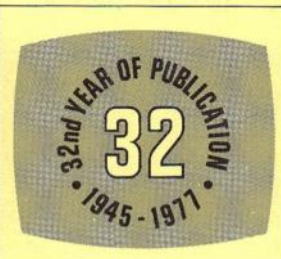


WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

VICTORIES ON SACCHARIN & VIOLENCE won by broadcasters. House draft violence report delayed until Sept. 30. Saccharin ad restrictions deleted in Senate Commerce Committee as Hollings Compromise fails 13-3. NAB gears for Senate floor fight this week. (P. 1)

BROADCASTERS PLEASED with House panel discussions on broadcasting & Communications Act rewrite. Praise for relaxed format. Greatest emphasis is on localism. (P. 3)

'SOAP' WRITERS MUM: First 2 episodes changed, will be closed-circuited to affiliates. Religious groups pro & con. (P. 4)

FCC PARTING GIFT TO HOOKS: Comments sought on proposal to required announcement of sales 45 days before contract is signed to give minorities chance to bid. NAB plans high-level task force to help minorities acquire stations. (P. 5)

ANOTHER CABLE SATELLITE origination station—KTVU San Francisco—plans to begin in year, through Southern Satellite Systems. (P. 5)

'EXCEPTIONALLY BRIGHT' 1977 financial outlook predicted by ABC, which reports record revenues & income for quarter & half. TvB reports 6-month 3-network billings of \$1.7 billion. (P. 6)

VICTORIES ON SACCHARIN, VIOLENCE: Broadcasting industry scored important triumphs in both Senate & House last week, knocking restrictions on TV-radio advertising of saccharin products out of Senate FDA Act amendments and delaying release of House Communications Subcommittee report highly critical of networks & TV violence.

However, powerful broadcaster pressure preceding Senate Commerce Committee consideration of saccharin measure may have harmed industry relations with Communications Subcommittee Chmn. Hollings (D-S.C.), who was defeated soundly in attempt to hammer out compromise acceptable to broadcasters & Health Subcommittee Chmn. Kennedy (D-Mass.) (Vol. 17:30 p5). Measure was first piece of broadcast legislation to bear Hollings' name, was defeated 13-3 on motion by Sen. Cannon (D-Nev.). At week end, Kennedy staffer told us senator intended to bring saccharin bill to floor this week, would offer new amendments reinstating restrictions on broadcast advertising. "The senator has said he won't support this bill without the advertising and labeling provisions," spokesman said.

Draft of violence report (Vol. 17:30 p3) was delayed until Sept. 30 by unanimous House Communications Subcommittee vote in open meeting July 26. However, Subcommittee members had met hour earlier in closed session in office of Chmn. Van Deerlin (D-Cal.) in vain effort to resolve differences before public meeting.

Consumer Electronics

JAPAN JUNE EXPORTS of color TV to U.S. down 36.5% from 1976, first drop in 2 years. B&w shipments up, CB exports continue 5-month slide. (P. 7)

RCA REORIENTS V-DISC program, directing efforts toward 2-hour uncoated disc, new player, more basic R&D instead of pre-production engineering. 150 employees to be transferred or discharged. (P. 7)

VTR PROGRAM SALES plans being firmed by Time-Life and Magnetic Video, latter offering 100 features from 20th Century in 2-hour Beta & VHS formats. Retailers scored for software bootlegging. (P. 8)

ZENITH TO APPEAL court reversal of order imposing countervailing duties on Japanese consumer electronics. Importers asking Treasury to drop bond requirement. (P. 9)

VTR PRICING SUSPENSE mounts as most marketers wait for competitors to establish levels, but little immediate change is seen from Sony-established \$1,300. Zenith pricing scheduled this week. (P. 10)

COMPUTERS CAPTURE attention of retailers as Radio Shack unveils low-cost system, Sears prepares test marketing. (P. 10)

MATSUSHITA SET sales records in 2nd quarter & opening half, posted higher earnings. (P. 11)

Instead of compromising, some members expressed bitter opposition to report's release, with Reps. Russo (D-Ill.) and Frey (R-Fla.) most strongly opposed. "You could hear the screaming all the way down the hall," staffer said. "There was a majority of the Subcommittee dissatisfied with the report as written," Van Deerlin told us. "We all agreed it was far more desirable to get a consensus on the report than to go ahead and try to report it out without a consensus," another Democrat said. Reportedly greatly impressing members was letter from NBC Washington Vp Peter Kenney stating that report would "prejudge the conclusions of the rewrite hearings."

