** If CB market is improving, nation's distributors haven't heard about it. Supply of 23s is dwindling somewhat, but they'll still dominate market activity through mid-Sept. and possibly into Oct., survey of leading distributors indicates. At same time, 40-channel sales remain in doldrums, despite continuing round of sharp price cuts by CB suppliers.

Major worry now is growing number of retailers dropping out of CB. "Our primary task right now is keeping our accounts in business any way we can until the end of the year," exec. of 6-branch national CB distributor said. "If we can do that, the extra time, money & effort we've spent trying to keep them in will have paid off." Problem for many distributors is emergence of mass merchants & discounters—who often bypass 2-step distribution and buy factory-direct—as leaders in CB retailing.

"They seem to be doing all the business," one lamented, "and none of it goes through me. They love these low prices, because they can buy 5,000 at a crack, turn them around in 30 days and make a quick nickel on each one. If CB goes completely to the mass merchants, we're dead."

Several pointed to low prices asked by discounters on 40-channel units (\$69 and below) as

evidence that 23s are disappearing. "They don't care how low prices are, they'll make money. If they're blowing out 40s that cheaply, they must not be able to get hold of any 23s," Southern Cal. distributor said.

Prices on 40s continue to drop, distributors told us. Everyone we talked with said that 40s are now available with dealer cost of \$41-\$45, that retail prices will dip further before year is out. "We'll see \$49 at retail by Christmas," midwest distributor said, "if not sooner."

Distributors insist they're keeping inventories of both 23s & 40s low, with manufacturers holding bulk of product. Several acknowledged that warehouses are fuller than they should be, few saying they're stuck with merchandise which will have to be moved at loss. "I own some stuff wrong," Fla. distributor admitted. "I bought it too early, before prices fell, and now I'm going to have to dump it and write off the loss."

Retailers themselves have adopted extremely cautious attitude toward buying, distributors told us—"buying 2 or 3 at a time where they used to buy 20 or 30," as one put it. In addition to grief generated by 23-vs.-40 mess, market itself remains soft, with sales well below last year's level, distributors say. "Our retail accounts can't sell anything right now, whether it's 23 or 40," according to New England distributor.

Exception to that is higher end of CB market; sales of SSB and full-featured units are reported fairly strong. That's seen by some as indication that industry can rescue itself only through new generation of more sophisticated, technology-intensive products similar to those recently introduced by TI, Hy-Gain, SBE & others.

"If there is salvation, that's it," Cal. distributor told us. "I just wish they'd stop talking about it, and start delivering some product that doesn't sell for \$39.95."

**Panasonic raised prices, effective Aug. 1, about \$10 each on 5 portable radios & recorders, boosted single compact stereo system by \$20 to \$250.** In TV, increase averaged 2.5% for color, 1.5% for b&w, although suggested minimum retails were unchanged for many models. Color line prices, with any change from May prices (Vol. 17:18 p11) in parentheses: 10", \$290 (up \$10); 12", \$300; 13" \$340 & \$350; 15", all previously unpriced, \$370, remote at \$450; new 17" remote \$470; 19" open to discount from \$420, \$420, \$430, new model with light sensor \$440, \$460 with LED channel indicator, \$460 with light sensor, new VIR model \$500, open list model with LED channel display-clock about \$500, open-list remote about \$520, new electronic-tuned remote \$560. Console color prices are unchanged. B&w with higher prices: 5" AC-DC \$145 (up \$5) & \$150 (up \$10), 9" AC-DC \$120 (up \$5), new 16" is \$145.

**Mini-computer kit market is catching fire in Japan.** Southwest Technical Products, U.S. hobbyist computer firm, opened sales office there, and recent Microcomputer Show '77 in Tokyo drew 36 companies & SRO crowds. Initially, Southwest will import & market U.S.-made kits using "Basic" computer language and library of over 100 programmed cassettes. Eventually, firm hopes to produce kits in Japan through tieup with local semiconductor houses. Among firms showing kits & finished products at Microcomputer show were NEC, Hitachi, Toshiba & National Semiconductor. NEC is using programming game cartridge to demonstrate computer training kit. NEC TK-80 kit, built around Intel 8080 micro-processor, is aimed at home market and went on sale in U.S. last month. Spokesman said retail price is about \$300, that other kits will be added in future.

**Cal. has proposed** these power-consumption limits for TV sets: Color-13", 73 watts; 17", 89 watts; 19", 99 watts; 25", 135 watts. Monochrome-9", 29 watts; 12", 32 watts; 19", 45 watts. Standby power, 0 watts (effectively eliminating remote control). State Energy Resources & Conservation Commission also asked set makers for detailed confidential information, such as total annual unit production by model, percentage sold in Cal., manufacturing costs, average prices, etc. Comments were requested by July 20, but manufacturers were advised they could wait until Aug. 16 workshop. Mimeo-graphed notices were addressed to some manufacturers; others claimed they never received them or that they possibly were lost in mailrooms since no individual addressee was named on envelopes.

**RCA is recalling** three 19" b&ws (about 18,000 sets) to check for shock hazard. RCA said routine quality check showed rough handling might cause picture tube to come loose from mounting, leaving gap between edge of tube and cabinet frame. Touching exposed edge of tube could give consumer 60-volt shock. RCA said only part of production run of Taiwan-made 1977 models is involved, and shipment of sets didn't start until mid-April, so bulk are believed to be in distributor & dealer hands. RCA is asking consumers with recently purchased models AB191S, 192W & 195FX to return them to dealers for inspection, and, if necessary, replacement. Company said no consumer-related incidents have been reported.

**FTC schedules** open workshop meeting & discussion July 13 on definition of "reasonable" as in reasonable number of attempts to fix product and reasonable duties manufacturer can impose on consumer in course of getting product service.

**ITC CONSENT DECREE:** No objections to International Trade Commission accepting consent order settlement of Sylvania's unfair import competition complaint against group of Japanese color TV makers was voiced at hearing last week (Vol. 17:27 p8), but ITC postponed action anyway, set another meeting for July 14.

Major stumbling block is how to close case. Japanese want ITC to accept orders, issue report of no finding, as ITC often does. Sylvania is pushing for positive determination, which could mean additional hearings on evidence, since Japanese admit no past illegal practices in proposed orders. Also unresolved is need for presidential review. Best guess on that is ITC will decide it needn't seek approval for acceptance of orders, but would have to get advance clearance before taking action against any company found violating terms.

Treasury sources last week flatly denied any immediate action was planned against TV importers being investigated for accepting rebates from Japanese suppliers (Vol. 17:24 p9). Responding to Chicago Sun-Times report that Treasury had asked Justice Dept. (JD) to empanel grand jury to consider indictments against companies & individual executives, Treasury spokesman said no such request has been made and none was planned, "though we have talked with them" (JD). He said probe was continuing "at an accelerated pace," estimated it would be several months before agency has enough information to decide whether to pursue matter.

Benjamin Civiletti, asst. atty. gen. for JD Criminal Div., quoted in story as saying agency had case under review, told us statement was based on misunderstanding. He said JD had given Treasury opinions on some aspects of case, wasn't involved now. JD Antitrust Div. is, however, continuing investigation into legality of Japan's now-expired color TV export-pricing & market-sharing (check-price) agreement.

**Strike against Magnavox** Greeneville, Tenn. color TV plants was called July 1 by IUE Local 796, involving more than 1,900 workers, after union members failed to ratify negotiating committee agreement with Magnavox. Production wasn't affected, since plants are closed for 3-week vacation until July 25, but Magnavox charged "massive, illegal picketing on company property is effectively blocking entrance or exit by management employees." Magnavox said agreement reached with committee covered "biggest total wage & benefit package ever offered to Magnavox Greeneville employees." Union Pres. Charles Price told us disagreements involved money, retirement & insurance, as well as language of proposed contract. Federal mediator, who had participated in negotiations, is understood to be seeking new meeting.

**United Audio** can distribute "Confidential Dealer Cost List" to dealers, containing "approximate nationally advertised value" for products as well as columns showing retail prices at various specific gross margins, without violating consent order in which United agreed not to suggest retail prices for 2 years (Vol. 16:19 p11), FTC ruled unanimously.

**ITC IMPORT DATA CHANGE:** Revision of Customs import processing procedures to improve accuracy of import statistics is urged in International Trade Commission study, which says extensive errors in Commerce Dept. data are making job of federal agencies unnecessarily difficult.

ITC says primary job of Customs is to collect right amount of duty by classifying imports under first 5 digits of Tariff Schedule (TS) numbers, while statistical data released by Commerce is based on 7-digit code-685.20 is TS designation for TV apparatus & parts, 685.2027 would be 13" color set, 585.2075 is TV tuner, etc. Customs is supposed to provide 7-digit input for statistical program, but import documents often don't contain enough information. In such cases, Customs examiner is "expected to accept what is entered or use his 'best guess.'"

While not included in report itself, we've learned ITC staff comparison of invoice sampling with Commerce figures showed errors exceeding 60% for some classifications. Example of effect of such misclassification is Commerce data indicating average value of b&w videotape player imported last year was \$24.27. Part of problem is inadequate staffing, for which Customs itself must take some blame, ITC says. Report notes that in 1973 Customs had 1,250 examiners, was allocated 144 more to handle statistical workload—but today it has only 1,150, indicating that some of jobs were reassigned to other functions at regional level.

Among ITC recommendations: (1) Require importers to supply information needed for statistical program when product is first imported. (2) Use by Customs of 7-digit TS numbers in internal documents instead of 5-digit (duty-rate only) system now utilized. (3) Refuse entry when import invoices have statistical errors or insufficient information. ITC also recommends Customs adopt some new policies to reduce errors, including training programs for examiners.

**FTC could help UHF** by requiring labeling of outdoor TV antennas, CPB Engineering Research Dir. Philip Rubin wrote Albert Kramer, FTC Consumer Protection Bureau chief. Such labels would rate antennas in "objective, easily understood terms to enable consumers to judge the comparative effectiveness of the many different antennas being sold," Rubin stated. He said Council for UHF Bcstg., CPB & PBS have funded study to find best way to measure antenna effectiveness, results of which FTC could use in setting out antenna labeling requirements. He also suggested warning labels for sets in which VHF & UHF performance isn't equal. "Beyond labeling, the FTC should consider whether it is deceptive to sell a TV ostensibly capable of receiving all channels when that TV has a widely varying range of performance depending on the channel to which it is tuned." FTC official said Rubin's views were sought informally, and that agency has made no formal effort to get involved in UHF.

**Zenith** hasn't decided yet whether to join RCA & Sylvania in 4% increase in 25" color tube OEM prices (Vol. 17:23 p4, 17:26 p11), company spokesman said at week end.

**PROJECTION TV NOTES:** World of projection TV is full of comings & goings—new companies, mergers, dropouts. Some recent milestones:

**Zygma Communications**, British projection TV manufacturer controlled by William & David Stirling, was set to meet recently with creditors. Company reportedly is seeking about \$500,000. British sources estimate Zyigma has sold 110 three-tube TV projectors. Zyigma had been scheduled to exhibit at recent Consumer Electronics Show, didn't show up.

**Video Industries Corp.**, Memphis, is making new bid to become major nationwide factor in projection. In 2-3 weeks, it will introduce 2-piece system with 7-ft. -diagonal washable Schudel screen (Vol. 17:24 p10). All VIC products use 15" Sony remote-control TV with pushbutton tuning panel mounted on outside of projection cabinet. Its other products are 4.5- & 5.5-ft. one-piece fold-out systems.

**Projecta-Vision**, Miami-based projection-TV firm, forecasts it will sell 63,360 units at \$74 million this year, claims 120 distributors, \$17,000 weekly payroll covering 37 employees in Miami and 58 in Rochester, N.Y. Company's advertising is strongly geared to trademarks of RCA & Kodak, whose TV sets & screens are used (RCA has notified company that it will not honor warranty claims on its sets which have been modified for projection). Prices for the 2-piece systems range from \$1,495 for 50" screen to \$2,495 for 100". Company's principals are Michael Patty & Marvin Friedman, who Miami Herald says "built a fortune in the 1960s" with exercising device called Trim-Twist. National sales dir. is John Gillen, ex-RCA field rep.

**Projection-TV** pioneer William Spellman (Vol. 15:34 p7, 15:38 p7) has sold Miami Projection TV to group headed by Jay Cohen, but continues to sell projection TV parts, including new f2.8 plastic lens at \$25, through new firm, Projection Electronics Inc., 306 N.E. 79th St., Miami 33138. Miami Projection (Henry Bellezza, gen. mgr.) at 304 N.E. 79th St., continues to sell complete projection systems, featuring floor & ceiling-mounted units at \$795 & \$895 (remote) using Toshiba TV set, with 30-x-40-in. durable screen; 4-x-5 & 4.5-x-6-ft. screens also are available.

**Altervision** is going national with projection TV line, has hired Elliot Organization to develop \$2.3 million ad & promotion campaign. N.Y.C.-based firm (964 Third Ave.) has 2-piece systems—using Sony 15" remotes as source—starting at \$1,700, also do-it-yourself kit, including optics & 50" screen, at \$599. Company is now producing proprietary Alterlite washable 50" screen, which, firm says, will be priced somewhat below competitive models.

Japan TV export quota may make it more difficult for projection TV assemblers to obtain the small-screen sets they use as picture sources. Most have been buying these sets on open market, sometimes at bargain prices. However, quota could result in curtailment of quantities of small-screen imports. One manufacturer which had been dealing directly with projection assemblers told us: "We can no

longer cater to these special customers."

Westinghouse is working on projection TV, too, it's indicated by patent issued to company's Arthur Anderson for system using small post-acceleration (Chromatron) tube projecting ultra-violet light to screen striped with fluorescent pigments (Day-Glo type). One projection TV engineer called idea "ingenious," but doubted system would be efficient enough to result in necessary brightness.

**CM GOING PRIVATE:** Curtis Mathes reported 38.2% sales rise in fiscal year to May 31, 25.9% increase in net (1976 income included \$165,400 tax credit), called special Aug. 19 meeting for shareholder vote on board-approved move to go private (Vol. 16:51 p11). Plan calls for 1,000-to-1 reverse split, giving holders choice of selling shares back to company at \$6.25 each, or acquiring additional shares at same price to round off holdings. CM says only about 150,000 of 1.6 million shares outstanding are available for trading.

**Matsushita** said parent-company-only sales in 6 months to May 20 rose 13.5% to record \$2.53 billion, net climbed 14.4% to \$83.7 million. Company said domestic TV & audio sales were about even with year earlier, appliance volume up modestly. Despite trade restrictions and increased yen value, export volume climbed 32.1%, company said.

**Akai** revised downward sales & earnings estimates for half to Nov. 30, indicating both will be about same as last year, instead of targeted 16% increase, because of sluggish European market which accounts for about 40% of total volume.

**I/O Metrics**' film-based videodisc system has been sold to Videonics of Hawaii Inc. (VHI), which has moved to 3022 Scott Blvd., Santa Clara, Cal. 95050. Alan Stricklin, former I/O Metrics videodisc mktg. dir., is now VHI vp in charge of videodisc development. VHI said it expects to announce "in the very near future the sale of Videofilm systems to several customers." Last fall, Stricklin told us that data-storage & industrial versions of systems would be produced in 1977-78, but there were no near-future consumer plans (Vol. 16:40 p8).

**Trial date of Jan. 10, 1978** has been set for Universal-Disney copyright infringement suit against Sony in L.A. federal court. Judge Ferguson noted that new copyright law goes into effect Jan. 1. Date selected may be considered advantage to Sony, since it had requested trial after first of year, while plaintiffs had indicated they'd like it to start by late Oct. Pre-trial conference will be held Dec. 19. Meanwhile, MCA attorneys are taking depositions in N.Y., will move to Tokyo next month.

**Thomson-CSF** optical videodisc system will be demonstrated in U.S. starting next week at videodisc conference in Carmel, Cal., followed by demonstrations for govt. agencies at Quality Inn, Pentagon City, Arlington, Va. week of July 25. System's computer-interface possibilities will be demonstrated. SECAM unit designed for French market is now in pre-production run, samples to be available in Oct. First production run will consist of 1,000 players, some of which will be delivered in U.S. starting in fall 1978.

**CANADA'S QUARTER:** Continuing deterioration of Canada's TV manufacturing base is evident in first-quarter total market figures showing imports sharply increased color market penetration and virtually completed takeover in b&w. Outlook for color for rest of year is uncertain. Electrohome is switching to imports for all portable & table models, will use imported chassis in consoles; Philips & Sylvania Canada are dropping all assembly in favor of imports. Off-setting impact of these moves somewhat will be increased output of RCA Canada & Matsushita (Panasonic) Canada, which will be supplying sets to U.S. affiliates later this year (Vol. 17:21 p11).

TV figures from Statistics Canada show total of 306,600 sets were made or imported there in quarter, up 1.6%, with color down 12.9% to 182,800, b&w up 34.9% to 123,800. For domestic firms, total production dropped 39.9%, color off 36.2%, b&w down 70%. Total TV imports rose 27.9%, as color climbed 11.8%, b&w jumped 52.2%. As result, imports took 77.1% of TV market in period, up from 61.2% in 1976, including 63.7% of color (up from 50.4%) and 96.8% of b&w (up from 74.6%).

Imports are moving strongest into small-screen color market segment being abandoned by domestic producers. Imports of 18"-&-under color rose 38.7% to 51,900, while imports of larger sizes dropped 5.8% to 64,500. Similar story holds for b&w, where under-19" rose 60.4% to 107,400, bigger sizes edged up 5.6% to 12,500.