Open meeting that followed was sweetness & light. "The reason I'm willing to go along with the postponement is to get the full input of the members and develop a consensus on these issues, and where we can't develop a consensus, let's vote up or down," Rep. Waxman (D-Cal.) said. Calling letter from CBS Washington Vp Bill Leonard (Vol. 17:30 p3) "nonsensical rhetoric," facetiously labeling Kenney letter "a network endorsement by NBC of the rewrite," Rep. Wirth (D-Colo.) said he hoped delay would allow members to "get together on a consensus that will get the networks' heads out of the sand and make some progress in this area."

"I don't think the report is a threat to the networks, though I do think it may be a threat to the rewrite," Rep. Marks (R-Pa.) stated. Waxman: "I wonder if the difficulty in finding a consensus on this report might reflect a coming difficulty in finding consensus on rewriting the Communications Act, which will call for really tough decisions to be made."

One member later questioned whether Subcommittee's "ineptness" in handling draft "throws into question whether the Subcommittee could handle rewriting the Communications Act." Replied Van Deerlin: "I think that I failed to provide the firm leadership that would have avoided the situation, but much better to have it happen on an issue like the violence report. My view on this report has always been that to spend time on it is to keep us away from more important matters."

Every member we consulted confirmed that panel is committed to releasing some type of report on violence. However, how it will be changed from latest draft is far from certain. Most controversial provisions are "findings" that networks are "primarily responsible" for level of TV violence, and that industry structure may be to blame.

Russo told us it was "a possibility" that he intended to introduce amendment at last week's meeting to eliminate blaming networks, "but I preferred to delay the report, talk it out with my colleagues, and get a report that was fair. The networks aren't solely to blame. The American people also are to blame." Industry structure, he said, "should be left to the rewrite, not put in a report on violence."

"I would have rewritten it completely differently," Frey told us. "We'll get it out, but I just want to make sure the facts are right. Sure, the networks are to blame for TV violence, but so are the producers, the public, the stations and the writers. I think there's enough blame to go around."

Though broadcasters did well on saccharin ad restrictions in Senate Commerce Committee, much remains before bill arrives on President's desk. House companion bill at week end was pending before House Commerce Committee, and Committee spokesman told us at week end that it was "unlikely" that measure will move before month-long recess which begins Aug. 6. Meanwhile, Consumer, Health & Communications Subcommittee staffers are seeking compromise language likely to please all 3 Subcommittees.

NAB wasn't taking credit for vote against Hollings amendment, instead deferring to "grass roots." However, NAB was gearing up for this week's floor vote, sending out 200 mailgrams to industry leaders instructing them to "leave no stone unturned in urging the grass roots to come in and smother the Senate," according to Vp William Carlisle. He said senators would get message that "this industry wants no advertising restrictions of any kind whatsoever. There's no compromise acceptable." Hollings attempt at compromise was "commendable," Carlisle told us, "but it set precedents that could have applied in the future to dozens of other products."

Present version of saccharin legislation, though it now contains no restrictions on broadcast advertising, still has requirement that print ads feature warning label for 18 months during

which FDA is to judge saccharin's safety. Cannon said he'll seek amendment on House floor to delete restrictions on print ads.

BROADCASTERS PLEASED WITH HOUSE PANELS: "We felt the broadcasters held their own," network official commented at conclusion of first week of House Communications Subcommittee panel discussions on broadcasting & Communications Act rewrite. Said another: "I think it went very well, but I'm afraid the members and staff will ignore the whole thing when they sit down and write the bill." Over-all, there were few surprises—as participants repeated well-known views.

First week's panels covered industry overview, spectrum, First Amendment, ownership & industry structure. Practically all participants liked relaxed pace and casual format. Rather than congressmen towering above witnesses, as is customary, all participants faced each other around large table. Prepared statements were shunned in favor of informal remarks, and witnesses, members & staff interrupted freely with frequent questions and comments. "This is the first time I've ever seen such a format used in the Congress," commented Sen. Proxmire (D-Wis.), who participated in First Amendment panel. "I'm going to try to get the Senate to try this."

Major emphasis throughout the 4 days was on "localism." In light of critical comments on localism contained in staff options papers (Vol. 17:17 p8), broadcasters offered spirited defense of status quo, while industry critics asked for increased competition or more govt. regulation.

Present industry structure "does serve local interests," NBC Vice Chmn. David Adams stated. "All audiences are local, and the aggregate of these local audiences is a national audience." His main goal for rewrite: "Govt. shouldn't stand in the way of the viewers." On other hand, he also opposed lease or auction of licenses. Some govt. involvement in broadcasting is "deplorable but unavoidable," he said. Forcing "diversity" on system by increasing number of networks or outlets would result in "reducing the system," he said, by lowering ad revenues, resulting in lower quality programs.

"Network program monopoly" was hit by Everett Parker, United Church of Christ. He said national programming aims solely for 18-49 age group, isn't really national, is "wiping out" nation's diversity. He asked that rewrite encourage additional stations and preserve viewers' First Amendment rights, not broadcasters'.

Attorney Marcus Cohn noted that in last year, 5 U.S. Appeals Court decisions asked Congress to clarify its intent in broadcast regulation, asked Subcommittee to pay attention. He also urged that Congress keep out of First Amendment areas: "We're courting the potentialities of a First Amendment disaster." He suggested that FCC be allowed to renew license for longer than 3 years for "superior service."

"Quantification" of what FCC expects from licensee isn't all bad, attorney Ernest Jennes stated. "A licensee should have a specified percentage of local, public affairs and informational programming, to allow a station a reasonable understanding of what will be expected of it to be renewed." Rep. Markey (D-Mass.) said he feared that under present system, stations themselves are setting renewal standards; he argued for more definitive performance standards. Broadcast historian Erik Barnouw pushed leasing as one way to better finance public broadcasting, said Congress also should consider requiring better service for children.

Surprising support for longer licenses, greater industry stability, came from Ragan Henry, Bcst. Enterprises Network. Henry, a black, said minorities can't convince banks to finance stations because industry structure isn't "stable" enough. Other panelists suggested improving UHF, freeing translators of regulatory burdens and ending SBA ban on loans to media as means to expand localism, increase minority ownership.

"If you have a license, you have to serve the entire community, and that isn't happening," Booker T. Washington Foundation's Charles Tate said. He cited Chicago blacks as group "excluded" from news shows. Rep. Russo (D-Ill.) said congressmen also are excluded from news coverage, but Kaiser Bcstg.'s Donald Curran & CBS' David Blank disagreed. Said Blank: "In New York, all sectors of the community are properly covered." He said that local news on CBS

affiliates had "roughly doubled" in past 15 years, added that local stations have about 2-1/2 times as much news, 2-1/2 times as much audience, as do networks.

Panelists frowned on cross-ownership restrictions other than in "clearly anticompetitive" situations. "There's little evidence either way" whether cross-ownership helps or harms local service, Rand's Leland Johnson said. NAB's John Dimling said that in broadcasting, as opposed to newspapers, number of outlets is increasing, while cross-ownership declined in last couple of years.

While previously unserved area's first outlet significantly increases local residents' political knowledge, Rand's William Lucas said, subsequent outlets contribute less. He suggested that stations specialize. Communications Act and broadcast industry have "served the people well," stated Ray Johnson, KTVL-TV Medford, Ore.

First Amendment: "My own thought has always been that competition would be the best substitute for the fairness doctrine," Rep. Frey (R-Fla.) said. Commented Rep. Waxman (D-Cal.): "It still bothers me that on TV the competition for viewers has more to do with the network shows' popularity than with their political views." Concluded Russo: "I think it would be devastating to do away with the fairness doctrine." Commerce Committee Chmn. Staggers (D-W. Va.): "I've always felt the people are the government. If we don't serve them, the people can put us out. If the broadcasters' obligations are removed, who can put the broadcaster out? When someone comes to me and says, 'we ought to do this, or that,' and he tells me he won't make any money out of it, I tell him he's not telling the truth."

NBC News' Bill Monroe & RTNDA Pres.-Elect Ernest Schultz (KTVY Oklahoma City) made strong case for full First Amendment rights for broadcasters, while Citizens Communications Center's Charles Firestone made pitch for viewer access as fairness substitute. Rep. Gore (D-Tenn.) suggested station be judged for fairness solely at renewal time. Commented U. of Cal. Law Prof. Roscoe Barrow: "By the end of the license term, the damage already will have been done." Replied Chmn. Van Deerlin (D-Cal.): "Of course, the damage had already been done in Clarksburg, W. Va. [where station was put in] ridiculous position of editorializing on strip-mining a year after the controversy had died down" (Vol. 16:24 p4).