Factory sales of domestic-made TV were down 25.6% in quarter to 83,300, as color dropped 17.8% to 76,100, b&w slumped 52% to 7,200. Color sales breakdown by type shows portables at 39,400 (down 15.4%), consoles at 33,400 (down 20.6%), table & combination models combined at 3,300 (down 13.7%). Here's picture:

#### CANADIAN PRODUCTION

	Jan.-March 1977	Jan.-March 1976
Total TV . . . . .	70,314	117,080
color. . . . .	66,402	104,051
monochrome. . . . .	3,912	13,029
Radio-phonos. . . . .	12,732	26,941

#### CANADIAN IMPORTS

Total TV . . . . .	236,329	184,665
color. . . . .	116,399	105,884
monochrome. . . . .	119,930	78,781
Total radio. . . . .	660,163	711,044
home. . . . .	433,920	473,160
auto . . . . .	226,243	237,884
Total phono . . . . .	265,237	164,923
radio-phonos. . . . .	225,001	143,300
phonos-only. . . . .	40,236	21,623
Tape rec. & plrys. . . . .	249,567	250,986

**CB Scene:** New series of ICs aimed at miniaturization of CB transceivers is being marketed by Japan's Toko. Designed for AM receiver section, they make it possible to eliminate 70 connections of conventional circuits...Kris received FCC license to operate experimental stations in 4 bands, including 222 & 900 MHz.

**1976 ELECTRONICS RECORD:** Total electronics industry factory sales hit record \$38.88 billion in 1976, up 11.1% from 1975, topping previous record set in 1974 by \$2.6 billion, according to EIA 1977 Market Data Book, which contains revised results for 1974-75. Fastest-growing market segment was consumer electronics, with volume up 40% to \$6.7 billion (Vol. 17:27 p9), accounting for 17% of industry volume, up from 14% in 1975. Replacement components sales rose 23.4% to \$976 million for 2.5% share, up from 2.3%; govt. business was up 10.4% to \$12.45 billion for 32% share, down from 35%; communications & industrial product sales edged up 8.3% to \$18.7 billion for 48%, down from 49%.

Color tube sales rebounded last year, rising 23.6% to 8.37 million, over-all value increasing 26.5% to \$586.3 million. Sales by market: OEM 6.19 million (up 18.9%), renewal 696,700 (unchanged), exports 1.48 million (up 70.4%). Average factory value was \$70.03, up from \$68.39 in 1975, highest since 1972 average of \$72.03. B&w tube sales were up 4.2% to 1.81 million, with value up 22.1% to \$35.8 million. All increase was in OEM business, up 14.4% to 1.65 million, as renewal volume fell 42% to 70,900, exports dropped 50% to 85,600. Average value rose from \$16.88 in 1975 to 22-year high of \$19.77.

CB is detailed in 2 sections of book. Under consumer electronics is estimate that some 9 million CBs were sold in 1976, and statement that forecasts of 8-12 million this year may be low because of attractive retail pricing. In communications-industrial section is estimate that CB market was worth \$1.1 billion last year, up 150.4%; imports were valued at \$881.4 million FOB, domestic production (including some accessories) at \$225 million, up 53.3%. Copies of book are \$25 from EIA, 2001 Eye St. NW, Washington, D.C. 20006.

**HMW is quitting** electronic watch field, selling Time Computer & Pulsar brands & inventories to Rhapsody Inc., Philadelphia. Terms were undisclosed, but HMW's patents aren't included. HMW's Pulsar was first electronic digital watch on market, retailing at \$2,100 in 1972. Drop-out is 7th in 7 months. Other major marketers leaving electronic watch business: Armin, Benrus, Bulova, Gillette, Gruen, Litronix.

**TEAC raised** prices average of 5% July 1, citing hike in value of yen. Orders already booked for delivery through Sept. will be shipped at old prices, company said. Increase is in addition to surcharge covering cost of countervailing duty bonds which TEAC has been outboarding on invoices, and will refund to retailers if court decision ordering collection of extra duties is overturned.

**FCC canceled** PURAC (Personal Use Radio Advisory Committee) meeting, scheduled July 27-28, due to delay in receiving sufficient number of task force reports. Meeting will be rescheduled for Aug. 17-18 or Aug. 31-Sept. 1 in D.C.

**Sony Betamax** one-hour home decks are virtually sold out, company says. It will start taking orders for 2-hour decks in "couple weeks" for delivery starting 2nd or 3rd week in Aug.

# WEEKLY Television Digest

with  
Consumer Electronics...

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## Trade Personals

**James DeVoe**, former N.W. Ayer senior vp & management supervisor on RCA b&w account, joins RCA Sales Corp. as ad vp for mktg. services & mkt. research... **Charles Kesser** promoted to pres., Clinton Taiwan... **Douglas Scott**, ex-Xerox, joins GTE Public Affairs Dept. as public issues analysis dir... **Walter McDonald**, ex-U.S. Industries, appointed vp-gen. mgr., Midland Communications Div.

**Joe Dillon** promoted by Panasonic from industrial components national sales mgr. to Electronic Components Div. asst. gen. mgr. responsible for mktg., field sales & sales administration; **Harry Ishii**, former Consumer Components Group mgr., named ECD asst. gen. mgr. for planning & new product development; **Ken Terasaki**, ex-Data Communications Group mgr., appointed Industrial Sales Div. asst. gen. mgr. handling Data Communications, Industrial Equipment & Systems Groups; **T. Nagahisa** named ISD asst. gen. mgr., general operations.

**Robert Lennox**, ex-GE Germany pres., appointed General Instrument Europe pres., succeeding **Enrico Guzzetti**, now GI Italy pres... **James Faust** advanced at Zenith from market analysis mgr. to sales & mktg. dir., Zenith Hearing Instrument Corp... **Matt Weiss** joins ITA as activities coordinator... **Tsuyoshi Taira**, ex-Fairchild Camera, named mktg. vp, Sanyo Semiconductor Sales Corp... **William Garmon**, Altec senior vp, named pres.-chief exec., succeeding **John Cockrill**, resigned in wake of decision to move company from Dallas to Anaheim, Cal.

Poland's color TV plant, being constructed with help of RCA & Corning (Vol. 16:18 p11), is expected to be in operation by year's end, turn out some 60,000 sets next year, 300,000 annually by 1980.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Chris-Craft Industries 1977-9 mo. to May 31	65,673,000	6,433,000 <sup>a</sup>	1.31
1976-9 mo. to May 31	50,483,000	1,030,000 <sup>a</sup>	.05
1977-qtr. to May 31	26,568,000	3,601,000 <sup>a</sup>	.70
1976-qtr. to May 31	20,465,000	1,416,000	.26
Harman International Industries 1977-9 mo. to May 31 <sup>b</sup>	114,612,000	6,462,000	2.54
1976-9 mo. to May 31 <sup>b</sup>	94,491,000	6,838,000	2.83 <sup>c</sup>
1977-qtr. to May 31 <sup>b</sup>	37,412,000	1,528,000	.57
1976-qtr. to May 31 <sup>b</sup>	31,989,000	2,337,000	.97 <sup>c</sup>
Curtis Mathes 1977-year to May 31	53,393,509	2,200,000	1.33
1976-year to May 31	38,623,749	1,943,816 <sup>a</sup>	.66
MGM 1977-9 mo. to May 31	221,018,000	21,159,000	1.49
1976-9 mo. to May 31	193,709,000	17,526,000	1.23 <sup>c</sup>
1977-qtr. to May 31	74,122,000	7,449,000	.52
1976-qtr. to May 31	61,342,000	6,014,000	.42 <sup>c</sup>
National Semiconductor 1977-year to May 31	387,336,000	10,184,000	.78
1976-year to May 31	325,097,000	18,953,000	1.44
1977-qtr. to May 31	96,272,000	3,213,000	.25
1976-qtr. to May 31	88,166,000	4,498,000	.34

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

**CB Profile:** U.S. CB buyer has median age of 39.5, income of \$19,440, according to Time magazine. Other findings: Median price paid for 40-channel CBs was \$168 (survey was conducted March 28-April 20); 21% of 23-channel owners plan to buy 40-channel units; 37% of combined 23 & 40 owners believe 23s are more powerful vs. 17% for 40-channel owners; 92% of 23 & 40 owners are male vs. 95% for 40 owners.

**Japanese IC producers** are moving to establish position in world microprocessor market by 2nd-sourcing U.S. companies. Among recent technical tie-ups: Sharp-Rockwell, Nippon Electric-Intel, Kyodo Labs-Mostek. In addition, some \$250 million in Japanese govt. & industry funding has been provided for multi-company extra large-scale IC development effort.

**More VIR sets** are beginning to show up, presumably private-labeled by GE. Big Canadian dept. store chain T. Eaton Co. tops its Viking line with 25" GE-made VIR console. It's understood Montgomery Ward will show VIR sets in future catalog. Some non-VIR GE-made sets are recognizable in Ward's fall-winter book.

**New CB-interference bill** requiring installation of filters in CBs and other consumer electronic products, including TV, at time of manufacture, was introduced in House by Rep. Benjamin (D-Ind.). Bill would eliminate interference problems without "inhibiting the use of citizen band radios," Benjamin said.

WEEKLY

# Television Digest®

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JULY 18, 1977

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**ABC REACTS TO 'SOAP' CRITICS:** Duffy says criticisms are 'erroneous, exaggerated...ridiculous.' Silverman promises there'll be 'retribution' for immoral behavior. Advertisers on 'Soap' listed. (P. 1)

**OTP ELIMINATION** proposed by Carter in reorganization of Executive Office. Plan would shift most functions to Commerce Dept., create new asst. secy. for communications & information, retain small policy group in White House as part of Domestic Policy Staff. (P. 2)

**BUDGET TOPS BUSY FCC WEEK:** Agency expected to approve \$69.2 million for fiscal 1979, up \$7.9 million; last busy week at FCC until Sept. (P. 3)

**GOODMAN HITS GOVT. 'MISCHIEF'** in network inquiry and proposed Communications Act rewrite, accuses MPAA of seeking to become 'customer' as well as 'supplier.' (P. 4)

**IMPACT OF N. Y. BLACKOUT:** TV-radio networks little affected. Local TV outages vary—but radio takes center stage via portables. (P. 4)

**'HOLY HELL' ON SACCHARIN:** Broadcasters find strong allies in House in opposing restrictions on TV-radio advertising of saccharin. Senate Human Resources Committee softens TV-radio curbs. (P. 5)

**ABC ANALYZES FOR ANALYSTS:** Silverman sees NBC 2nd, CBS 'distant 3rd.' Duffy reports 21 new

affiliates will add 1 1/2-3/4 rating point. Pierce expects costs up 15-20%. (P. 5)

**NPR BALKS ON FUNDING** bill extension for public broadcasting for next 5 years. Chmn. Elson calls CPB-PBS proposal 'a self-serving document,' says he'll seek long-range planning first. CPB & PBS stunned. (P. 6)

### Consumer Electronics

**MORE PRICE HIKES** under consideration by Japanese producers as dollar continues to weaken in relation to yen. Increases could come as early as Sept., amount to about 5%. (P. 8)

**CONSENT ORDERS** by 5 Japanese manufacturers accepted by ITC, ending unfair-competition case brought by Sylvania. Strauss suggests quick approach to Congress on countervailing duties. (P. 9)

**INVENTORIES SEEN O. K.** after record June sales to dealers trim factory-distributor color stocks. Dealers in survey say color retail sales in first half were 12% above 1976. (P. 9)

**TV ACCIDENT DATA**-release lawsuit revived as U.S. Appeals Court (D.C.) upholds Consumers Union, orders lower court to reopen Freedom of Information case. (P. 10)

**TOP 50 ELECTRONICS** firms include GE as 4th, RCA 6th. Five of 12 top foreign electronics producers are Japanese. (P. 10)

**ABC REASSURES AFFILIATES ON 'SOAP':** "Many of the impressions that have been created about 'Soap' are erroneous, exaggerated and, in a few cases, even ridiculous," ABC-TV Pres. James Duffy told network affiliates July 15 in opening closed-circuit defense of program to affiliates. ABC Entertainment Pres. Fred Silverman added that most of critics—primarily religious groups—haven't seen show and their actions 'have been fanned by a story in Newsweek magazine and by self-serving comments of a competitor [CBS]' (Vol. 17:22 p2).

Duffy told us closed circuit was aired because negative press comments and statements by religious groups—Catholic Church, United Church of Christ and Southern Baptist Pres. Jimmy Allen—had created concern among affiliates. "We wanted to put it on the line from our point of view," he said. Affiliates had "very positive reaction" to Silverman explanation, Duffy said, added that only 4 stations have told network they won't clear "Soap"—WJZ-TV Baltimore (non-clearance applied only to first 2 episodes) [Vol. 17:28 p3], KTVO Ottumwa, Ia., KDUB-TV Dubuque, Ia., WOWK-TV Huntington, W. Va.

**ABC-TV Affiliates Chmn. William Turner** agreed that affiliates reacted favorably to closed-circuit presentation: "Fred laid it on the line...ABC isn't going to jeopardize what it's built the

last 2 years... The refinements ABC is making will allay many of the concerns that some of the affiliates have expressed... 'Soap' will become a better show because of all the flap."

Silverman & Bcst. Standards Vp Alfred Schneider stressed changes that are being made in first 2 episodes, viewed by affiliates & press, and continuing story line in effort to reassure affiliates. Silverman: "One point I want to underscore is that no character in 'Soap' is ever rewarded for immoral behavior... There will always be retribution for such behavior." He said ABC became No. 1 by innovation and it "would be tragic to cave in to fear and uninformed criticism" about "Soap."

Schneider promised that his office has been following "Soap" scripts "very carefully... We have required changes, including entire sections, and [the] producers & writers have cooperated."

"We are virtually sold out in 'Soap,'" ABC exec. told us; 30-sec. spots are going for \$76,-000-\$82,000. Network has steadfastly refused to reveal advertisers in program but following were obtained from Madison Ave. source: Pfizer (pharmaceutical products), Warner-Lambert, American Home Products, Miller Beer, Lever Bros., Time, Volkswagen, Datsun, American Motors, Revlon, Kaiser-Roth (clothing). "That sounds like the list," ABC official acknowledged; he questioned only Timex. It's known that several major advertisers—including General Foods and P&G—have told agencies that their scatter buys were not to be placed in or adjacent to "Soap."

\* \* \* \*

At NAB, TV Chmn. Kathryn Broman appointed committee to draft Code amendment—as directed by TV Board (Vol. 17:27 p2)—to exclude programming "generally perceived as obscene, profane or indecent." Broman will chair committee, which also includes James Ebel, Fetzer; Charles Batson, Cosmos; Leonard Swanson, WIIC-TV Pittsburgh (all from TV Board). From Code Board are Chmn. Robert Rich, KBJR-TV Duluth; James Conley, Meredith; Michael Kievman, Cox.

All 3 networks wanted on committee. "That just wouldn't have worked," Broman said, so there'll be none. NAB Exec. Committee meets July 25; Code group will meet about same time, Broman said. It's to have proposed language drafted in time for Sept. 16 TV board meeting in Washington.

Meanwhile, WGA-W Pres. David Rintels wrote NAB Pres. Vincent Wasilewski opposing toughening of Code on sex, warned "it puts us on a collision course with the NAB with possible serious consequences for everyone concerned." He said TV Board directions, if finally added to Code, "will be illegal & unconstitutional" under family viewing court decision, and "we would expect to fight them vigorously in federal court." Wasilewski responded that NAB has "neither intent nor desire to take any action that would contravene" court decision.

**OTP ELIMINATION PROPOSED:** Carter's plan to reorganize Executive Office was completed last week, sent to Congress for approval. As expected (Vol. 17:27 p5), plan would eliminate OTP, shift most functions to Commerce Dept., retain small policy staff in White House to advise President. New wrinkle: To increase clout of telecommunications staff within Commerce Dept., Carter would create Asst. Secy. of Commerce for communications & information, appointed by President, subject to Senate confirmation.

Transferred to President would be all OTP functions relating to presidential, national security & other emergency telecommunications; disposition of appeals by govt. agencies from radio frequency assignments and federal telecommunications procurement & management. OMB would manage govt. communication, arbitrate inter-agency disputes regarding frequency allocation. All other OTP functions would go to new Commerce asst. secy. "Small" telecommunications policy staff would be retained as part of former Domestic Council, renamed Domestic Policy Staff; its head is Stuart Eizenstat.

Three options went to Carter July 12: (1) Eliminate OTP, leave Commerce OT as is, with OT dir. reporting to Commerce asst. secy. for science & technology. (2) Eliminate OTP, appoint asst. secy. for telecommunications. (3) Eliminate OTP, create separate administration within Commerce for telecommunications, to further enhance policy area's status within Dept. Last option was pushed unsuccessfully by Communications Chmn. Sen. Hollings (D-S.C.) &

Rep. Van Deerlin (D-Cal.); both indicated last week they intend to continue to seek creation of separate administration within Commerce. Under President's reorganization authority, Carter has power to amend plan within first 30 days of its submission to Congress; if neither House nor Senate vote to oppose, it goes into effect within 60 days.

**BUDGET TOPS BUSY FCC WEEK:** All 7 FCC members plan to be in Washington this week—last time until after Labor Day, when there'll only be 6, maybe 5, members—and Chmn. Wiley has taken advantage of fact by scheduling 3 days of meetings. Top item will be July 19 consideration of proposed \$69.2 million budget (up \$7.9 million from current spending level) for fiscal 1979 (starting Oct. 1, 1978).

FCC staff had sought \$20.8 million increase and 698 new positions; that was cut back "to more reasonable figure" and 305 new positions by Exec. Dir. Richard Lichtwardt. Commissioners are expected to go along with his recommendation for submission to OMB in Sept., although some are grumbling that Common Carrier Bureau should get much more.

Exec. dir. noted Commission still is seeking "substantial increase [but] budget estimates of this magnitude are appropriate when one considers the significant workload increases we are experiencing in every activity." He also noted that employee ceiling is still same as fiscal 1976.

Breakdown of new proposal: Commissioners' offices will seek \$77,000 increase to \$1.78 million. It would raise chairman's travel budget from \$9,000 to \$11,000; that of other commissioners from \$4,500 to \$6,000. Also in commissioners' budget is \$5,200 for 1979 WARC.

Broadcast Bureau is seeking \$11.3 million (up \$353,000) and 9 new positions. Exec. dir. cut Bureau's request—which includes \$94,000 for stalled network inquiry (Vol. 17:27 p4)—by only \$48,000. Complaints & Compliance is seeking 127% increase in travel funds for enforcement because "this program is currently performing at a level termed not completely effective and less than adequate."

FCC is expected to seek \$2.79 million for Cable Bureau, up \$338,000 and 18 new positions, one of which will be sociologist "to assist in analysis and continuing data collection." Commission also appears to be gearing for authority to fine cable systems; it seeks 2 persons "to more fully implement forfeiture authority."