"We don't want any more interviews. We don't want any more stories... Let the show speak for itself," ABC official said last week when we attempted to reach Susan Hill, chief writer of "Soap." Order came "from the very top" at ABC because of "the swirl & avalanche of erroneous publicity about 'Soap,'" we were told. ABC said 4 episodes of program have been taped; first 2 will be closed-circuited again for affiliates to check changes made (Vol. 17:29 p1). Meanwhile, ABC affiliates in about dozen cities have been picketed by religious groups protesting "Soap." In San Diego, on other hand, Catholic Diocese urged 180 priests not to condemn program until they've seen it. "I do not think we have sufficient knowledge of the series to condemn it," according to Father Eugene Fisher.

NAB adds Nov. 15 Dallas meeting with public to those scheduled in Boston & San Diego, at urging of Chmn. Donald Thurston (Vol. 17:30 p2). NAB Pres. Vincent Wasilewski said meetings "will offer an opportunity for viewers & listeners... to express their opinions on broadcasting and the Codes." At July 25 NAB Exec. Committee meeting, Thurston made pitch to include program creators, told us they'll participate "one way or another."

House-Senate conferees on Labor-HEW appropriations bill have agreed on funding levels of \$152 million for CPB for fiscal 1980, \$19 million for public broadcasting facilities program for fiscal 1978.

"Having just read several quite brief trade press reports of the Williamsburg NAB board meetings [Vol. 17:27 p2], I expect those members I represent to wonder why we were there," Radio Vice Chmn. William Sims has written NAB Chmn. Donald Thurston (both were elected in Williamsburg). Sims said "the trades only report what we give them [and] the information coming from our 4-day meeting appears lacking." He said many industry problems, discussed at great length, went unreported, that "perhaps the time has come for some sun to shine on NAB board meetings... I support opening [meetings] to the trade press."

Cable earth station grants: Santa Rosa, Cal.; Kokomo, Ind.; Hutchinson & Winfield, Kan.; Ft. Campbell, Ky.; Laurel, Mont.; Philadelphia, Pa. New applications: Pell City, Ala.; Anchorage, Alaska; Jesup, Ga.; Moline, Ill.; Iron Mountain & Sault Ste. Marie, Mich.; Hackettstown, N. J.; Jacksonville, N. C.; Anadarko, Okla.; Monroeville, Pa.; Corpus Christi, Tex. (For details, see CATV Addenda.)

Over dissent of Comr. Hooks, FCC refused to reconsider July 1976 policy statement that it would be "extremely unwise" and unconstitutional for agency to attempt to regulate radio program format changes (Vol. 16:31 p4). Reconsideration had been sought by public interest groups.

FCC PARTING GIFT FOR HOOKS: On his last day at FCC (July 27), Comr. Hooks got approval of inquiry looking toward requiring proposed station sales to be announced 45 days in advance of contract signing to give minorities chance to bid for same property. (Note: Next day, Hooks was sworn in as exec. dir. of NAACP.)

Hooks had wanted Commission to issue formal rulemaking, but Chmn. Wiley balked and proposed inquiry instead; unanimous Commission concurred. Hooks didn't oppose shift to inquiry because "I want this to have an honest, open chance." Hooks maintains minorities don't hear about "desirable stations" that are available until sales contracts have been signed and Sec. 310(D) of Communications Act prohibits FCC from considering parties other than proposed buyer.

Commission said 45-day notice would be "a minimal burden" to seller—who also could benefit "through receiving a higher price as a result." Agency also said notice should enhance minority ownership opportunities. Deadline for comments is Oct. 3, replies Nov. 1.

* * * *

NAB Exec. Committee last week authorized high-level task force to help increase minority station ownership. "We've got to provide a meaningful private industry response [to minorities seeking ownership] and not leave government intervention as the only recourse for dissidents," according to NAB Chmn. Donald Thurston.

KTVU San Francisco plans to become source for cable programs via Southern Satellite Systems (SSS) & RCA Satcom, aiming for start year from now. SSS has handled WTCG Atlanta since Dec. 1976, reports nearly 600,000 cable homes receiving station. Home Box Office is trying a first-time promotion Aug. 11, giving one free evening to all basic subscribers on systems using its feed. It includes 2 movies, Raquel Welch show, live World Team Tennis. Meanwhile, Christian Bcstg. Network announced expansion to 16 hours daily of its satellite feed, also through RCA. In Toledo, Buckeye Cablevision, with 50,000 subscribers, signs with Viacom's Showtime.

To conserve spectrum, Britain's Cable TV Assn. urges: "A rational telecommunications policy would... look to the gradual transfer of all terrestrial TV broadcasting and the bulk of sound broadcasting from free space radiation to cable... Cable networks, since they can provide a means which the public can pay directly for such additional programmes as it may require, solve the dilemma of over-the-air broadcasting which can be financed only by advertising or a poll tax and are thus a far more suitable means for the provision of additional TV programmes."