Original staff request sought additional \$8.2 million for research & planning, was cut back to \$859,000 in new funding for total of \$5.39 million and 23 new positions. Common Carrier Bureau would get \$1.4 million increase to \$10.67 million; Safety & Special \$963,000 to \$11.18 million; Field Operations Bureau \$2.58 million to \$16.7 million.

"Policy of deregulation" is "enthusiastically supported" by NCTA in comments on options papers (Vol. 17:17 p8) to House Communications Subcommittee. Assn. warns of "adverse impact" of non-federal regulation on cable's development, recommends that Congress "adopt a policy of total deregulation of cable's service... By specifically determining that no regulation should be imposed, a regulatory 'no-man's land' can legally be established preempting further regulation at the non-federal level." "Separations" approach is rejected by NCTA, to enable cable to "evolve in the marketplace." At same time, Assn. said it agrees with Subcommittee paper that choice between regulating cable either as common carrier or as medium similar to broadcasting "may be a forced and inappropriate one."

Drafting report on TV violence (Vol. 17:19 p2) is agenda of House Communications Subcommittee July 21. Draft will have gone through 5 staff rewrites by time it is submitted to Subcommittee. Staffer Carolyn Sachs is supervising; earlier redrafts were carried out by Bruce Wolpe of Rep. Waxman's (D-Cal.) staff following resignation of economist Alan Pearce (see p. 7).

WTTV Indianapolis has been sold by Sarkes Tarzian for approximately \$27 million to Teleco, pres. of which is Harvey Grace, ex-WXYZ-TV & WIOD(AM) Detroit. Teleco chmn. is Harold Berry, managing dir. of Detroit realtors Berry & Seyburn. Tarzian said he sold "because we're trying to get liquid and we got a good offer." Tarzian family is keeping its 4 radio stations, newspaper & TV tuner manufacturing business, he said. Principals claimed price is highest yet for independent.

Radio networks lost \$2.5 million in 1976, same as 1975, though revenues increased from \$52 million to \$64.3 million, according to FCC report. Networks' owned AM-FM stations, however, showed 57.9% profit increase from \$8.7 million to \$13.8 million, as stations' revenues rose 20.8% from \$84.3 million to \$101.8 million. Combined operations of networks & owned stations showed 42.7% profit increase to \$8.9 million, as revenues rose 24.1% to \$166.1 million.

INTV's 1978 convention has been expanded from 2 to 3 days, Jan. 30-Feb. 1, Vacation Village, San Diego.

**GOODMAN HITS GOVT. 'MISCHIEF':** "The mere existence of a network inquiry [by FCC] and of a legislative review on the basic law [Communications Act rewrite by House Communications Subcommittee] leaves the door wide open for mischief," according to NBC Chmn. Julian Goodman. Speaking to S.C. Bstrs. Assn., he said so far "the small changes" forced on broadcasting by govt. haven't "resulted in serious damage...Nor have they produced any positive effects. Yet, the tinkering goes on."

"Networks and stations must stand together against these incursions. The stake of the stations in the continuation of strong network operations is every bit as great as the stake of the network in stable, strong and effective stations."

Goodman was particularly critical of MPAA charges of network "oligopoly" in programming (Vol. 17:27 p6). He noted networks paid more than \$1.25 billion for programs & development in 1975, charged: "Since it makes little economic sense for suppliers to attack their best customers, it can only be assumed that their objective is to take over the role of the customer as well as the supplier...The suppliers seek to increase their profit further...by even greater government regulation of broadcasters. Certainly, this would substitute private gain for public responsibility. I must admit it does not make me sleep any better at night to know that [MPAA Pres. Jack Valenti] is there in Washington astride the motion picture industry's enormous war chest using profits they made from us to attack the few foundations of our business that remain to us—the right to operate the broadcast network itself."

He decried "sad fact" that broadcast news "must operate under restrictions not imposed on the print press," added: "Bearing in mind these limitations under which we are already required to operate, it is small wonder that we are puzzled by the fact that there are still more moves underway to restrict further the networks' ability to provide the kind of program service the public wants."

**U.N. Ambassador Andrew Young's plan to host TV talk show worries House Communications Subcommittee's Rep. Waxman (D-Cal.).** In July 12 letter to Young, congressman stated that "the potential for abuse of this program is broad, and needs to be carefully reviewed." Among questions he raises: (1) When govt. becomes "the manager of the news...the healthy tension which marks the relationship between news source and news reporter is removed." (2) Will viewers see "an unbiased analysis and considered critique of crucial foreign policy issues or the systematic presentation of official policy positions?" (3) "Is it not unseemly—improper in appearance if not in fact—for an Administration official (or his representative) to seek [commercial sponsorship] for his TV program?"

**National PTA** has begun series of 13 training sessions to train parents in letter-writing campaigns, station ascertainment process, monitoring programs, petitions to deny (Vol. 17:21 p3). First was July 13 in Des Moines. Others: Tulsa, Charlotte, Memphis, Cleveland, Hartford, Chicago, Tallahassee, Washington, Seattle, Portland, Salt Lake City, L.A.

**IMPACT OF N.Y. BLACKOUT:** TV networks suffered little from N.Y. blackout, while radio networks were hurt almost not at all. Local TV outages ranged from WCBS-TV's 6 min. to WNBC-TV's hour & 28 min., to WABC-TV's 16 hours & 26 min. and independent's outages similar to WABC-TV's. Most local AMs & FM's lost little time.

In Washington, FCC Comr. Quello quickly said blackout problems raised question "as to whether or not we should or can require standby facilities"—and Comr. Fogarty promptly said "I'm in favor of an immediate inquiry." On Capitol Hill, however, spokesmen of Communications Subcommittees showed little inclination to go into issue—apparently believing TV-radio had come through reasonably well.

Blackout occurred at 9:34 p.m. July 13, and all 3 networks were back on with auxiliary power within 6-7 min. WABC-TV was off until 2 p.m. next day because, according to spokesmen, it had no emergency generator at Empire State Bldg.—no room for it. WCBS-TV got back on same time as network. WNBC-TV generator cut in, overloaded exciter; single operator on duty had to repair it because building guards wouldn't let help walk up stairs—and he had it back on at 11:02 p.m.

But performance of TV didn't matter much to New Yorkers, since no one had electricity at home. Thus, radio—via transistor—performed heroics during night & day of looting, arson & fear. As July 15 N.Y. Times headline put it: "For New Yorkers in the Darkness, Radio Voices Offered a Comforting Link to the Light."

**Newton Minow**, former FCC chmn., now in Chicago law firm Sidley & Austin, reportedly is balking at disclosing value of stock holdings in connection with expected nomination to CPB board (Vol. 17:12 p4). He was in China and unavailable for comment, has made no final decision, according to White House aides. Minow first told White House he'd agree to disclose names of stocks held but asked that he not be required to disclose how many shares of each. White House then asked Senate Commerce Committee what disclosure would be required for confirmation. Committee aides indicated full details would be required, as usual. White House decided to require Minow to make full disclosure in order to be nominated, hasn't asked Senate for waiver of requirements. Meanwhile, Presidential aide told us only "paperwork" remains before CPB nominations are sent to Senate.

**FTC Improvement Act of 1977** never made it to House floor last week, as scheduled (Vol. 17:28 p5). Instead, bill was stalled in Rules Committee. Late last week, backers attempted to get bill on Rules agenda for this week, again failed. Bill now may be stalled until fall; compromises weakening measure also may be proposed by Rules members opposed to legislation. Considered especially vulnerable is provision facilitating filing of class action suits by consumers who are victims of consumer fraud or deception.

**AT&T** has filed new radio tariff at FCC seeking 5% across-the-board increase.

**'HOLY HELL' ON SACCHARIN:** Broadcasters found strong allies in opposing restrictions on TV-radio advertising of saccharin—as proposed in bills now pending in both House & Senate. House Communications Subcommittee Chmn. Van Deerlin (D-Cal.), ranking Republican Frey (Fla.), Consumer Subcommittee Chmn. Eckhardt (D-Tex.) & ranking Republican Broyhill (N.C.) have written Health Subcommittee Chmn. Rogers (D-Fla.) that giving FDA power to place curbs on such ads trespasses on their jurisdiction. If legislation isn't changed, they said, "we should feel forced to object when the legislation is reported to the full Committee."

Bill goes to full Commerce Committee this week. Original bill—as drafted by Rogers—didn't mention advertising; amendment giving FDA power to regulate TV-radio ads was offered by Communications Subcommittee's Rep. Waxman (D-Cal.). Legislation's major effect would be to delay for 18 months govt.'s ability to ban saccharin.

On Senate side, Human Resources Committee approved companion measure 11-3, with amendment by Sen. Schweiker (R-Pa.) softening restrictions on electronic ads. Original bill—drafted by Sen. Kennedy (D-Mass.)—required that any TV-radio ad devote entire content of ad to discussion of saccharin controversy. Schweiker amendment would cut that to 50% of ad. Bill now goes to Commerce Committee. It's expected to meet on bill this week.

Broadcasters have bombarded Congress with letters & calls opposing ad restrictions. Kennedy said total ad ban failed (on 4-4 vote) in Human Resources Committee because "the broadcasters raised holy hell." In comments to Commerce Committee, NAB said: "Broadcasters feel strongly that as long as a product is sold lawfully it should not, by federal law or regulation, be banned for advertisement... It is the product and not its advertising which deserves attention."

CBS Washington Vp Bill Leonard wrote Senate Communications Subcommittee Chmn. Hollings (D-S.C.) that bill will be "totally or almost totally discriminatory against broadcasting," added he's "apprehensive... when any agency of government gets into the business of dealing with the 'form and content' of commercial messages."

**NAB Senior Vp Thomas Swafford**, speaking to Colo. Bcstrs. Assn.: "The radio station manager who hasn't made some arrangements to screen the lyrics of songs, who isn't aware of what's being said and sung on his license, is living dangerously. But isn't it ironic that radio is being blamed for promiscuity at the same time the Radio Code—and the TV Code, too—are being pressured to relax their bans on commercials for contraceptives?"

FCC exclusivity inquiry should be converted to rulemaking immediately, NCTA urged in petition, noting that Appeals Court gave Commission 6 months to comply with Home Box Office decision in favor of pay cable (Vol. 17:13 p1). Assn. charged networks & stations with antitrust violation in contracting for films, keeping them from pay cable for extended periods.

**ABC ANALYZES FOR ANALYSTS:** ABC Entertainment Pres. Fred Silverman, before N.Y. financial analysts last week: "We'll be in a very strong No. 1 position. I think the 2nd network will be NBC. CBS will be a distant 3rd." He said CBS is weak on series & specials, while NBC has 250 hours of specials. NBC's approach "is a costly way of doing business but I think they'll get some numbers there. CBS's schedule looks like it should have been scheduled 3 years ago. There's nothing new—too many old shows. You must go for the hits, and I don't see any big hits in CBS's schedule... NBC is trying to buy immediately higher numbers and is paying through the nose for them... trying to hold affiliates by short-term turn-around numbers."

Network Pres. James Duffy reported that ABC had added 21 new affiliates over last 18 months—13 from CBS, 5 from NBC, 3 new on air—producing 195-station lineup vs. 182 in Jan. 1976, adding 1/2-3/4 rating point. He said ABC-TV prime time next season is 80% sold out. ABC-TV Pres. Fred Pierce forecast 1977-78 costs will go up 15-20% for all 3 TV networks.

Additional witnesses for Communications Act rewrite panels on broadcasting have been announced by House Communications Subcommittee (Vol. 17:28 p4): Overview (July 25)—Marcus Cohn, Cohn & Marks; Ernest Jennes, Covington & Burling. Broadcasting & spectrum (July 26)—Joseph Costello, KSMI(FM) New Orleans; Lee Knauer, National Translator Assn.; Charles Thornton, WTRI(AM) Brunswick, Md.; Rep. Findley (R-Ill.). First Amendment (July 26)—Ernest Schultz, RTNDA; Sen. Proxmire (D-Wis.); Roscoe Barrow, U. of Cal. Industry structure & ownership (July 28)—Ray Johnson, KTVL(TV) Medford, Ore.; John Dimling, NAB; Charles Tate, Booker T. Washington Foundation. Programming (Aug. 2)—Joseph Floyd, KELO-TV Sioux Falls; Ralph Baruch, Viacom; Frederick Pierce, ABC; Lee Rich, Lorimar Productions. Regulation vs. competition (Aug. 3)—Collot Guerard, Media Access Project; Dennis Doelitzsch, WDDM-FM Marion, Ill.; James Dowdle, WTOP St. Petersburg; Stanley Hubbard, KSTP-TV St. Paul; Donald Thurston, WMNB-FM N. Adams, Mass. Broadcasting & new technologies (Aug. 4)—Crawford Rice, KSTW(TV) Tacoma; Clinton Hartman, Texas Instruments; Jack Findlater, MCA Discovision.

"**Pro-social**" programming "may foster improved mental health by exerting beneficial influences on the ordinary, everyday emotional and behavioral climate of the family and home," according to study of 183 couples by UCLA School of Medicine's R. Gorney, D. Loyer & G. Steele. As summarized in June 1977 Psychiatry Digest, researchers asked wives to rate husbands' attitude—using standardized "mood adjective check list"—after viewing about 20 hours of TV over week's time consisting of either pro-social, violent, mixed, "neutral" or self-selected programs via closed circuit TV. Husbands weren't told their wives would rate their behavior. Husbands watching pro-social programs showed "a significant decline" in aggressiveness by end of week, while viewers of violent programs—as well as self-selectors—"maintained their initial levels of aggressive mood."

**CBS TENNIS PROBE:** CBS investigation of 4 televised tennis matches (Vol. 17:27 p4) found public "was given incomplete and, in some respects, inaccurate information concerning the financial arrangements for the matches." Most glaring deception was that for all 4 "winner-take-all" matches, loser also was paid solely for playing. Though investigators Arthur Lane, Princeton, and Timothy Black, Washington, concluded most of blame belongs to promoters, "the actions and omissions of CBS...played a part."

Perhaps most unusual deception was billing of prize money for 2nd & 3rd matches as \$250,000 though purse actually was "well over" that "because they believed the public would consider any higher amount to be excessive."

Meanwhile: (1) ABC hired Michael Armstrong to investigate network boxing. ABC said it will drop Nov. 5 Ken Norton-Jimmy Young fight if investigation finds wrongdoing by promoter Don King. (2) House Communications Subcommittee requested NBC turn over documents—including NBC-Soviet contract for 1980 Olympics. Network hadn't responded at week end.

**CBS RECORD QUARTER, HALF:** With earnings growth led by TV network, CBS reported record sales & profits for 2nd quarter & first half 1977. Net income for 2nd quarter of \$54.9 million (\$1.95 share) was up 16% from \$47.5 million (\$1.67) in 1976; April-June sales were \$653.7 million, up 23% from \$529.4 million year ago.

For Jan.-July, CBS estimated net was \$87.9 million (\$3.11), 17% increase over \$75.3 million (\$2.64) last year; 6-month sales rose 23% to \$1.29 billion from \$1.05 billion. CBS said pre-tax profit rose 14% in quarter, 12% in first half, said there had been weakened TV spot market at owned stations during 2nd quarter.

\* \* \* \*

TvB/BAR reports advertisers spent \$306.1 million on networks in May, up 24.9% over 1976. During Jan.-May, spending on 3 TV networks was \$1.5 billion, up 24.4% over same 1976 period; of total, ABC led with \$497.3 million (although that network was 3rd in May with \$99.4 million), CBS \$496.1 million, NBC \$484.5 million.

— "Dial-a-Program" switched cable system is being installed in Arnhem, Netherlands, as joint project of Rediffusion & Deltakabel, will serve 400 homes initially. System will have 24 channels, 72-channel potential. At first, subscribers will be able to receive 2 Dutch channels, 3 German, 6 FM. French & British programs, plus closed-circuit channels and 2-way services, will be added later. Project will include experiments with fiber optics in homes.

Hughes TV Network signs 3-year, \$3 million agreement with WU—largest purchase of domestic commercial satellite video services, according to Hughes.

SCTE discloses it has 833 members plus 17 corporate or sustaining members.

**NPR BALKS ON FUNDING BILL:** New NPR Chmn. Edward Elson is latest to rock public broadcasting boat, fueling feud between CPB and its TV & radio arms. Feud centers on funding for public broadcasting; present 3-year advance-funding authorization bill expires soon, and Administration is expected to submit new legislative proposal this fall. PBS, CPB & NAEB voted to support 5-year extension of present funding law, with levels rising from \$210 million in fiscal 1981 to \$300 million in 1985. On insistence of Chmn. Elson, NPR board last week tabled resolution of support, put off action until Aug. 22 meeting.

Resolution is "a self-serving document" for PBS & CPB, Elson told us. "I do not accept the principle that long-range allocation is in the best interests of public radio. It may in fact deny the access of radio to the minimum funds necessary to do its job. I don't see why we should endorse another 5 years of poverty."

NPR action stunned PBS & CPB officials. Angry CPB dirs. denounced it at Seattle board meeting last week. Commented CPB Pres. Henry Loomis: "We have been working in what we thought was unanimity... that if we were to get a bill this fall, the sole practical way was to seek an extension of the present legislation. Other things will take some time... This is a diversified system. One drawback of such a system is that it moves slowly." PBS Pres. Lawrence Grossman wasn't available for comment. However, spokesman told us: "Our board voted to support the 5-year funding plan. That's what we're going to do."

Elson, who claims close ties with top Carter staffers, denied he based board action on expectation that White House recommendations will alter present public broadcasting structures, such as elimination of CPB. He said that in next couple of weeks he'll get CPB & PBS "off their cans and come up with some long-range plans. What I'm suggesting is, you don't ask for something without saying what you're going to do with it."

FCBA fall seminar Sept. 15-18, Hershey, Pa., includes: (1) Sept. 16 panel on "Sex, Violence & Self-Regulation," with Tom Swafford, NAB; George Gerbner, U. Pa.; David Gerber, producer of "Police Story," etc.; Jerome Singer, Yale U. (2) Sept. 17 panel on "New World of Communications," with FCC Comr. Lee; Irving Kahn, BroadBand Communications; Gordon Huffcutt, State Dept. Office of International Communications Policy; Kenneth Crandall, Satellite Business Systems.

Pole attachment legislation is subject of House Communications Subcommittee July 22 hearing. Testifying will be representatives of NCTA, CATA, FCC, AT&T, USITA, American Public Power Assn., NARUC, Edison Electric Institute, National Rural Electric Cooperatives & National Telephone Cooperative Assn.

Action for Children's TV & 14 other national organizations meet with FTC Chmn. Michael Pertschuk July 20 to discuss ACT petition to regulate TV advertising of candy to children (Vol. 17:15 p4). Pertschuk recently said children's advertising—especially for sugared products—is FTC's 'No. 1 priority" (Vol. 17:28 p3).

## Personals

**Mark Cohen** promoted at ABC-TV to senior vp with expanded responsibilities for coordinating operating, financial & planning activities for all divs.; **William Pierson** elected ABC controller, relocates to N. Y., succeeded by **Mabel Rappaport** as asst. controller, West Coast.

In Golden West Bcstrs. reorganization: **John Reynolds**, TV Div. pres., named Bcst. Div. exec. vp & chief operating officer; **Bert West** resigns as Radio Div. pres.; **Anthony Cassara** succeeds Reynolds as vp-station mgr. of KTLA L. A.; **Don Patton** named Videotape Div. vp-gen. mgr.; **Edward Herlihy** vp-engineering.

WGN Continental Bcstg. promotions: **Jack Jacobson** to asst. dir. of broadcasting and WGN-TV Chicago operations mgr.; **Harry Trigg** to WGN-TV station mgr.; **Paul Kelvyn** to WGN-TV program mgr., succeeding Trigg... **Rita Scarfone** advanced to asst. to pres., ABC-owned TV stations, new post... **Armella Selsor**, ex-vp-media dir., McCann-Erickson, joins INTV as dir. of sales, Chicago, in expansion... **Joseph Jones**, ex-CBS Radio Spot Sales, named Combined Communications vp with responsibility for corp. planning involving recent station acquisitions... **Steve Friedheim** promoted to gen. sales mgr., WDCA-TV Washington... **Walt Elder** advanced to community affairs dir., WSB-TV Atlanta.

**Will Mebane**, ex-WTVD Durham, N. C., named promotion mgr., WKBW-TV Buffalo.

**Frank Mankiewicz**, author, broadcaster & Democratic politician, named National Public Radio pres. at \$65,000 a year... **Alan Pearce**, ex-House Communications Subcommittee staff economist, and **Robert Sachs**, ex-legislative aide to House Communications Subcommittee member **Timothy Wirth** (D-Colo.), named consultants to OTP for broadcast & cable matters.

**Arnold Huberman**, ex-ABC, joins HBO as vp & dir. of programming-films, new post; **Winston Cox** promoted to vp-affiliate relations; **Sean McCarthy** advanced to vp-treas.; **Michael Fuchs** promoted to vp & dir. of programming, sports & specials; **James English**, ex-WJLA-TV Washington, appointed scheduling dir.; **Lee DeBoer**, ex-TeleRep, named research dir.

**Charles Gentry**, ex-Orange Cablevision, Orlando, named CPI N. E. engineer; **Steve Kerstetter**, ex-Cape Cable, Mass., named N. E. project coordinator... **Donald Dworkin**, ex-Manhattan Cable TV, named Warner Cable engineering mgr... **Louis Scott**, ex-Branham Newspaper Sales, appointed Viacom Enterprises creative services dir.

**Jose Martinez-Villarejo**, National Telecommunication Co., Spain, elected Intelsat chmn., succeeding **Richard Collino**, Comsat, U.S.; **Marcel Perras**, Teleglobe Canada, elected vice chmn... **Lloyd Bashkin** promoted to RCA Service entertainment & industrial sales mgr., responsible for broadcast services sales... **John Woods**, ex-Farion Electric, named Catel vp-engineering... **H. C. Bowers** appointed operations mgr., new post, microwave communications products, Hughes

## Aircraft Electron Dynamics Div.

**Charles Goldstein** advanced to Columbia Pictures TV vp-post production; **Roger Hudson**, ex-Marvin Sugarman Inc., joins domestic syndication operation as vp-special mktg.; **Andrea Baynes** appointed a vp, program development.

**Mike O'Sullivan** & **Anne Everitt** elected Nielsen vps... **Dan Woodward**, ex-N. Y. Stock Exchange ad dir., joins National Advertising Div. of CBBB as ad review specialist... **Stuart Sucherman** promoted to vp-corp. affairs dir., WNET N. Y... **Pat Perini** appointed vp-broadcasting, KERA-TV Dallas.

**Home Box Office** has wrapped up bunch of new affiliates, including ATC's big (30,000) Southwestern Cable, San Diego, which switched from Optical's operation. Harris Cable is joining HBO with 3 Falcon systems served via Gilroy, Cal. earth station, plus system in Hickory, N.C. Televents converts its Redlands, Cal. system from stand-alone to HBO, also adds El Cerrito. HBO reports that following were added in June & early July: Newark, O.; Knoxville, Tenn.; Wilmington, N.C.; Overland Park, Kan.; Beckley, W. Va.; Charleston, S.C.; St. Lucie, Stuart, N. Palm Beach & Jupiter, Fla.; Reading & N. Versailles, Pa.; Belvidere, Ill.; Watertown & Hyde Park, N. Y. Optical, meanwhile, changed name of Channel 100 to "Home Premiere Cinema," and Pres. Alan Greenstadt said name "clearly defines our service as being, precisely, first run movies in the home." Company has added Trans America's Fresno system.

Pre-release protection of KIRO-TV Seattle against Canadian station carriage was ordered by FCC for 3 Seattle cable systems. Action follows remand by Appeals Court which reversed original Commission decision for "lack of an apparent rational basis."

"Managing the Non-Union Station" is Sept. 11-14 seminar in Winston-Salem to be sponsored jointly by NAB and Center for Management Development of Wake Forest U. Registration will be limited to 40. For Information: Ron Irion at NAB (202-293-3532).

National Assn. of Black-Owned Bcstrs. has been formed for stations with over half black ownership. Group will foster increased black ownership, work on black-oriented broadcasting problems. Pres. is **Elliott Franks**, WOIC(AM) Columbia, S.C.

Classified ads—6 min. daily—may be offered free by educational KRN-B-FM Neah Bay, Wash., under FCC decision which noted that station is on Makah Indian Reservation which has no nearby commercial stations or newspapers.

IVC reached agreement in principle with Bank of America & Citibank enabling operations to continue. Firm closed doors, filed under Chapter 11 earlier this month when banks cut off credit (Vol. 17:28 p5).

Ch. 13 Radio Bahamas, Nassau's first TV station, has ordered \$2.5 million in RCA equipment, expects to go on air late this year.

FCC has issued 17th "re-regulation order," updating, relaxing &/or deleting many minor broadcast rules.

# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 1 (26th week of 1977):

	June 25- July 1	1976 week	% change	June 18-24	First Half 1977	First Half 1976	% change
Total TV.....	380,826*	281,840	+35.1	288,663	6,302,199	5,436,489	+15.9
color.....	247,101*	181,528	+36.1	170,257	3,868,297	3,193,660	+21.1
monochrome....	133,725*	100,312	+33.3	118,406	2,433,902	2,242,829	+8.5
Total radio.....	1,855,516	787,620	+135.6	1,254,409	21,565,133	16,467,035	+31.0
home, portable ..	1,636,400	576,747	+183.7	1,024,808	15,169,675	10,333,303	+46.8
AM-only.....	278,769	52,940	+426.6	209,242	3,575,975	2,156,648	+65.8
FM & FM-AM ..	1,357,631	523,807	+159.2	815,566	11,593,700	8,176,655	+41.8
auto.....	219,116	210,873	+3.9	229,601	6,395,458	6,133,732	+4.3

Color TV 5-week moving average: 1977—158,952\*\*; 1976—138,005 (up 15.2%).

\*Highest of any week in 1977.

\*\*Record for 26th week of any year.

**YEN RATE MAY FORCE MORE INCREASES:** Japanese consumer electronics manufacturers are bracing for possible 2nd round of price hikes later in year as yen continues climbing against dollar. (By week's end, dollar rose slightly to 264 yen but remained near lowest level in several years.) Panasonic, JVC, Toshiba, Hitachi and other Japanese TV & audio firms expressed belief prices will go up again—possibly as much as 5%—if rate doesn't stabilize soon.

Yen-dollar exchange isn't only factor leading to talk of more price hikes, just latest addition to long list of woes facing importers—quotas, uncertain outcome of battle over countervailing duties (see p. 9), continuing spiral in production costs in Japan, possibility that higher yen rate could open them to further TV dumping penalties in U.S. market.

Increases could come anytime after summer, depending on size of current inventories and length of fixed-price contracts signed by importers. Hitachi National Sales Mgr. Bruce Schoenegge says logical time would be Sept.-Oct. period for products aimed at Christmas market. "We're definitely steeling ourselves for the possibility of price increases," he said. Added JVC Exec. Vp Joe Aikeda: "It looks like they might have to go up. I don't know by what percentage, but 5% is something of a guideline for the industry."

Combination of all factors now affecting importers makes it "difficult, if not just about impossible, to do proper planning," Pioneer Pres. Bernard Mitchell said. "But there's no question that every manufacturer of consumer electronics in Japan, especially those affected by countervailing duties, will have to make some adjustments."

Posture of domestic producers on pricing is uncertain. Major TV makers may see it as chance to boost own prices, or as opportunity to increase competitive stance against importers by holding prices at current levels. Domestics also are faced with possible problems in pricing new videocassette systems, all of which will be made in Japan for foreseeable future.

Situation could prove boon to non-Japanese importers, including Korean producers now shopping in U.S. for private-label & direct-shipment customers. "It's a good chance for them," Japanese producer said, "but I don't think they've got either the right product or the capacity to make a major impact on the market. They are going to start nibbling at the edges, however."

**ITC ACCEPTS DECREES, CLOSES IMPORT CASE:** International Trade Commission last week voted 3-1 to accept consent-order settlement of unfair-competition complaint involving 5 Japanese manufacturers (Vol. 17:24 p9). This effectively closes out Tariff Act Sec. 337 case brought by Sylvania—except that ITC remains involved as referee for next 7 years to make certain manufacturers live up to their pledges.

Manufacturers involved are Hitachi, Mitsubishi, Sanyo, Sharp & Toshiba. Without conceding any wrongdoing, they promise not to engage in predatory color TV price practices in U.S., enter into price-fixing or market-allocation agreements or engage in unlawful acts to prevent U.S. companies from selling color sets in Japan. ITC split 2-2 on whether ruling should be subject to Presidential review—meaning there will be no such review, presumably on grounds that ITC made no findings in case and therefore there's nothing to review.

Administration may not wait for higher courts to review Customs Court's finding that imports of Japanese consumer electronic products are subject to countervailing duties—but may go to Congress soon to try to get finding reversed, it's strongly suggested by Robert Strauss, Presidential special representative for trade negotiations. U.S. Steel had cited ruling in Zenith countervailing-duty case as precedent in unsuccessful attempt to seek Customs Court mandate for CV duties on steel imports from Europe (Vol. 17:25 p8). If further attempts by U.S. Steel are successful, Strauss said, in interview in July 9 National Journal, that govt. may go to Congress soon.

Issue is touchy one and timing is important, Strauss indicated: "The problem is going to hit us right at the time we hope really to be moving forward in Geneva [trade negotiations], and so I would sure hate to be on the Hill at the time we were trying to negotiate. There would be a lot of rhetoric coming out of there—particularly if it hit during election time when every one of these fellows [is] running for office. They have got constituents...that are raising hell with them about this plan or that plan, or this unemployed sister, or that unemployed uncle. Everyone wants to help you except just a little exception made for this, and a little exception for that...I can very well understand their problems, and they don't want to have to face this any more than we do."

In Philadelphia, meanwhile, Federal Judge Higginbotham is expected to rule this week on Zenith request to release some confidential filings in \$900-million antitrust suit against Japanese TV makers. This presumably would make more documents available to Zenith in its behind-scenes publicity campaign against imports.

**INVENTORIES O. K. AFTER RECORD JUNE:** At 1977's halfway point, color sales to dealers stood at 3,868,297, up 21.1% from 1976 (see State of the Industry), annual sales rate of just 9 million sets, while record June & 2nd-quarter figures pointed to 9.1-million rate.

Although June sales to dealers were up 15.2% from 1976 month, manufacturers apparently played conservative game, producing about 867,700 sets (including imports), up only 2.9% from year earlier. Production in earlier months of year had sharply exceeded sales increase, and as result some 4,529,000 sets were produced or imported in first half—17% higher than sales to dealers. At half, production was up 19.2% from 1976 vs. 21.1% sales increase.

As result of good sales and tight control of production, total factory plus distributor inventories increased very slightly during June—up 2% to 2,623,000 sets. Factory inventories were down 2.7% to 1,519,000, while distributor stocks rose 9.3% to 1,104,000 as new models started flowing out into field. As compared to year earlier, total inventories were up 15.8%, factory up 21.6%, distributor up 8.6%. Factory plus distributor inventories constituted about 13 weeks' supply at current sales pace.

Survey of our EWR dealer panel indicated first-half color sales were up 12% at retail in units, 14% in dollars. Disparity between retail & wholesale sales increases could represent inventory-building by dealers in anticipation of import price hikes. (Our monthly EWR retail sales & inventory survey is now in its 3rd year; for subscription information, call our Washington or N. Y. office.)

Final June week was best TV sales week of year to date—247,101 color sets, up 36% from

1976; 133,725 monochrome, up 33.3%. Here are EIA TV-radio sales-to-dealer figures for 5-week June, with 1976 & 1975 comparisons:

Product	June 1977	June 1976	% change	June 1975
Total TV . . . . .	1,290,438	1,171,454	+10.2	1,088,107
color . . . . .	794,760	690,027	+15.2	617,937
monochrome . . . . .	495,678	481,427	+3.0	470,170
Total radio . . . . .	6,489,299	3,957,740	+64.0	4,298,490
home, portable . . . . .	5,306,591	2,798,827	+89.6	3,532,106
AM-only . . . . .	1,169,982	385,168	+203.8	956,936
FM & FM-AM . . . . .	4,136,609	2,413,659	+71.4	2,585,170
auto . . . . .	1,182,708	1,158,913	+2.1	766,384

**TV SAFETY SUIT (CONT.):** Complex 1975 litigation over whether Consumer Product Safety Commission should release accident data collected from TV makers in 1974 (Vol. 15:15 p14 et seq.) has suddenly bounced back into spotlight with D.C. Appeals Court ordering lower court to reopen dismissed case.

Battle started in spring 1975 when CPSC said it planned to turn over accident data gathered under subpoena to consumer groups under Freedom of Information Act (FOI). Legal action to block release was taken by 13 TV manufacturers, which sued in Wilmington federal court, eventually got ruling that data was confidential, not subject to FOI release. In meantime, however, Consumers Union & Ralph Nader's Health Research Group (HRG) demanded data under FOI in suit brought in D.C. court, but case was dismissed on grounds no dispute was involved.

CU appealed, and latest ruling by appeals court orders rehearing in lower court on grounds CPSC was "less than vigilant" in backing FOI disclosure, there was no adjudication of case on merits, CU & HRG weren't invited into Wilmington case. There's feeling that D.C. rehearing could go against manufacturers, because FOI Act has been broadened since case was heard, and Justice Dept. —which didn't back CPSC in previous court action—now more strongly favors FOI data release.

**Philco is recalling** two 19" & one 15" color TVs (3,132 sets) made April-July for possible shock hazard. Fewer than 10% of sets are believed to be in consumers' hands, remainder at distributors & dealers. Spokesman said defective Philomatic color-correction button on 19" (C2925JWA) & 15" (C2525-JWA), defective ATC button on 19" (C2912JWA), could give user 120-volt shock if (1) spring-loaded button is depressed fully, (2) user is grounded, and (3) wall outlet isn't polarized. Defects were discovered in factory quality-control check.

**Four-week round** of Magnavox dealer shows in 9 areas begins July 25 in Miami, Cleveland & Denver, ends Aug. 18 in Rochester. Magnavox spokesman said each div. will be given new TV prices, which went into effect July 1, at meetings. Suggested retail prices are up \$20-\$40 on color, \$20-\$30 on monochrome, with actual size of increase subject to regional variations.

**TOP 50 IN ELECTRONICS:** Annual Electronic News ranking of top 50 electronics firms placed GE 4th with electronic product sales volume of \$2,436 million, 15% of gross sales. Survey, based on last 4 reported quarters, ranked RCA 6th with electronic product sales of \$2,094 million, GTE 8th (\$1,194 million).

Other consumer electronic firms, with ranking and electronic sales in millions (total sales in millions where different): Rockwell 14th, \$1,535 (\$5,525); TI 17th, \$1,377 (\$1,660); Raytheon 18th \$1,275 (\$2,552); North American Philips 21st, \$1,214 (\$1,723); Zenith 22nd, \$993; GI 28th, \$466; Fairchild 33rd, \$421 (\$463); National Semiconductor 36th, \$379 (\$380); Corning 39th, \$337 (\$1,056).

List of top foreign manufacturers contains 12 firms, including 5 Japanese (Fujitsu, Hitachi, Matsushita, Nippon Electric, Toshiba), N.V. Philips, GE Ltd., Plessey, Thomson-CSF, Siemens.

**Projecta-Vision** projection TV sets are now covered by unique RCA Factory Service warranty, according to principals. As we reported last week (Vol. 17:28 p10), RCA Consumer Electronics will not honor warranty claims on its sets used in projection TV because they have been modified. However, under agreement with RCA Service Co., Projecta-Vision pays in advance for any service required during warranty period—2 years picture tube, one year other parts, 90 days labor. Thus, warranty is honored by Service Co., not RCA Consumer Electronics.