Cable rules regarding interference to air navigation have been finalized by FCC, much as proposed last year. Generally, cable engineers believe rules are reasonable for most systems. Commission postponed consideration of standard set of frequencies until "feasibility... is established or refuted." Rules are effective Jan. 1.

NAB committee chmn.: William Sims, small-market radio; Carl Venters, medium-market radio; Jack Thayer, large-market radio (Sims will be chmn. when 3 groups meet as single committee); Eugene Cowen, congressional relations (new); Richard Chapin, re-regulation; Herbert Hobler, First Amendment; Paul Reid, sites for board meetings; Daniel Kops, research; Jack Younts, membership; John Anderson, by-laws; William Bengston, 100-plus TV markets; Andrew Ockershausen, free radio-TV; Kathryn Bro-man & Robert Gordon (co-chmn.), children's TV seminar.

"Public Bcstg. Fairness Act," to promote "strict adherence to objectivity" through power of FCC over CPB funds, has been introduced by Sen. Hatch (R-Utah) for himself and Sens. McClure (R-Ida.), Scott (R-Va.) & Young (R-N.D.). Bill would authorize FCC to enforce public broadcasting's fairness & balance. If public station hadn't been objective, FCC would direct CPB to allocate funds to station to present balancing program. Hatch said that AIM has been frustrated in efforts to achieve public station objectivity via FCC & courts.

"I am beginning to believe, Senate Communications Subcommittee Chmn. Hollings (D-S.C.) commented last week, "that maybe what we need is a total revamping" of Communications Act. During Commerce Committee consideration of saccharin bill (see p. 1), he stated: "I am tired of reading court decisions and what some judge has decided because we have avoided our responsibilities in the Congress." Hollings previously has stated that he doesn't believe Communications Act rewrite is necessary.

TV-radio may carry ads from professionals licensed by N.Y. State Board of Regents, but broadcast ads can't disclose prices while print ads can, Board announced. It licenses all professionals except lawyers & clergymen. Exclusion of prices from TV-radio, said Emlyn Griffith, chmn. of Committee on Professional Discipline, was because prices are "most closely identified with the problem of hucksterism... The possibility of abuse seemed to be greater in the electronic media..."

Cable franchise rules adopted recently by FCC (Vol. 17:30 p2) are bound to be challenged in courts—by cable operators objecting to paying fee on pay-cable revenues and cities seeking more than 3-5% basic fee. Indication of cable industry disappointment with pay-cable rule came from NCTA Pres. Robert Schmidt who said it will discourage operators from entering field. Since operator must give pay supplier half his revenues, he said, that "effectively doubles the real franchise fee on the premium channel."

Less TV exposure is sought by President Carter, according to asst. Barry Jagoda, who says Carter isn't eager for 4-network coverage of news conferences—because it deprives public of soap operas, etc. Jagoda said it's preferred networks rotate coverage, one at a time. However, ABC-TV & CBS-TV carried July 28 session live.

Deadline for comments in VHF drop-in rulemaking has been extended by FCC to Oct. 1 (replies Nov. 1) at request of WKPT-TV Kingsport, Tenn.

Personals

FCC Chmn. **Richard Wiley** tentatively set for annual address to IRTS N.Y. Sept. 15... FCC Gen. Counsel **Werner Hartenberger** resigns, effective Aug. 31, becomes partner in Washington law firm Dow, Lohnes & Albertson in early Sept.

Drew Brinckerhoff promoted to CBS vp-facilities, responsible for buildings, production plants & real estate... **Phyllis Tucker** advanced to manager-variety programs, NBC West Coast; **Harry Buhler**, ex-Continental Graphics, named labor relations administrator, West Coast... **Albert Rubin** promoted from ABC-TV business analysis & financial planning vp to financial planning & controls vp; **Jerry Regina** advanced from program budgeting & administration mgr. for ABC-owned TV stations to ABC TV administrative dir.

Jerry Stahler, ex-KNXT L.A., appointed gen. mgr.-engineering & operations, CBS-TV Stations Div... **Charles Whitehurst**, WFMY-TV Greensboro vp-gen. mgr., appointed a dir., AP Bcstrs. Assn... **Nolan Johannes** promoted to public affairs dir., **Dick Bales** to regional sales mgr., WKBW-TV Buffalo.