**Magnavox & IUE** Local 796 meet with federal mediators July 21 in effort to settle strike called July 1 at Greeneville, Tenn. color TV plant (Vol. 17:28 p9). Magnavox spokesman said union was offered new 3-year contract providing: (1) 88¢ hourly increase over 3-year period. (2) 20% increase in pension benefits. (3) 75% increase in daily hospital room & board costs. (4) 100% increase in major medical insurance coverage. (5) additional paid holiday every year. Firm put cost of benefits over 3 years at \$6 million.

**Motorola** won separate Timex contracts for more than million LCD watch modules and development of LCD circuits. Modules will use Motorola 5-function C/MOS LCD chip, production eventually being shifted from Schaumburg, Ill. to Phoenix.

Tracing private-label importers of unsafe products will be tackled soon by Consumer Product Safety Commission. Problem is that foreign manufacturer may make identical item for several different importers under various brand names. If item is hazardous, CPSC has no way of knowing how many U. S. marketers sell it. One plan under consideration is to have U. S. embassy in country of origin get customer list from manufacturer. CPSC also is considering staff proposal for shock-hazard labeling on TV & CB base station antennas & supports (Vol. 17:5 p10). Staff estimates labels will add 10-20¢ to cost, recommends that antennas sold without masts be packaged with warning labels for consumer to affix to support.

**Displaced GE workers** formerly making vidicon tubes in Syracuse were denied import adjustment assistance by Labor Dept. LD study shows imports of vidicons & other light-sensing devices declined in 1975 & 1976, blames falling GE sales primarily on phaseout of TV guided missile by unidentified military contractor, said other GE customers either cut back on purchases or switched to other U. S. suppliers. New cases opened by LD cover workers who lost jobs when Automatic Radio closed car stereo plant in Brockton, Mass. and those formerly producing smoke detectors for Electro Signal Lab of Rockland, Mass.

**Gross margins** of NARDA members declined last year, Association's annual Costs-of-Doing-Business Survey shows. Service-only dealers had average gross profit ratio of 47.9, down 2.7 points from 1975; appliance-radio-TV dealers posted 25.1 ratio, off 2.6 points; audio specialists had 37.8 ratio, down 0.5 point. Appliance dealers were able to trim operating expenses to 21.9% of sales, compared with 25.1% in 1975, but expenses for audio dealers rose to 35.2% from 34.8%, and for servicers to 44% from 40%.

**Rebound in demand** by calculator, TV & watch makers has led Japanese large-scale IC producers to boost output. NEC hiked production 10% to 4 million monthly, plans increase to 5 million in July; Hitachi doubled output to 2 million monthly; Sharp is now turning out million monthly; Matsushita is launching \$20-million expansion program, plans to increase LSI production 50% by fall.

**JVC** signed \$47-million contract to supply EMI's Australian subsidiary with parts needed to produce 150,000 21" & 25" color sets plus undisclosed quantity of complete smaller color sets, over next 5 years. Package includes technical aid & production equipment. Earlier this year, JVC contracted to supply Canada's Electrohome with 800,000 color sets & chassis over 10 years for about \$144 million.

**Videocolor**, joint RCA-Thomson venture in France, announced plans to invest \$22 million in plant in Lyon to increase color tube output. Company will employ 950 by year's end, expects to produce about 500,000 tubes annually beginning next year. Some 90% of production is exported to other European countries.

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with  
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**CB Scene:** Fairchild's Exotron Div. is sampling producers with new controller IC which combines channel-selection & automatic-scanning capabilities, drives 7-segment display. Volume production is scheduled for 3rd quarter... **New high end** for Radio Shack is \$430 SSB base station with LED digital clock & automatic modulation gain circuit designed to eliminate need for power mike... **Brochure** giving general information on CB, plus review of important FCC rules, has been published by EIA Citizens Radio section

**British consumer electronics** business continues to show improvement, all of increase over 1976 represented by imports. Latest BREMA figures (Jan.-April) show color TV deliveries to distributors at 480,000 sets, up from 395,000 last year, with imports representing 23% in 1977 vs. 13% in 1976. Monochrome set sales totaled 356,000 (53% imports), up from 330,000 (41% imports). Audio system sales declined to 170,000 from 182,000, with radio deliveries at 1.79 million, up from 1.3 million.

**Superscope ended** dispute with dissident stockholders, averting proxy fight & lawsuit. Company agreed to give board seats to Robert Gintel & Stephen Draizin of Gintel & Co. and 2 other outside directors—I.R. Caraco of Bechtel Power and Alan Scharff of M.A. Enterprises. Gintel, claiming to represent 7% of Superscope's outstanding shares, had sought 3 board seats, charged company had no unaffiliated board members, expressed dissatisfaction with management & earnings (Vol. 17:16 p12).

**Siemens** beat out Honeywell for control of Litronix, will pay \$7.5 million for 80% ownership of financially-troubled semiconductor house. Package will net creditors 35% of claims, against Honeywell's 31% offer. Arrangement is subject to approval of bankruptcy court.

## Trade Personals

**Pierre Lamond**, dismissed as Advent pres. in May by Chmn. **Peter Sprague** (Vol. 17:21 p10), rejoins Sprague's National Semiconductor as technical dir.; **Ron Mickwee**, ex-Rockwell & Hy-Gain, appointed NS Consumer Products Div. mktg. vp... **Allyn Bascom** advanced from Sprague Products Western to national sales mgr... **Leonard Lapine**, ex-Morse, appointed Superscope Imperial Div. national sales mgr.

**John Barrale**, ex-Admiral national mktg. mgr., joins R&A Distributing Corp., Chicago (RCA TV, Sanyo audio), as vp-gen. sales mgr.; **John Nieman** promoted to consumer products field sales mgr... **J.W. Sullivan**, ex-mktg. vp, elected pres. of GTE's W.M. Chace Co., succeeding **Vincent St. Onge**, now vp-gen. mgr. of GTE Parts Div.

**Al Hazan**, ex-Pertec, named gen. mgr. of Signetics' new Microprocessor Div... **Willie Ozbirn** advanced at CTS Taiwan from crystal products mgr. to gen. mgr., succeeding **Ken Selzer**, now CTS Keene asst. gen. mgr... **Gene Nelson**, ex-General Instrument, joins Chicago Miniature Lamp as treas.-controller, succeeding **Earl Erickson**, resigned... **Stan Harris**, ex-Analog Devices, appointed Teradyne Components Div. mktg. dir... **Paul Hoppe**, ex-Sola Basic, named Switchcraft engineering vp.

**Theodore Cutler**, ex-Audio Div. mgr., appointed Memorex Consumer & Business Media Group vp, succeeding **Robert Jaunich**, now exec. vp; **Howard Earhart**, ex-Comdata Div., is new Audio Div. gen. mgr... **Rosemarie Monaco**, ex-production mgr., appointed Sony business products ad mgr., taking over some of duties of **Irwin Ungerleider**, now concentrating on video products... **Lewis Kasch**, Tektronix U.S. sales vp, named group vp-U.S. sales & international operations, assuming duties of **Donald Alvey**, resigned as group vp-mktg. & international operations; **Eberhard von Clemm**, ex-international mktg. mgr., named vp-international operations mgr.

**Bruce Johnson**, ex-Medtronic, named mktg. planning mgr., Johnson American... **Peter Bennett** promoted to asst. to EIA Communications Div. Staff Vp **John Sodolski**... **Emmett Duemke** advanced at Radio Shack as buyer for phone devices, intercoms & speakers... **Lauren Nordvall**, ex-Combustion Engineering, named GTE Service Corp. senior economist, succeeding **Joseph Citarella** now with GTE Communications Products Business.

**Warranty interpretations** under Magnuson-Moss Act have been finalized by FTC, generally following those proposed last Aug. (Vol. 16:34 p11). Commission pointed out that although its interpretations are "advisory," failure to comply "may result in corrective action." Copies from Public Reference Branch, FTC, Washington 20580.

**Mergers & acquisitions:** Semicon acquired Sarkes Tarzian Semiconductor Div. for undisclosed amount, will continue production of current-regulator, diode & rectifier line under ST Semicon Inc. name.

**Sanyo subsidiary** Korea T.T. announced plans to produce 30,000 b&w TV sets for U.S. market, ranging from 12" to 19".

## 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
<b>CBS</b> 1977-6 mo. to June 30	1,288,000,000	87,900,000	3.11
1976-6 mo. to June 30	1,045,700,000	75,300,000	2.64
1977-qtr. to June 30	653,700,000	54,900,000	1.95
1976-qtr. to June 30	529,400,000	47,500,000	1.67
<b>GE</b> 1977-6 mo. to June 30	8,446,300,000	487,300,000	2.15
1976-6 mo. to June 30	7,400,500,000	411,100,000	1.82
1977-qtr. to June 30	4,383,300,000	271,900,000	1.20
1976-qtr. to June 30	3,917,000,000	238,600,000	1.05
<b>Hy-Gain Electronics</b> 1977-9 mo. to May 28	45,291,312	(5,981,623)	--
1976-9 mo. to May 29	80,963,743	18,896,921	5.31 <sup>a</sup>
1977-qtr. to May 28	11,428,060	(5,684,999)	--
1976-qtr. to May 29	36,158,276	8,218,651	2.15 <sup>a</sup>
<b>Owens-Illinois</b> 1977-6 mo. to June 30	1,367,169,000	50,611,000 <sup>b</sup>	1.72
1976-6 mo. to June 30	1,270,690,000	63,721,000 <sup>b</sup>	2.08
1977-qtr. to June 30	687,815,000	32,718,000 <sup>b</sup>	1.12
1976-qtr. to June 30	637,537,000	32,117,000 <sup>b</sup>	1.01
<b>Raytheon</b> 1977-6 mo. to July 3	1,374,379,000	52,521,000	1.71
1976-6 mo. to June 30	1,171,169,000	40,908,000	1.34 <sup>a</sup>
1977-qtr. to July 3	712,783,000	29,483,000	.96 <sup>i</sup>
1976-qtr. to June 30	598,751,000	23,008,000	.75 <sup>a</sup>
<b>Scripps-Howard Bctg.</b> 1977-6 mo. to June 30	23,816,000	5,308,000	2.05
1976-6 mo. to June 30	23,031,000	5,330,000	2.06
1977-qtr. to June 30	12,993,000	3,130,000	1.21
1976-qtr. to June 30	12,900,000	3,256,000	1.26

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

**Proposed energy targets** for TV sets established by Federal Energy Administration, to be achieved by 1980, with 1972 as base period: Color—35% reduction in energy consumption, of which 28% would be achieved by switch to solid-state, 7% by elimination of instant-on. Monochrome—65% reduction, 52% from change to solid-state, 13% by ending instant-on. Hearing is scheduled Aug. 19. FEA's goals could be academic if Congress passes new energy bill. Meanwhile, most TV manufacturers will attend Cal. energy workshop Aug. 16. Several companies have indicated there's no way they could meet state's proposed power-consumption limits for TV sets (Vol. 17:28 p8).

**FCC is publicizing** conviction of L.A. man on 2 counts of selling power amps for use with CB radios. FCC, which called it first such prosecution in U.S., is mounting aggressive campaign to control power—or linear—amps and has proposed total ban on manufacturing linears for use in CB, type-acceptance standards for those in other bands. L.A. resident Young Park was convicted of making & selling linears designed to boost CB output to as much as 2,000 watts.

**Pathcom** Pres. William Thomas believes class-action suit filed against it by San Diego shareholder charging securities law violations is without merit. Thomas said suit claimed Jan. 1976 prospectus was defective since it didn't accurately indicate problems CB market would face.

WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**THURSTON MOVES FAST AT NAB:** 'Activist' chmn. starts 'frank' dialog with TV networks, seeks expansion of 'broadcast town meetings.' (P. 1)

**CABLE FRANCHISE ROLE** almost eliminated by FCC in 4-3 vote. Keeps 3-5% fee ceiling, but adds payable revenues to fee base. Will have voluntary 'guidelines' for franchisers. (P. 2)

**VIOLENCE REPORT STALLED** until this week by House Communications Subcommittee. Latest draft advocates greater role in lessening TV violence for Congress & FCC. First Amendment 'tossed out the window,' CBS's Leonard charges. (P. 3)

**POLE ATTACHMENT BILL** gets warm reception from House Communications Subcommittee. NAB proposes lower fines for small broadcast stations and cable systems. (P. 4)

**CBS RESTRUCTURES BCST. GROUP** because of 'dynamic expansion.' Schneider to concentrate on govt. & future; Jankowski named exec. vp, heads daily operations. (P. 4)

**TV CANDY ADS** pose 'serious' problem, require FTC response, Chmn. Pertschuk tells 15 children's & health groups seeking strong children's ad curbs. Says possible remedies include ban, disclosure, warnings & counter-advertising. (P. 5)

**THURSTON MOVING FAST AT NAB:** "He'll be an activist, that's for sure," colleague of Donald Thurston's on radio board said in Williamsburg last month when Thurston was elected NAB chmn. (Vol. 17:27 p2). From a veteran NAB exec.: "He's a very no-nonsense guy who can perceive the bull quicker than anybody I know. He isn't a believer in the status quo method of doing business."

In his 4 weeks as chmn., the small-market radio operator has lived up to these evaluations. He's only NAB's 2nd radio-only chmn. (Grover Cobb was first) and moved quickly to rectify fact that he isn't well acquainted with TV network brass and their problems. Thurston & NAB Pres. Wasilewski—2 of them often have been at loggerheads during Thurston's 2 years on Exec. Committee—met last week with John Schneider at CBS ("I was impressed with Thurston," Schneider said); Frederick Pierce, Everett Erlick & Alfred Schneider at ABC; have similar session July 25 with Herbert Schlosser & David Adams at NBC.

"We began a frank & open dialog with the networks," Thurston said. "The main concern of both was the Code situation"—tightened language on sex which special committee will attempt to draft for consideration at Sept. 16 TV board meeting (Vol. 17:29 p2). TV Chmn. Kathryn Broman heads committee, which meets first time early in Aug. Thurston said biggest problem with Codes is public awareness of what industry has accomplished.

### Consumer Electronics

**1977 MODEL-YEAR** color sales up 22% to 8,375,000 sets, monochrome up 8% to 5.4 million for 3rd best year; radio sales best since 1973. (P. 7) First-half sales at-a-glance. (P. 11)

**PC-78 DEAD**, merged with Winter CES. EIA Citizens Radio Section will sponsor CES CB seminar. (P. 7)

**VIDEOPLAYERS VIEWED** with hostility by educators & program suppliers at N.Y. seminar. A.D. Little sees movie houses losing to big-screen TV. (P. 8)

**CB FORECASTS** trimmed by suppliers from earlier projections. (P. 9)

**TV SAFETY STANDARD** should be voluntary, evaluation contractors tell Consumer Product Safety Commission. (P. 9)

**RCA RECORD** results reported for 2nd quarter & half. Zenith 2nd-quarter net flat, GTE says consumer electronics losses continued, both blaming import competition. (P. 10)

**SPRAGUE TO SUE** in Customs Court to force Treasury dumping duty levy on Japanese capacitors. (P. 10)

**NEW TOSHIBA COLOR** line shows \$10-\$60 price hikes, brighter Blackstripe II picture tube, new IC chassis. (P. 11)

NAB hopes to alleviate that situation somewhat with public meetings this fall—Oct. 18 in Cambridge, Nov. 11 in San Diego, both in conjunction with fall conferences. Exec. Committee will approve format for meetings July 25 and Thurston will urge that at least one be added. "We just can't meet on the East & West Coasts and leave middle America wide open," he told us. "There are some very valid concerns there."

Senior Vp-Public Affairs Thomas Swafford has recommended that all members of TV Code Board and one from Radio Code Board attend sessions, along with dozen NAB staffers, to answer questions. He suggested use of local news personality as moderator to "serve as a bridge between the local people and those on stage." Local broadcasters should be present to answer questions about their stations. Swafford would have "broadcast town meetings" heavily promoted in newspapers and with TV-radio spots, says cost to NAB of 2 meetings would range \$6,500-\$10,700.

Also on agenda for Exec. Committee is appointment of several NAB committees, including new one for public affairs: William O'Shaughnessy (chmn.), WVOX(AM) New Rochelle, N.Y.; Bruce Johnson, Starr Bcstg.; William Bengston, KOAM-TV Pittsburg, Kan.; William Turner, KCAU-TV Sioux City, and perhaps one more.

**FCC'S SHARP CUT IN CABLE FRANCHISE ROLE:** In rather surprising 4-3 vote, FCC last week voted to get itself out of cable franchising field—with one significant exception: It will keep 3-5% ceiling on fee charged by franchising authority. Cable industry will have mixed feelings about action. Though it likes 3-5% ceiling, it won't like fact Commission said fee will cover pay-cable revenues as well as basic subscriber revenues.

All other mandatory features of FCC franchise rules are thrown out—such as 15-year maximum, "due process" procedures, system for handling customer complaints, construction deadlines, extension-to-new-areas requirements, etc. All such items will be put into "advisory guidelines"—amounting only to suggestions to city authorities.

For grandfathered systems—those obtaining franchises before 1972—new rules will apply either 15 years after initial grant or on expiration of current franchise, whichever is earlier.

Dissenters were Fogarty, Washburn & Hooks. Fogarty believes court's Home Box Office decision takes all franchising jurisdiction from FCC; he'd get Commission totally out of field. Washburn would have retained due-process features, requiring public hearings. "You have hidden hearings, where the franchise is given to the mayor's sister-in-law," he said. He'd also retain 15-year rule—"It's not too short." Hooks concurred in 3-5% fee, dissented on removal of complaint procedure and extension-of-service feature, foreseeing "cream-skimming," leaving poor unserved.

NCTA had no official comment, but Gen. Counsel Stuart Feldstein said industry would be happy with retention of 3-5% fee, upset about applying fee to pay-cable revenues. Other features of rule hadn't been major problem for most systems, he said.

"Outrage"—FCC Comr. Washburn. "Ridiculous"—Comr. Fogarty. "Pitiful"—Chief Engineer Raymond Spence. These were comments last week on U.S. entertainment budget for 1979 WARC when question was raised by Comr. Lee at FCC budget meeting (Vol. 17:29 p3). He pointed out other countries exchange gifts & cocktail parties and U.S. doesn't have money to participate, said he'd raise subject in Congress. Commission also deleted funds from proposed budget for Cable Bureau to have its own WARC representative.

**Broker Doubleday Media** has been sold to employees, according to Pres. David Scribner, who also announced that hq of Doubleday Bcstg. (owner of 7 radio stations) is being moved from Dallas to Denver. Scribner is vice chmn. of NAB radio board.

**Mediation panel**, consisting of ex-CBS labor relations chief William Fitts, IATSE Vp Emeritus Richard Walsh & labor columnist Victor Reisel may be called in to help settle NABET strike against ABC. Recommendation for panel came in telegram to AFL-CIO Pres. George Meany from IATSE Pres. Walter Diehl, and received support from ABC Labor Relations Vp Richard Freund. At press time, officials of NABET's ABC wing were unavailable for comment.

**Home Box Office** "markedly reduced its operating losses in the first 6 months of 1977," Time Inc. stated in quarterly financial report. Company doesn't disclose figures, but HBO Chmn. Gerald Levin said: "Things are going well. As you know, we have a lot of new affiliates. The disconnect rate has moderated. Programming is more consistent."

**VIOLENCE REPORT STALLED AGAIN:** Members of House Communications Subcommittee got together for first time last week to consider draft report on TV violence, almost immediately decided to put off final discussion until July 26. Though first draft was sent to members in early May (Vol. 17:19 p2), latest version didn't arrive until day before Subcommittee meeting. Several members complained that they had never seen it or had received it so late that they hadn't had time to consider it.

Present version is 5th draft, but before last week's meeting, revisions had been based on objections voiced by staffers, not members. At end of meeting, members were asked to circulate suggestions before next session.

Delay was sought by Reps. Russo (D-Ill.), Frey (R-Fla.) & Marks (R-Pa.). Though no member opposed delay once it was suggested, Reps. Wirth (D-Colo.) & Waxman (D-Cal.) earlier had said it was time—in Wirth's words—"to fish or cut bait." Commented Waxman: "We now have before us what I think is a pretty good statement of the issue... If in a sense we're harsh on the networks, I'm one of the first to admit that the networks are responding to this criticism."

Latest draft's major difference from earlier versions seems to be in role it advocates for Congress and FCC in lessening amount of TV violence. Though draft continues to acknowledge that govt. can't dictate actions in programming because of First Amendment, it does advocate greater role for govt. in "indirect" attempts to regulate.

Earlier version recommended that Congress include First Amendment in Communications Act, hold colloquium, support further research; that networks, program producers and others study feasibility of program ratings, inobtrusive electronic "white dot" warning signal marking violent shows, or locks on sets.

Latest draft, however, drops recommendation that Congress amend Communications Act, asks instead that Subcommittee staff "explore fully the structure of the broadcasting industry in order to enable the Subcommittee to better evaluate (a) whether the present system of commercial network broadcasting arbitrarily restricts program choice or is in any way primarily responsible for the high levels of violence on TV, and (b) whether consideration should be given to altering the structure of the broadcast industry by legislation designed to increase competition and, perhaps, choice."

Draft also recommends that Subcommittee tell FCC to sever from network inquiry the Group W petition to require networks to permit affiliates to pre-screen all shows 4 weeks before air date (Vol. 17:9 p4) and complete rulemaking on matter within 180 days; start rulemaking within 180 days to consider whether broadcast licensees should be required to carry certain percentages of specific types of programs; start rulemaking within 180 days to consider whether all new TV sets should be required to have either "unobtrusive program rating service" or locking devices.

New recommendations caused CBS Washington Vp Bill Leonard to issue statement calling it "inconceivable" that Subcommittee will adopt report as written. "Somehow, between the first draft and the most recent proposals, the First Amendment has been tossed out the window and the dark hand of government intervention and control of broadcasting has been ushered in the door. Instead of a summary of committee hearings, we now have a report that recommends everything from a restructuring of the entire broadcasting business to padlocking TV sets." Subcommittee Chmn. Van Deerlin (D-Cal.) said he couldn't understand all the fuss, stating that everything contained in draft already had surfaced during Subcommittee hearings.

Rest of report isn't radically different from original draft, though there have been many minor shuffles and changes such as:

(1) Dropped are "findings" that family viewing had "a profoundly chilling effect on the creative community [and raised] the dreaded spectre of government-inspired censorship" and that networks have failed to systematically consult with their "various constituencies"—public, creative community, etc.

(2) Added are findings that (a) "Industry self-regulation is a potentially effective way to limit the levels of televised violence. However, efforts at self-regulation have not, to date, been successful"; (b) "Parental supervision is an effective way to curb the negative effects of excessive viewing of televised violence by children." Parents are urged to complain to industry, FCC, advertisers and public interest groups.

(3) Recommended that research material on how to measure & define violence on TV be turned over to Library of Congress to enable independent analysts to compare present studies, figure out best way to proceed. Draft notes that Librarian of Congress Daniel Boorstin has agreed to plan, but that nothing has happened. Draft also recommends "continuing financial support" for research on TV effects.

■ ■ ■

**Merger of Cox Cable into Cox Bcstg.** was approved by holders at annual meeting July 22. (FCC has granted waiver of cable-TV cross-ownership rule for Atlanta CATV system for 2 years, after which Cox must divest system or WSB-TV.) Following approval, former Cox Cable Chmn. J. Leonard Reinsch was named Cox Bcstg. chmn., succeeding Robert Chambers, who remains on board. William Kimball, former Cox Cable dir., was named to Cox Bcstg. board, replacing Anne Cox Chambers, resigned to assume post of U.S. Ambassador to Belgium. Stanley Mouse, broadcast operations head, and Henry Harris, Cox Cable pres., named corp. exec. vps., retain current duties.

"Plain English" rules for broadcasters would be welcome, NAB Gen. Counsel Erwin Krasnow wrote FCC Chmn. Wiley, commanding Commission for putting CB rules into "plain English."

**ATC now serves 600,000 subscribers**, making it 2nd largest after Teleprompter, passing TCI, having added some 80,000 in last year. About 40,000 get pay cable.

**HOUSE WARM ON POLES:** It was "5-0 shutout" for cable during House Communications Subcommittee hearing on pole attachments, according to Stuart Feldstein, NCTA vp-gen. counsel. He was commenting on industry's warm reception from congressmen, cable arguments, rebuttals from power & phone companies. Only uncertainty seems to be future of legislation. Combined pole-forfeiture authority bill is in limbo on Senate side while staff studies issue during Aug. congressional recess, according to Communications Subcommittee aide. House Communications Subcommittee, meanwhile, apparently will wait to see what Senate does before acting.

Amos Hostetter, representing NCTA, noted that total annual pole fees are more than profits of entire cable industry, and that 41 power or phone companies in 27 states currently are involved in pole disputes today vs. 23 in 16 states in Aug. 1976. NARUC's Alexander Kalinsky said Assn. agreed to support federal solution despite fact that states "do not like to confer additional jurisdiction on the federal govt." CATA supports pole bill, but opposes combined-forfeiture-pole legislation, according to Kyle Moore.

American Electric Power's A. Joseph Dowd and AT&T's Charles Stanford played down disagreements between cable and phone & power firms. "The cost of everything has gone up," Dowd said, claiming increase in pole rentals reflected generally rising costs. "There has been no disagreement" on poles between Bell & cable, Stanford stated, though he later admitted that disagreement disappeared only when AT&T and cable agreed under FCC gun (Vol. 15:40 p3), is likely to reappear when agreement expires at end of 1978.

FCC Gen. Counsel Werner Hartenberger repeated position that Commission pole regulation would create administrative burden, should be kept at state level. Members' questions stressed fact that bureau chiefs & commissioners aren't unanimous in opposing FCC jurisdiction.

Meanwhile, NAB Exec. Vp-Gen. Mgr. John Summers wrote Sen. Hollings that Congress should lower minimum & maximum fines for small broadcast stations & cable systems in pending FCC forfeiture authority bill. Summers recommended lower fines for stations with 20 or fewer employees and systems with 3,500 or fewer subscribers, with minimum \$50, maximum \$5,000.

FCC's "Mr. Fixit" approach to UHF—"nibbling" at problem of UHF-VHF inequality rather than taking actions "to assure its development"—is scored by PBS Vice Chmn. Hartford Gunn in article in May-June Public Telecommunications Review. Commission's pace has been "slow-footed at the very least, irresponsible at the most," he states. In addition to technical improvements in UHF receivers, he urges that FCC not reallocate UHF spectrum space to land mobile service.

"A disturbing trend of increasing commercialism by non-commercial radio & TV stations" has been detected by NAB. Gen. Counsel Erwin Krasnow asked FCC to draft "more specific guidelines & restrictions on fund raising schemes" to prohibit it.

**CBS RESTRUCTURES BCST. GROUP:** Changes in top executive level of Bcst. Group were made by CBS Pres. John Backe last week because of "the dynamic expansion of the broadcast business." Most directly affected are Group Pres. John Schneider—given "broadening responsibilities"—and Gene Jankowski—promoted from vp-administration to exec. vp-chief administrative officer of Bcst. Group, new post.

According to Backe, Schneider's new responsibilities include "representing CBS in govt. & industry matters [he's done that since Arthur Taylor left as CBS pres.] and in giving new emphasis to strategic planning in the entire field of broadcast communications, including satellites and other technical developments." Jankowski will be responsible for day-to-day operations of Bcst. Group; 4 div. heads plus finance, operational planning & research report to him. Jankowski will report to Schneider. Haskell MacCowatt, CBS vp-treasurer, succeeds Jankowski as vp-administration.

"Not only no, but hell no," CBS exec. close to Backe told us in response to speculation that Schneider's new responsibilities represented "a sideways move," not new responsibility. "We've got to have somebody out front on broadcast matters and Backe thinks that man should be Schneider."

**New policy on govt. audiovisual production**—including TV & radio programs & spots—has been proposed by OMB. Due to proliferation of audiovisual use, duplication of effort, poor use of existing facilities and lack of knowledge about govt. use, OMB proposed management circular states, all agencies should: (1) Consider alternatives before contracting for productions. (2) Coordinate new productions to avoid duplication. (3) Test productions' effectiveness. (4) Improve use of existing facilities. (5) Report all productions annually to National Archives' National Audiovisual Center.

FCC is expected to deny, at July 27 meeting, reconsideration of 1976 ruling that it has no jurisdiction over radio entertainment formats (Vol. 16:31 p4). Also due for consideration: (1) Recommended changes in Sec. 315 of Communications Act—limiting equal time to major parties and abolishing law for presidential & vice presidential candidates (Vol. 17:9 p5); (2) Comr. Hooks' proposal to start rulemaking requiring that station sales be announced 45 days in advance to give minorities chance to bid.

Noting pending departure of Chmn. Wiley, NAB Pres. Wasilewski has asked FCC to upgrade re-regulation task force to permanent basis "so that it may continue to serve both the Commission and the public." Wiley started task force—which has deleted or simplified more than 600 FCC rules—shortly after he became chmn.

CBS starts new School of Management July 31, giving 20 upper & middle staffers 6-day course at Old Westbury, L.I. It's directed by J. Sterling Livingston, head of Sterling Institute, Washington.

"QUBE" is name chosen for its Columbus, O. 2-way cable operation by Warner, which said it was picked for "its distinctive identification factor."

**FTC PRODDED ON TV CANDY ADS:** Problem of TV advertising of candy and other highly-sugared foods to children is "serious" and "requires a response" from FTC, Chmn. Michael Pertschuk said last week. He was responding to 15 representatives of national children's & health groups—organized by Action for Children's TV Pres. Peggy Charren—seeking FTC action on ACT petition filed last April (Vol. 17:15 p4). Petition seeks ban on TV candy ads with dominant appeal to children, or which appear during programs for which children make up at least half of audience, or which appear before 9:05 p.m.

Group members said ban should be enacted because candy causes cavities, is expensive, is substituted for more nutritious foods. Groups also cited TV's "strong" influence and children's lack of nutritional education other than that contained in TV ads.

"Parents who are trying to teach good nutritional habits are really fighting a losing battle against the very glamorous kinds of information contained in TV ads," said Ann Kahn, National PTA. Commented Alberta Meyer, Assn. for Childhood Education International: "I think it is unfortunate for TV commercials to teach one kind of information that schools must then have the children unlearn." On other hand, Theodore Levitas, National Academy of Pedodontics, said he had concerns over First Amendment implications of ad ban.

Pertschuk said he wasn't prejudging issues but outlined 4 possible remedies: (1) Require ads to reveal amount of sugar in product. (2) Complete ban. (3) Counter-advertising—"some way to provide consumers with access to the media as well as funds sufficient to have access to the same level of talent as the candy advertisers." (4) Warnings, such as requirement that ad state possible adverse effects of excess sugar.

Pertschuk seemed most interested in counter-advertising, but public interest groups disagreed. "First an ad says, 'Eat this.' Then another ad says, 'Don't eat this.' That's the height of ridiculousness," Meyer said. However, Pertschuk questioned whether ad ban wasn't ruled out by recent Supreme Court decisions declaring such bans unconstitutional restrictions on free speech.

Comr. Clanton sought help on 2 problems: (1) How to justify applying remedy to all age groups when only youngest need protection. (2) How to distinguish between "unique aspects of TV advertising to children" and ads directed to children in other media.

**D.C. Appeals Court** affirmed FCC rule that institutional owners may hold up to 5% stock in broadcast & cable companies. In June 1976, Commission raised limit from 1% for insurance companies, 3% for investment firms. Relaxation was appealed by NCCB.

**Sept. 2-3** National Black Media Coalition conference in Washington will feature seminar at FCC hosted by Comr. Fogarty.

**Rep appointments:** KMIR-TV Palm Springs & WRGB Schenectady appoint Katz; WVII-TV Bangor names Avery-Knodel.

**Restrictions on TV-radio advertising of saccharin products** contained in proposed amendments to FDA Act (Vol. 17:29 p5) would be eased by amendment to be offered by Senate Communications Subcommittee Chmn. Hollings (D-S.C.) during full Commerce Committee executive session July 26. As approved by Senate Human Resources Committee, bill would have HEW Secy. compose health warning for broadcast ads with "equal impact" of warning required in print ads. Hollings will propose deleting that provision, adding new section to Communications Act stating that if broadcaster accepts saccharin ads, he must devote "a reasonable amount of [program] time" to discussion of health effects of saccharin products. Broadcaster would have option of making time available for purchase by outside groups for such discussion. At week end: (1) NAB official said Assn. still was studying Hollings proposal. (2) House Commerce Committee still hadn't set date for mark-up of companion bill.

**TV stations provided** 200,000 hours of local news in 1976 and total "continues to increase in major markets," according to NAB Research Vp John Dimling. In NAB study on "localism," prepared for House Communications Subcommittee hearing on rewrite of Communications Act this week, Dimling said that 81% of public agree that 'local newscasts do an excellent job of covering most of the major news stories in the area.' He said 168,000 hours of public affairs and other "non-entertainment" programming (including networks) were telecast in 1975, cited case studies in 3 markets, public service of broadcasters in emergencies.

**NAB asked FCC** to reconsider rules authorizing new radio Travelers Information Service adopted in June (Vol. 17:25 p3). Also asking for stay, NAB said: "TIS service as presently structured suffers from miscalculation and crucial oversights and conflicts with Commission policy and precedent... adversely affecting broadcasting and the general public alike."

**FCC personnel changes:** Joseph Marino, who was slated to head network inquiry, postponed under Senate pressure (Vol. 17:24 p1), returns to Common Carrier Bureau to work on AT&T backlog. Henry Patrick, deputy chief of Public Information Office, retires; Chester Higgins, asst. to Comr. Hooks, will join PIO. Norman Blumenthal, legal asst. to Hooks, will move to Gen. Counsel Office.

**FCC Chmn. Richard Wiley**, House Communications Subcommittee economist Karen Possner, White House communications aide Richard Neustadt, & Broadband Communications' Irving Kahn participate in Aug. 21-23 Southern Cable TV Assn. convention, Colony Sq. Hotel, Atlanta.

**Subject to Canadian ratification** at July 27-29 meetings, FCC will authorize land-mobile sharing of Ch. 14-15 in Cleveland and Ch. 15-16 in Detroit. Sharing would be for 10 years (with review after 5), cover area within 50 miles of 2 cities.

**Movie theaters will be obsolete** by 1985, replaced by VTR, discs, cable, etc., according to study by A.D. Little Inc. (see p. 8).

## Personals

**Richard Stakes**, ex-Washington Star newspaper pres. and one-time pres., Evening Star Bctg., appointed exec. vp, Spartan Radiocasting... **Don Dunkel**, NBC News, promoted to vp-news, NBC TV Stations, N.Y... **Richard Laughren** advanced to sports program practices dir., CBS-TV, new post.

**Herbert Jellinek** promoted from ABC-TV vp-production operations & admin. to production vp... **Chet Collier**, ex-Group W, appointed Metromedia vp-programming... **Grant Norlin**, ex-ABC-TV Spot Sales, joins Multimedia Program Productions Eastern Div. sales staff... **Robert Gilmartin**, ex-WKRC-TV Cincinnati, appointed news dir., KHOU-TV Houston.

**Judy Green**, ex-Top Market TV, named national sales mgr., WTOP-TV Washington... **Gene Malone**, ex-WNEW-TV N.Y. and N.Y. Yankees sales dir., named gen. sales mgr., WDAU-TV Scranton... **Glenn Wright** advanced to national sales mgr., KIRO-TV Seattle... **Cliff Fisher** promoted to local sales mgr., WKBW-TV Buffalo... **Richard Salant**, CBS News pres., appointed communications professor, Washington State U., will lecture occasionally.

**William McClelland** appointed engineering supervisor, Communications Properties subsidiary Telcom Engineering... **Bud Yankowski** promoted to engineering mgr., Ampro Bctg.

**Benjamin Pellegrino**, Tele-Vue Systems vp-controller, adds duties as Communications Div. controller, parent Viacom International; **Frank Bias**, Tele-Vue Systems vp-engineering, named Viacom Communications Div. vp-engineering... **David Pardonner** promoted to Teleprompter cable TV operations dir., new post.