Tony Kiernan, ex-WPLG Miami, named local sales mgr., WTOP-TV Washington... **Sandra Reedy** promoted to film mgr., WJLA-TV Washington... **Bernhard Ziegler**, WTVJ Miami, promoted to research dir., Wometco... **Asa Spaulding**, unsuccessful 1976 GOP candidate for N.C. secy. of state, named public affairs dir., WRDU-TV Raleigh-Durham.

Adam Young, Adam Young Inc., elected SRA pres., succeeding **James Greenwald**, Katz; **Sal Agovino**, Katz Radio, & **Jay Walters**, Harrington, Righter & Parsons, elected vps.

Thomas McKnight, ex-FCC & OTP, joins Combined Communications legal staff, Phoenix hq... **Maurice Talbot**, FCC Common Carrier Bureau, named a legal asst. (he's also engineer) to FCC Comr. **White**, succeeding engineering asst. **Emmett Kitchen**, who becomes vp of NABER (Vol. 17:28 p6); **Stephen Sharp** remains a White legal aide.

Richard Givens resigns as FTC N.Y. regional dir. to enter private law practice; **Stephanie Kanwit** resigns as Chicago regional dir., succeeded by **Paul Turley**, asst. dir., Cleveland office... **David Jatlow**, ex-Smith & Pepper, and **James Cook**, U. Pa. law school graduate, become associates in Washington firm Fleischman & Walsh... **Charles Firestone**, ex-Citizens Communications Center litigation dir., named dir. of UCLA Communications Law program, succeeding **Tracy Westen**, now FTC Consumer Protection Bureau deputy dir.

New vps, Qube Div., Warner Cable, for 2-way system in Columbus, O.: **J. Ronald Castell**, ex-WBNS-TV Columbus, mktg.; **James Fischer**, from N.Y. staff, operations; **Harlan Kleiman**, ex-HBO, premium channel; **Vivian Horner**, ex-"Electric Co.," education & childrens' programs.

Edward Montanus promoted to pres., MGM-TV, succeeding **Harris Katleman**, resigned.

ABC OUTLOOK 'EXCEPTIONALLY BRIGHT': Reporting highest-ever revenue & earnings for any quarter and 6-month periods, ABC said prospects for rest of year are "exceptionally bright." ABC said TV network revenues rose over 30% in April-June, while "its profits grew even more substantially." Owned TV stations & Radio Div. (including network) also posted 2nd-quarter records.

ABC had 2nd-quarter net income of \$33.8 million (\$1.86 a share), up 63% from \$20.7 million (\$1.18) for April-June 1976; revenues rose 21% to \$382 million. Jan.-June net income was \$52.7 million (\$2.91), up 73% from \$30.4 million (\$1.74) in 1976; 6-month revenues rose 21% to \$760 million from \$629.6 million last year.

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TvB-BAR reported 3 TV networks had combined revenue of \$264.6 million in June, up 25.6% from \$210.6 million in 1976. For 6 months, networks' revenues were up 24.6% to \$1.7 billion—\$583.5 million to ABC, \$581.1 million to CBS, \$577.9 to NBC.

Bias in reporting by CBC and private broadcasters in Canada—favoring Quebec separatism—is charged in study conducted by committee of CRTC, nation's regulatory agency. Prime Minister Trudeau asserted that broadcasters weren't "working for the unity of Canada." Report urged creation of an executive department "embracing all aspects and functions of cultural communications." Trudeau directed Secy. of State Roberts to conduct further "in-depth" study.

WUTV (Ch. 29) Buffalo is being purchased for \$3.5 million by Whitehaven Entertainment, headed by WUTV Gen. Mgr. Herman Pease with backing from 3 Boston investment companies. Sellers **Florian Burczynski** & **Stan Jasinski** have no other station interests.

Meeting of WARC TV service group at FCC has been postponed from Aug. 11 to Aug. 23. Other new WARC meeting dates, all open: Auxiliary broadcasting Aug. 23; satellites Aug. 24; AM working group Aug. 26.

Storer cable system in Montgomery, Ala., started July 14, reports 60% of homes contacted have signed up, and 82% of these also bought HBO pay-cable offering.

Cox-owned WSOC-TV (Ch. 9) Charlotte—20-year NBC affiliate—has announced switch to ABC, which now is affiliated with WCCB (Ch. 18) there.

Six miles of optical fibers are being used near London for phone service, installed by ITT for Post Office; service started July 29.