**Fred Flaxman** elected vp-program development, WETA-TV-FM Washington, new post... **John Sie**, ex-Jerrold Electronics, appointed Showtime vp-mktg. & affiliates, new post.

Soap operas currently take up 52% of daytime network programming, will increase, according to BBD&O report on "Daytime Network TV, 1977." Other daytime program types include game shows (34%) and situation comedies (14%). Game shows are slowly disappearing, according to BBD&O, because production costs have almost doubled in last 2 years. Serials "will never be a major part of the daytime schedule" because of limited availability of "good situation comedies" with enough episodes to be shown 5 days a week. Soaps' popularity is on rise because they're cheap & quick, reach women 18-49.

**D. C. Appeals Court** affirmed FCC order refusing license renewals of WOTW-AM-FM Nashua, N.H. because of "a record of fraudulent billing practices that could not be excused." In 1974 decision, FCC Judge Byron Harrison had recommended renewal and \$10,000 fine; FCC reversed this in Feb. 1976.

**NBC** set 2nd-quarter earnings record as net rose faster than revenue because of strong advertiser demand and higher rates, according to RCA quarterly report (see p. 10).

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**FCC Comr. White** "commended" House Communications Subcommittee for proposed Communications Act "review" in speech to Cal. Bctrs. Assn., added: "On the other hand, I long have been concerned over the suggestion that the Act be totally rewritten. Concern deepened to alarm when I read the broadcaster option paper [Vol. 17:17 p8]. The so-called alternative options to our present system of broadcasting are mostly discarded old ideas retrieved from the basement or attic where they belong. Our common sense goal in 1977 should be to build upon and seek to improve the successful present system, not to look for theoretical alternatives." At Monterey convention, native Californian ABC Pres. Elton Rule received CBA "Broadcaster of the Decade" award.

**NATAS** and its renegade Hollywood chapter have agreed to operate separately, split up responsibility for Emmy awards. This resolves lawsuits, gives to new Hollywood ATAS right to award Emmys for nighttime entertainment shows and local awards for Hollywood, leaves to NATAS right for awards for daytime, sports, broadcast journalism and non-Hollywood local productions. Members of both organizations can vote in all Emmy contests.

**Commercial TV stations** devoted average 24.2% of time between 6 a.m.-midnight to "non-entertainment/non-sports programs," according to FCC. Breaking out averages in annual program report for first time, Commission said news accounted for 9.4%, public affairs 4.2%, other 10.5%. In prime time, 7.8% of programming was locally produced and other than sports & entertainment.

**Accepting resignation** of FCC Comr. Hooks, President Carter wrote letter saying "you have done much to earn the gratitude of the nation..."

**Time Inc. buys** David Susskind's Talent Assoc. with \$3 million speculated as price.

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 8 (27th week of 1977):

	July 2-8	1976 week	% change	June 25- July 1	1977 to date	1976 to date	% change
Total TV.....	174,180	169,780	+2.6	380,826	6,476,379	5,606,269	+15.5
color .....	106,583	99,411	+7.2	247,101	3,974,880	3,293,071	+20.7
monochrome...	67,597	70,369	-3.9	133,725	2,501,499	2,313,198	+8.1
Total radio.....	731,719	375,351	+94.9	1,855,516	22,296,852	16,842,386	+32.4
home, portable .	523,002	180,721	+189.4	1,636,400	15,692,677	10,514,024	+49.3
AM-only.....	105,651	23,392	+351.7	278,769	3,681,626	2,180,040	+68.9
FM & FM-AM .	417,351	157,329	+165.3	1,357,631	12,011,051	8,333,984	+44.1
auto.....	208,717	194,630	+7.2	219,116	6,604,175	6,328,362	+4.4

Color TV 5-week moving average: 1977—160,432; 1976—137,487 (up 16.7%).

**1977-MODEL COLOR TV SALES UP 22.4%:** All consumer electronic products showed strong comeback in 1977 model year. In TV, total sales rose 12.3% to 13,761,837 sets, color was up 22.4% to 8,374,830 sets and monochrome 7.9% to almost 5.4 million. Based on EIA sales-to-dealers data for July 1976-June 1977, model year was 3rd best in color sales—record 1974 had 9,061,992 and 1973 totaled 8,995,693.

Radio sales figures for 1977 models were best since 1973. For most products, 1976 model-year sales were worst since 1968. Here are TV & radio sales-to-dealers figures for model-years 1977, 1976 & 1975, derived from EIA data:

## MODEL-YEAR SALES TO DEALERS

Product	1977 models	1976 models	% change	1975 models
Total TV .....	13,761,837	11,834,174	+12.3	12,308,649
color .....	8,374,830	6,840,443	+22.4	6,917,192
monochrome.....	5,387,007	4,993,731	+7.9	5,391,457
Total radio.....	45,833,246	37,107,379	+23.5	40,106,994
home, portable .	33,126,457	25,840,925	+28.2	30,209,785
AM-only.....	10,728,628	6,200,144	+73.0	10,838,743
FM & FM-AM .	22,397,829	19,640,781	+14.0	19,371,042
auto.....	12,706,789	11,266,454	+12.8	9,897,209

**PC-78 DEAD, ABSORBED BY WINTER CES:** EIA made it official last week—CB industry's PC-78 Show has been canceled and will become part of Jan. 5-8 Winter CES in Las Vegas. Exact terms of agreement between EIA Consumer Electronics Group & Citizens Radio Section aren't known, but CB industry apparently did win at least one concession—CES CB seminar program will be sponsored & produced by Citizens Radio Section.

Negotiations on merger of PC-78 into CES began at Summer CES (Vol. 17:24 p8, 17:26 p11), but final agreement reportedly was stalled by objections of several leading CB firms which wanted industry to retain separate identity, including own show. However, CB market slump, proliferation of trade shows (PC, CES, NEWCOM, APAA, etc.) and fact that PC-78 was scheduled for Las Vegas just 5 weeks after Winter CES made continuation impossible.

EIA announcement said Winter CES would have "special area for CB radios" but it's not

clear whether CB makers will be treated any differently than they have been at past CE Shows. Decision on PC, plus enthusiastic support for Winter CES, has necessitated revised plan for CES, which will be mailed to industry in next few days, EIA said.

**EDUCATORS BALK AT VIDEOPLAYER REVOLUTION:** Worried over price, standardization & piracy, educators and their software suppliers were flatly hostile to speakers trying to convince them to jump into video revolution—at seminar sponsored in N. Y. last week by Media & Methods magazine.

In comments from floor, they berated hardware panel of Harvey Schein (Sony), Richard O'Brion (JVC) & Irwin Tarr (Panasonic) because of non-compatibility of VTR systems (Sony Betamax vs. Panasonic-JVC VHS) and for not taking leadership in fight against program piracy. Biggest disapproval was reserved for David Block, marketing consultant to Sony-Paramount software venture, who suggested education programmers drop their prices (\$500 per program hour is common) to make them consumer-affordable and kill profit incentive for pirates.

Piracy isn't hardware makers' problem—it's too big—said Schein. He said Sony is working on cassette coding to deter "casual copiers," but issue of largescale piracy "is for the govt. and those who control our social & legal ethics." He added that Sony "wouldn't oppose" some sort of tax or fee system intended to compensate producers of pirated programs.

Schools are major video equipment users, audience was told. Tarr said about 35% of Panasonic's "8-figure" sales are to schools, while O'Brion estimated that 125,000 of half-million non-broadcast VTRs in use now are in schools, 2nd only to business which uses 200,000. Govt., he said, has about 50,000, rest used by others, including consumers.

Hardware panel agreed standardization was distant, uncertain. Bell & Howell's Robert Pfannkuch said uniform standard "is not out of the question," but avoided timetable. Dealing with format choices facing users today, Pfannkuch said B&H evaluation showed quality of 2-hour machines as good as one hour, and that 4-hour VHS, while not top quality, "was eminently viewable." Still open, he said, was whether 4-hour tape can be duplicated satisfactorily in high volume.

Educators will also soon have disc vs. tape quandary, Pfannkuch pointed out. He noted that random access, slow & stop motion as well as potential for interaction, make disc more attractive than tape to many educators. He said disc copies are price-competitive with tapes now in quantities of several hundred, which should drop to about 100. Software availability, timing of introduction and availability of truly portable VTR should determine outcome of disc-tape battle, he said.

Endless study of consumer videoplayer market goes on. Gallup survey commissioned by Sony-Paramount and some CATV & movie companies estimates videoplayer potential at 5 million homes at current prices. Prospective buyer is youthful, educated, wealthy & gadget-oriented; wants to watch movies at home and prefers to rent rather than purchase programming. Pointing out survey was keyed to movie industry, Block said Sony-Paramount feels consumer will buy movies on tape if cost isn't too much over that of blank cartridge. He said that while movies will be programming door-opener, there'll be opportunity for other types of materials as videoplayer penetration expands to 2 million homes by 1980.

Arthur D. Little survey indicates movie houses will be obsolete by 1985 as Americans switch to watching films at home on projection TV fed from VTRs, discs & CATV. Study is hinged on presumption that hardware costs will drop quickly as sales increase. Soon-to-be-announced Quasar study is expected to support all previous studies we've seen in showing that off-air recording is prime factor in consumer VTR buying decision. It also provides justification for Quasar's continuing to market its VX-2000 VTR which is non-compatible with either VHS or Betamax.

FCC should implement enforcement policy specifically aimed at abuses & interference on emergency Ch. 9, Personal Use Radio Advisory Committee (PURAC) task force recommended. Deliberate & unintentional interference have adversely affected Ch. 9 monitoring activities by public safety agencies

& volunteer groups throughout country, task force reported. Separate task force recommended that Coast Guard review policy against monitoring Ch. 9, due to widespread use of CBs in boats. Both reports will be considered at next PURAC meeting (Vol. 17:28 p11).

**NEW CB FORECASTS:** Beleaguered CB industry is again revising outlook for 1977 sales. While maintaining positive view of long-term future, some makers are scaling down earlier forecasts, and one supplier says total probably will dip below 7 million. Motorola's Victor Palenske says firm is projecting 6.5-million year, vs. previous 8-9 million forecast (Vol. 17:3 p13).

Others are rewriting forecasts. Fanon/Courier Gen. Mgr. Murray Trotiner told us he's revised projection from 9-12 million at beginning of year to 6.5-8 million, and GE has lowered projection from 10-12 million to 8-9 million. Of total, GE says about 3 million will be 23-channel.

Revised projections don't so much reflect pessimistic outlook as they do disaster during year's first half. GE says 2nd half will be relatively strong with bulk of 23s gone, but not strong enough to offset first half. Others say that totals will become less important as 23s dry up and trend toward step-up above-\$100 market accelerates. "It's becoming more of a trade-up market," Palenske said. "Many best sellers now are higher-priced step-up models, and that trend will grow."

Industry better hope so, since latest license-application figures don't indicate any upswing in sales. Through first half, applications ran roughly 10% ahead of year-earlier, difference primarily due to fact nearly 1 million applications were received in Jan. Since then, monthly totals have run below last year. Latest figures: April 426, 357 (492,003 in 1976); May 369, 932 (430,421); June 349, 257 (471, 812). Through first 18 days, July had 200, 577, which would push total for month to 335, 000 (396, 080 last year). Dynascan Pres. Carl Korn said even though figures are running below last year's totals, they remain relatively healthy. "They're selling at retail. The problem is, dealers aren't refilling their inventories. The inventory problem is the big concern." Korn believes monthly application total in 350,000 range may indicate true sales of 500,000-600,000 units, since many purchasers don't bother applying for licenses. "A 600,000-unit month is not the worst thing in the world."

**Effort to head off incompatibility problem through standardization of selective-call signals used in CB band is being undertaken by technical committee of EIA's Communications Div. Selective-call feature, of type introduced by TI in May (Vol. 17:19 p10), allows receiver section to monitor channel silently until audio output is activated by special tone or combination of tones. Committee will propose single voluntary standard.**

**Commission last week** decided to emphasize CB enforcement, approving addition of 50 people to enforcement staff, 8 to education staff, 12 to application processing. Extra funds must be approved by OMB & Congress.

**Ad notes:** Advent shifts \$300,000 account from Y&R/Buchen, Chicago to Humphrey, Browning, MacDougall, Boston... **Pioneer Electronics** has budgeted \$1.5 million for summer print campaign for Centrex stereo line... **DBX** appoints Philip Stogel & Co.

**VOLUNTARY TV STANDARD:** Full year after it received UL's proposal for TV safety standard (Vol. 16:28 p11), Consumer Product Safety Commission is still searching vainly for someone authoritative to say that standard is necessary.

First to state that no mandatory federal standard is needed was UL standards development committee itself. Now, 2 contractors, both hired by CPSC, have said same thing. American Society of Safety Engineers states voluntary approach, with heavy CPSC monitoring of manufacturers, is enough. Bendix questioned value of any standard, said TV is so complex that hazards can have wide variety of causes.

Both contractors said that type of complete set testing contained in standard provided no guarantee of safety. They claimed that more complete component specifications might be better approach.

No decision on declassification of documents in Zenith's \$1-billion antitrust suit against Japanese manufacturers was made last week by Philadelphia Federal Dist. Judge Higginbotham. Instead, he set mid-Aug. date for more arguments. Materials Zenith is seeking for release concern commodity taxes rebated to Japanese exporters and royalty payments made by Japanese to U.S. companies. Zenith also seeks court order to have material in International Trade Commission & Sylvania files made part of suit record. Data is evidence compiled by Sylvania for just-settled unfair import competition case against Japanese TV makers (Vol. 17:29 p9). Most of what's in ITC files is confidential, and Sylvania has material it never submitted to ITC. Sylvania is contesting Zenith request, while Zenith says it's willing to reimburse Sylvania for at least part of cost of collecting information.

**Motorola beefed up** high end of CB line with new in-dash FM-AM-8-track (\$390), base station (\$230), dual-receiver under-dash mobile (\$175). It sliced prices on original 4 mobiles in line (Vol. 17:3 p12) by \$60-\$110, with leader now \$99, top-of-line \$150. Base station has built-in digital clock; dual-receiver automatically monitors preselected priority channel while receiving on standard channel. Also new: 2 FM-AM-CB power antennas (step-up model automatically extends & retracts when radio is turned on & off); 2 car stereo power amps, including unit with 40-watt output; 2 in-dash FM-AM-8-track combination units; 5 high-compliance car speakers. Motorola has "strong commitment to CB, in both the low & high ends," Auto Products Div. Mktg. Services Mgr. Victor Palenske said, adding that firm will introduce more sophisticated MPU-based CBs in near future.

**Emerson Radio** (formerly Major Electronics) sets up west coast warehousing & production in 45,000-sq.-ft. Sun Valley, Cal. facility, will assemble phonos & compact systems for sale in 13 Western states. Joseph Gillis, west sales mgr., adds responsibility for facility.

**Matsushita** is expanding Okayama VTR plant to increase videocassette recorder production to 10,000 units monthly from current 4,500. Company also produces VTRs in 2 other locations.

**RCA'S RECORD HALF:** RCA closed out first half with largest earnings of any quarter in history (see financial table). Company noted that 6-month net exceeds profits for all of 1974 or 1975, and that income in quarter broke record of 1968 final quarter.

For full period, RCA said, international earnings paced growth, doubling from year earlier, sparked by color picture tubes & car rentals. RCA color sales to dealers in half were record, topping mark set in industry's record year 1973. RCA said console color sales were up 17% from first half 1976.

Zenith reported net flat in 2nd quarter on 7.8% sales decline, closed half with sales up 7.4%, net off 11.2%. Company said it couldn't institute needed price increases because of competitive pressure from low-priced imports, said its prices were lower by \$4 million in quarter, \$10 million in half, than those of respective 1976 periods, while costs in those periods rose \$7 million & \$16 million. Production efficiencies and higher profits from increased color TV unit sales fully offset \$11-million drop in 2nd-quarter pre-tax profit, but were \$3 million shy of matching \$26-million full-period decline, Zenith said.

**GTE Consumer Electronics** (Sylvania & foreign operations) increased sales moderately in quarter & half, reduced losses, deficit improvement attributed to profits from contract to supply Algeria with consumer electronics production facility. CE results (included with those of parent in financial table) showed sales for quarter up 16.5% to \$193.5 million, with loss of \$2.21 million, down from \$2.65 million. For half, sales rose 13.3% to \$366.1 million, loss slid to \$6.1 million from \$7.99 million. GTE said it still suffered from competitive conditions in U.S. TV & audio market, and effects of quota on imports of Japanese color TV won't be felt until 1978.

**E. F. Johnson** said 2nd-quarter loss included \$2.64-million writedown of 23-channel CB inventory. It reported sales down 59.7% for quarter, 47.9% in full period.

**Hy-Gain** \$5.7-million fiscal 3rd quarter loss (Vol. 17:28 p12) included \$3.5-million charge for price cuts on distributor inventory as well as costs of converting 23-channel CBs to 40-channel. Company said distributors returned about \$9-million worth of CBs in period, adding some \$3 million to deficit.

**Sony** introduced portable industrial-institutional battery-AC Betamax in Japan at \$1,100. One-hour machine measures 11.8" wide, 5" high, 13.7" deep, weighs 15.6 lb. without battery (2.9 lb.), consumes 45 watts AC, 19.5 DC. Other new Sony institutional Betamax models already described here (Vol. 17:27 p10) will be introduced in N.Y. Aug. 3. Meanwhile, Sanyo announced it was converting new Osaka plant to VTR, tooling up to produce 7,000 units monthly by year's end, output starting Aug. 18. Capacity will total 15,000 monthly next spring, company said. VTR production is being installed in Osaka plant instead of expanded output of stereo components or manufacture of TED videodisc player. Toshiba, which marketed some V-Cord II VTRs in Canada, will ship about 10,000 Beta-format units to U.S. & Canada this year, according to Toshiba America sources.

**SPRAGUE DUMPING SUIT:** Sprague received Treasury Dept. turndown of request that dumping duties be assessed on imports of Japanese tantalum capacitors, is preparing to file suit in N.Y. Customs Court in effort to have Treasury reversed.

Treasury ruled last Aug. that some Japanese capacitors were being dumped here, but International Trade Commission found that undervalued imports held minor market share, so weren't injuring U.S. producers (Vol. 17:13 p10). Treasury rejection of petition asking that ITC finding be ignored and dumping duties levied is last administrative action Sprague needed before filing suit; both Treasury & ITC decisions can be challenged in court. Sprague's outside counsel, D.C. attorney Eugene Stewart, told us case would be filed within next few weeks.

**Labor Dept. (LD)** approved import-adjustment assistance for some RCA Solid State workers, rejected bid by group of others, also turned down aid bid by former CTS speaker production employes. In RCA cases, help was cleared for those who lost jobs when power transistor production was shifted from Mountaintop, Pa. plant to facility in Malaysia. LD said RCA imports of devices in first quarter were up 125.6% from same 1976 period. Workers at Somerville, N.J. plant lost jobs because RCA shifted transistor output to Mountaintop and transferred silicon-on-sapphire IC development work to W. Palm Beach, Fla., not because of imports, LD said, refusing to authorize assistance.

Prolonged strike, not imports, forced closing of CTS Paducah (Ky.) plant, LD said, in turning down aid request. Agency study showed less than 10% of speaker imports competed with 8"-to-18" speakers formerly made at plant, and that customers switched to other domestic suppliers when they couldn't get orders filled by CTS. Strike started in Aug. 1975, continued until plant closed last Jan. LD opened new case for former workers at Admiral's closed McHenry, Ill. TV parts plant.

Sharp hike in consumer electronics output is planned for Taiwan this year. Full 1977 production estimates by Industrial Development Council: Color TV 710,000 (up 49.5%), b&w TV 3.6 million (up 5.9%), radio 14.02 million (up 15.9%), electronic watches 4.05 million (up 60.7%), telephone sets 340,000 (up 22.3%). Value of electronic component & parts production is expected to rise 23.3% to \$740 million. To support planned growth, Taiwan manufacturers plan \$530-million expansion over next 5 years. By 1981, Taiwan is targeted to produce 1.2 million color sets, export 17 million electronic watches, export VTR.

"World's smallest" portable VTR-camera package has been introduced in Japan by Funai Electric. B&w unit, competitor to Akai's small system, includes 9.5-lb. VTR, 3.3-lb. camera. Battery-operated VTR records 20 min. on 1/4" tape (\$14.70) or can produce inferior pictures on standard audio cassette. System can be played back through 3" picture tube & speakers in camera, or, with RF adaptor, through TV set. Funai says it expects to sell 1,000 monthly on Japan market, enter U.S. near year's end at undisclosed price.

## Trade Personals

**Maria Antifae** named Akai co-op claims administrator... **Robert Ferber** promoted at Magnavox from region mgr. to VTR & videodisc national sales mgr.; **Thomas Fritsche** advanced to field sales personnel development mgr... **W. James Pashley**, former Pittsburgh dist. mgr., promoted to RCA Sales Corp. mktg. development mgr.

**Sparky Wren** promoted at JVC to mktg. & sales vp; **Ken Schettig** appointed western sales mgr., succeeding Wren; **Ken Acker**, national credit mgr., named asst. vp; **Ed Boehm** named parts mgr... **Ken Jollimore**, ex-Browning Labs sales & mktg. vp, joins President Electronics as national sales mgr... **Bruce Johnson**, ex-Medtronic, appointed Johnson American mktg. planning mgr... **Toni Dewey** advanced at Motorola to ad & PR vp. Other vps named: **Bill Connor**, multinational operations; **Ken Johnson & Dick Klotz**, finance dept.; **Vic Kopidlansky & Alan MacDonald**, law dept.; **Ed Staiano**, computer systems & telecommunications; **Keith Bans**, business development.

**John Vurich**, onetime National Semiconductor, appointed Atari Consumer Div. new product mgr... **Mark Dellafera**, ex-American Can, joins H. H. Scott as mktg. dir... **George Saddler**, ex-TDK & Fuji Photo, forms Mr. Cassette Industries to market blank & recorded tapes through 5 different organizations, each selling to different market segment... **Joseph Dash** promoted at CBS Records from new-product development dir. to development dir.

**David Sansone**, ex-Sylvania & GI, named Panasonic Special Products Div. business equipment national sales mgr... **Ken Fournier** appointed Emerson national service mgr... **Edgar Sack**, GI Microelectronics Group gen. mgr., advanced from vp to senior vp; **Stephen Stuart** named mktg. dir. for group's Chandler, Ariz. Div.

**Paul Rappaport**, 28-year RCA Labs veteran, most recently videodisc research mgr., named dir. of national Solar Energy Research Institute, Golden, Colo. and vp of Midwest Research Institute, Kansas City, mgr.-operator of SERI... **Raymond Steiner** promoted at Sony (U.S.) from exec. vp to pres.-chief operating officer, succeeding **Harvey Schein**, who becomes chmn., retains chief exec. post. **Kazuo Iwama**, Sony (Japan) pres., named Sony (U.S.) exec. committee chmn.; **Akio Morita**, Sony (Japan) chmn., named chmn. of U.S. operation's finance committee... **Joseph Bradley** advanced at Burndy Components Div. from mktg. mgr. to vp-mktg.; **Ronald Schelmetic**, ex-Enteleter, named ad & mktg. promotion mgr... **George Chao** named tactical mktg. mgr., National Semiconductor Microprocessor Group, new post.

**NEC** will supply 100,000 microprocessors (MPUs) this year at about \$3.8 million to Fidelity Electronics for Chess Challenger board game. NEC reportedly outbid TI, Motorola, Intel & others... U.S. firms are also busy in Japan. Motorola Semiconductors Japan is mounting aggressive sales campaign there for family of 8-bit MPUs, competing against Japanese semiconductor industry and subsidiaries of TI & Rockwell.

**TOSHIBA HIKE PRICES:** Toshiba's 1978 color TV line features new Blackstripe II picture tube, revamped chassis, and significantly higher prices. Increases on new models run \$10-\$60, averaging about 7%, were attributed to rising Japanese manufacturing costs and increased value of yen.

New tube, claimed to be substantially brighter than current Blackstripe, has 16.6% larger phosphor area, smaller matrix stripes. It's powered by simplified, heavily-IC, high-efficiency chassis. Line starts with 9" at \$330 (up \$30); 13" leader is \$350 (up \$50), step-up at \$370, 12-channel touch-button electronic remote tuner version \$460 (up \$60); 15" is \$390 (up \$20); 17" \$420 (up \$40); 19" leader \$420 (up \$20), steps at \$440, \$460 & \$480; 19" with electronic tuning \$500 (up \$10), remote \$550 (\$20).

In Japan, Toshiba said all consumer product export prices are going up 5-15% because of rising yen value, while in U.S. Sharp is raising color TV dealer costs by cutting promotion allowances by about \$10, Sept. 30.

**FIRST HALF AT-A-GLANCE:** Here are EIA monthly sales-to-dealers figures for 1977, with 1976 comparisons:

Month	TELEVISION SALES TO DEALERS					
	1977	1976	1977	1976	1977	1976
January .....	963,845	834,034	605,244	496,314	358,601	337,720
February .....	1,044,817	878,800	630,796	522,378	414,021	356,422
March (5 weeks)	1,273,546	1,049,940	770,977	592,876	502,569	457,064
April .....	932,915	719,329	577,142	418,133	355,773	301,196
May .....	796,638	782,932	489,378	473,932	307,260	309,000
June (5 weeks) ..	1,290,438	1,171,454	794,760	690,027	495,678	481,427
<b>TOTAL</b> .....	<b>6,302,199</b>	<b>5,436,489</b>	<b>3,868,297</b>	<b>3,193,660</b>	<b>2,433,902</b>	<b>2,242,829</b>

Month	RADIO SALES TO DEALERS				
	Home*	FM**	Auto		
January .....	1,354,439	1,346,222	846,818	1,049,892	981,110
February .....	1,577,099	1,293,401	1,281,087	1,059,770	982,828
March (5 weeks)	2,769,093	2,387,630	2,185,866	1,834,349	1,220,942
April .....	1,671,306	1,203,090	1,336,249	853,981	962,003
May .....	2,491,147	1,304,133	1,807,071	965,004	1,065,867
June (5 weeks) ..	5,306,591	2,798,827	4,136,609	2,413,659	1,182,708
<b>TOTAL</b> .....	<b>15,169,675</b>	<b>10,333,303</b>	<b>11,593,700</b>	<b>8,176,855</b>	<b>6,395,458</b>

\* Includes table, clock & portable.

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

Hitachi color exports to U.S. this year will be 150-160,000 vs. 190,000 in 1976, as result of quota agreement. Most sets are made in Hitachi Taiwan plant, but are covered under U.S.-Japan quota agreement because of high Japanese parts content. Speaking in support of voluntary quota agreements as alternative to unilaterally imposed anti-import measure, Robert Strauss, chief U.S. trade negotiator, told House subcommittee that color quota should result in "no additional costs" to consumers for a year, and perhaps none after that. He said this contrasts sharply with those who estimated quotas would add \$900 million to consumer TV bill each year.

New members of EIA Communications Div.: Royce, American Telecom, Cal. Microwave, Newtronics. Joining Distributor Products: International Importers, National Teletronics. Parts Div.: Plessey Capacitors, Smiths Industries. Electrical Utilities joined both Parts & Distributor Products Divs.

## 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
Bell & Howell			
1977-6 mo. to June 30	227,468,000	5,980,000	1.04
1976-6 mo. to June 30 <sup>a</sup>	198,745,000	4,760,000	.82
1977-qtr. to June 30	117,076,000	3,082,000	.54
1976-qtr. to June 30 <sup>a</sup>	102,814,000	2,446,000	.42
Buckbee-Mears			
1977-6 mo. to June 30	30,994,000	726,000	.24
1976-6 mo. to June 30	27,966,000	619,000	.20
1977-qtr. to June 30	15,994,000	577,000	.19
1976-qtr. to June 30	14,693,000	293,000	.09
Cohu			
1977-6 mo. to June 30	8,766,490	303,295	.17 <sup>b</sup>
1976-6 mo. to June 30	7,313,348	111,864	.06
1977-qtr. to June 30	4,470,927	186,061	.10
1976-qtr. to June 30	3,795,523	69,118	.04
Comsat			
1977-6 mo. to June 30	83,988,000 <sup>c</sup>	17,846,000	1.78
1976-6 mo. to June 30	76,732,000 <sup>c</sup>	21,890,000	2.19
1977-qtr. to June 30	42,035,000 <sup>c</sup>	8,966,000	.90
1976-qtr. to June 30	39,456,000 <sup>c</sup>	10,849,000	1.08
Conrac			
1977-6 mo. to June 30	67,540,000	3,561,000 <sup>d</sup>	1.88
1976-6 mo. to June 30	62,135,000	2,607,000	1.40
1977-qtr. to June 30	33,512,000	1,938,000	1.03
1976-qtr. to June 30	34,509,000	1,462,000	.78
Cox Bcstg.			
1977-6 mo. to June 30	68,347,000	11,186,000	1.90
1976-6 mo. to June 30	64,892,000	10,039,000	1.71
1977-qtr. to June 30	38,550,000	7,384,000	1.25
1976-qtr. to June 30	37,250,000	6,815,000	1.16
Cox Cable Communications			
1977-6 mo. to June 30	22,066,042	2,383,398	.67
1976-6 mo. to June 30	17,877,836	1,705,977	.48
1977-qtr. to June 30	11,273,381	1,252,764	.35
1976-qtr. to June 30	9,184,670	882,297	.25
Fuqua Industries			
1977-6 mo. to June 30	295,786,000	8,836,000	.93
1976-6 mo. to June 30	255,429,000	7,700,000	.87
1977-qtr. to June 30	157,041,000	5,425,000	.56
1976-qtr. to June 30	130,559,000	4,866,000	.55
GTE			
1977-6 mo. to June 30	3,646,448,000	268,481,000	1.89
1976-6 mo. to June 30	3,203,142,000	194,071,000	1.41
1977-qtr. to June 30	1,882,338,000	134,641,000	.94
1976-qtr. to June 30	1,639,016,000	107,034,000	.77
Globe-Union			
1977-9 mo. to June 30	285,515,000	15,416,000	4.84 <sup>b</sup>
1976-9 mo. to June 30	209,204,000	7,387,000	2.28
1977-qtr. to June 30	94,886,000	4,620,000	1.45 <sup>b</sup>
1976-qtr. to June 30	67,311,000	1,926,000	.59
Gross Telecasting			
1977-6 mo. to June 30	3,990,829	801,282	1.00
1976-6 mo. to June 30	3,624,966	683,512	.85
1977-qtr. to June 30	2,202,675	469,129	.59
1976-qtr. to June 30	2,053,316	408,312	.51
Harte-Hanks Newspapers			
1977-6 mo. to June 30	68,488,000	5,822,000	1.30
1976-6 mo. to June 30	53,574,000	4,795,000	1.09
1977-qtr. to June 30	36,454,000	3,521,000	.79
1976-qtr. to June 30	29,202,000	2,892,000	.66
Hitachi <sup>e</sup>			
1977-year to March 31	8,400,000,000	265,500,000	--
1976-year to March 31	6,810,000,000	155,600,000	--
E.F. Johnson			
1977-6 mo. to June 30	32,278,000	(3,959,000) <sup>f</sup>	--
1976-6 mo. to June 30	61,971,000	5,262,000	2.06
1977-qtr. to June 30	12,970,000	(4,241,000) <sup>f</sup>	--
1976-qtr. to June 30	32,191,000	2,238,000	.87

Company & Period	Revenues	Net Earnings	Per Share
LIN Bcstg.			
1977-6 mo. to June 30	20,194,000	3,424,000	1.25
1976-6 mo. to June 30	17,513,000	2,656,000	1.04
1977-qtr. to June 30	11,570,000	2,335,000	.85
1976-qtr. to June 30	10,013,000	1,855,000	.72
P.R. Mallory			
1977-6 mo. to June 30	175,052,000	7,460,000 <sup>d</sup>	1.70
1976-6 mo. to June 30	152,215,000	4,293,000	1.10
1977-qtr. to June 30	90,825,000	3,533,000	.80
1976-qtr. to June 30	80,149,000	2,341,000	.60
Metromedia			
1977-26 wk. to July 3	146,956,363	15,310,873 <sup>d</sup>	2.26
1976-26 wk. to July 4	123,867,039	13,820,712 <sup>d</sup>	2.06
1977-13 wk. to July 3	73,421,850	9,436,965	1.39
1976-13 wk. to July 4	64,477,055	8,692,880	1.29
3M			
1977-6 mo. to June 30	1,941,000,000	195,200,000	1.69
1976-6 mo. to June 30	1,720,000,000	164,400,000	1.43
1977-qtr. to June 30	1,005,000,000	108,500,000	.94
1976-qtr. to June 30	891,700,000	95,500,000	.83
Motorola			
1977-6 mo. to June 30 <sup>a</sup>	878,860,000	51,835,000	1.71
1976-6 mo. to June 30 <sup>a</sup>	744,574,000	40,802,000	1.35
1977-qtr. to June 30 <sup>a</sup>	459,696,000	27,817,000	.92
1976-qtr. to June 30 <sup>a</sup>	390,848,000	23,115,000	.76
Multimedia			
1977-6 mo. to June 30	42,949,298	5,216,505	1.19
1976-6 mo. to June 30	36,326,352	4,415,423	1.00
1977-qtr. to June 30	23,231,391	3,180,721	.73
1976-qtr. to June 30	20,907,250	2,813,009	.64
North American Philips			
1977-6 mo. to June 30	895,558,000	27,753,000 <sup>d</sup>	2.15
1976-6 mo. to June 30	807,031,000	25,294,000 <sup>d</sup>	1.98
1977-qtr. to June 30	477,448,000	15,682,000 <sup>d</sup>	1.22
1976-qtr. to June 30	423,703,000	15,517,000 <sup>d</sup>	1.21
RCA			
1977-6 mo. to June 30	2,802,900,000	118,600,000	1.55
1976-6 mo. to June 30	2,576,900,000	88,000,000	1.14
1977-qtr. to June 30	1,430,000,000	70,100,000	.92
1976-qtr. to June 30	1,320,400,000	53,700,000	.70
Storer Bcstg.			
1977-6 mo. to June 30	65,325,000	5,789,000	1.19
1976-6 mo. to June 30	60,073,000	7,080,000	1.25
1977-qtr. to June 30	36,209,000	3,787,000	.78
1976-qtr. to June 30	34,652,000	4,819,000	.85
Taft Bcstg.			
1977-qtr. to June 30	33,166,947	4,235,837	1.04
1976-qtr. to June 30	26,966,656	3,321,644	.82
Tektronix			
1977-year to May 28	454,958,000	43,971,000	2.49
1976-year to May 29	366,645,000	30,089,000	1.71 <sup>b</sup>
1977-qtr. to May 28	125,308,000	14,172,000	.80
1976-qtr. to May 29	95,731,000	8,667,000	.49
Viacom International			
1977-6 mo. to June 30	26,651,000	2,509,000	.67
1976-6 mo. to July 3	22,738,000	1,798,000	.49
1977-qtr. to June 30	13,369,000	1,349,000	.36
1976-qtr. to July 3	10,977,000	958,000	.26
Walt Disney Productions			
1977-qtr. to June 30	165,103,000	20,355,000	.64 <sup>b</sup>
1976-qtr. to June 30	148,671,000	18,865,000	.59
Warner Communications			
1977-qtr. to June 30	219,799,000	16,246,000	1.21
1976-qtr. to June 30	194,601,000	16,082,000	1.01
Wometco Enterprises			
1977-12 wk. to June 18	51,279,000	3,634,000	.42
1976-12 wk. to June 19	47,336,000	4,117,000 <sup>d</sup>	.47
Zenith			
1977-6 mo. to June 30	483,100,000	13,500,000	.72
1976-6 mo. to June 30	450,000,000	15,200,000	.81
1977-qtr. to June 30	244,500,000	7,500,000	.40
1976-qtr. to June 30	226,900,000	7,500,000	.40

Notes: <sup>a</sup>Restated. <sup>b</sup>Adjusted. <sup>c</sup>From operations. <sup>d</sup>Includes special credit. <sup>e</sup>At yen's current rate. <sup>f</sup>After special charge.