Obituary

Harold R. Krelstein, 69, chmn. of Plough Bcstg., died July 28 of cancer after long illness. He entered broadcasting in 1934, joined Plough in 1939 as WMPS (AM) Memphis salesman, was elected pres. in 1953, chmn. in 1974. He had served as NAB radio chmn., RAB chmn., Bcst. Pioneers pres., received NAB Distinguished Service Award last March. Survivors include wife Arline, 2 sons, daughter.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 15 (28th week of 1977):

	July 9-15	1976 week	% change	July 2-8	1977 to date	1976 to date	% change
Total TV	203,726	217,170	-6.2	174,180	6,680,105	5,823,439	+14.7
color	129,781	132,189	-1.8	106,583	4,104,661	3,425,260	+19.8
monochrome . . .	73,945	84,981	-13.0	67,597	2,575,444	2,398,179	+7.4
Total radio	978,658	665,327	+47.1	731,719	23,275,510	17,507,713	+32.9
home, portable . .	778,285	475,773	+63.6	523,002	16,470,962	10,989,797	+49.9
AM-only	155,142	113,107	+37.2	105,651	3,836,768	2,293,147	+67.3
FM & FM-AM . .	623,143	362,666	+71.8	417,351	12,634,194	8,696,650	+45.3
auto	200,373	189,554	+5.7	208,717	6,804,548	6,517,916	+4.4

Color TV 5-week moving average: 1977-150,483; 1976-139,655 (up 14.9%).

JAPAN COLOR & CB EXPORTS DOWN IN JUNE: Japanese color exporters' string of consecutive high months for U.S.-bound shipments was snapped at 24 as June exports dropped below those of same 1976 month, according to Finance Ministry figures which also show CB continued 5-month slide. Also last week, Taiwan struggled to get its export industries going again in wake of Typhoon Thelma.

Japan's promise to U.S. trade negotiators to hold first-half exports-to-U.S. of complete color sets below million units is considered primary reason June shipments were down 36.5% to 186,400. Month's b&w exports rose 16.6% to 173,700, a 5-year monthly high, further indication Japanese TV makers hope to ease impact of 1.75-million annual color export quota by boosting b&w. Month's total TV shipments were down 18.6% to 360,100. In first half, Japan exported 1.95 million TVs to U.S., up 11.5%, with color up 2.2% to 1.18 million, b&w up 29.9% to 763,900. Color total includes an estimated 200,000 chassis. If Japanese stick to traditional patterns in allocating color quota (which runs July 1-June 30), exports to U.S. should hit 2.2 million this year, down 25% from 2.96-million record of 1976, but still up 80% from next-best year.

Hike of 10% in official value of yen from June 1976 to June 1977 makes TV value comparisons complicated. Calculated at then-effective exchange rates, U.S. importers paid \$267.4 million for Japanese TV in first half, up 8.8%, including \$220 million for color (up 4.3%), \$47.5 million for b&w (up 35.6%), indicating average price of Japanese color set rose to \$185.98 from \$182.17, while b&w edged up to \$62.13 from \$59.54. Japan's accounts, however, show total TV value unchanged at Y73.4 billion, color off 4.5% to Y60.4 billion, b&w up 24.3% to Y13.1 billion.

June CB exports of 575,700 plunged record 60.9%, bringing first-half total to 3.93 million, down 37.7%. Full-period value was down 32.1% to \$228.6 million, indicating \$58.18 average price, up from \$53.36. Japan's accounts show value at Y62.85 billion, down 37.8%.

Typhoon that hit Southern Taiwan cut off power & water to factories in Kaohsiung export-assembly zone, caused some damage, forced closing of port. By week's end some electrical service was restored and portions of port reopened. Taiwanese officials said some plants had roofs blown off. They said operations in zone should approach normal in 2 weeks or so, and there would be only slight impact on exports.

RCA REORIENTS VIDEODISC PROGRAM: Under influence of videocassette, RCA is pulling back videodisc project and changing orientation from pre-production to more basic R&D stressing longer

playing time, simplicity & economy. Over next 6 months, some 150 of the 250 employed on project will be assigned to other RCA jobs or discharged.

RCA has decided on new disc, new mastering & pressing techniques, new player—major aims being 2-hour playing time and very low-cost disc production. Move can't be called stretchout because no official timetable was ever established—but it's clear that it's no longer near-term effort. Some former employees insist RCA has chosen face-saving way of scuttling project and that "blood-bath" is in progress. RCA insists that isn't so, but that program has taken completely new direction.

"We decided not to go into a half generation product," we were told by Videodisc Operations Staff Vp Richard Sonnenfeldt. "What we had was well ahead of any competitive system, but not the kind of product we want to commit ourselves to." New system, under development and already demonstrated to licensees, provides 2 hours playing time per disc, uses extremely economical uncoated disc mastered electromechanically rather than by electron-beam recording. To overcome perennial problem of dust & fingerprints, disc is now packed in protective sleeve or "caddie," which is inserted into slot in player; disc is automatically "extracted from caddie," according to RCA description, "played and then replaced in the caddie... entirely untouched by hand." New disc works on same capacitive principle as old one, and RCA says it "entails no essential modification of the player."

Most of cutbacks will be in Indianapolis among those involved in pilot production of coated discs & players. There will be no cutback in disc research in Princeton—in fact, SelectaVision Engineering Staff Vp Donald McCoy will move to Princeton to head up total technical operation, Staff Vp Thomas Callahan taking over Indianapolis activities. In answer to our question, RCA statement said "reorientation of the SelectaVision VideoDisc project will mean phasing in pilot production of the uncoated disc and limiting production of the players to numbers sufficient for field-testing the enhanced system." It's understood 100 will be built.

Decision on new direction is "absolutely firm," Sonnenfeldt told us, adding there's "enormous amount of work to do" in disc production & mastering. Playing time has been lengthened by increasing groove density with no deterioration of picture, he said. How soon could production begin after decision to go ahead? Perhaps 9-12 months, said Sonnenfeldt, stressing "we're not at the point where we're going to make a decision."

Sonnenfeldt made it clear that arrival of home VTR has had significant influence on RCA's decision. "The disc must have both a price and picture-quality advantage over tape. Tape is here. Tape is a fact. The product planner looks at the disc and finds it has to have a retail target in the \$400 area, or lower—it must be different in price from a tape recorder." Coming of long-playing videocassettes helped dictate 2-hour disc playing time, he indicated, pointing out full movie can be recorded on single RCA disc vs. 4 discs for optical system. He also indicated that RCA hasn't yet firmly decided on final way to achieve objectives; that project's directors are open-minded, looking at other inventions as well as theirs.

"It's a very promising new approach which can solve a lot of problems," we were told by high RCA official. Then, asking that he not be quoted by name, he added: "The belief here is that it is coming down the road, that there will be a real need for it, that we will introduce it." Officials of Philips & Magnavox, which plan test-marketing of optical disc players late this year, were unavailable for comment late last week. Meanwhile, Thomson-CFS had first public U.S. showing of microprocessor-controlled optical disc system in Washington last week (details on p. 10).

HERE COMES THE VTR PROGRAMMING: Almost weekly now, we're going to be hearing about new plans to supply pre-programmed home videocassettes. Size of market is unfathomable, but there are those who think it may turn out to be almost as large as hardware business itself. Here are 2 entries now at starting line:

Time-Life Video (TLV) pronounced mail-&-phone market test successful (Vol. 17:17 p12), plans to enter 10 retail test markets, franchising 5-10 VTR dealers in each to handle "deluxe-edition" one-hour Best of Time-Life TV package of 8 classic shows which have already played on TV. Consumer Mktg. Dir. Paul Eisele told us mail test showed no significant difference in orders for Betamax programs priced at \$49.95 & \$59.95, but twice as many buyers at \$39.95 per program for 8 shows on subscription basis—so TLV presumably will go near the lower price.

Mail-order sample in June totaled 6,000 Betamax owners, produced 300 orders, or 5% response.

TLV hopes to be "more mail-order than retail in the long run," Eisele said, but is testing retail sales to get experience, and, presumably, reliable list of VTR owners. Eisele said he found consumer electronics retail market "chaotic & difficult," with little or no inclination by dealers to appreciate value of software market.

Eisele pointed to potentially serious problem which could get retailers into plenty of trouble in addition to earning them the enmity of programmers—tendency of video dealers to set themselves up as bootleg centers, not so much for profit but as service to customers. "Some dealers have clubs with Betamax owners—they tape Home Box Office [pictures] off the air and dub them onto their customers' cassettes." It's commonly known that some dealers are handling such hot recent features as "Star Wars" & "Jaws." Said Eisele: "They give them away to customers who'll buy a blank cassette. They have no idea of the value of software itself—they just use it to sell hardware [blank cassettes]. Lots of them are crooks."

To prevent TLV programs from being ripped off by amateurs, it's encoding them with Copy-Card. To cut professional bootlegging, TLV will drop-ship tapes ordered at retail stores—retailer never gets his hands on the tapes. TLV expects to expand offerings to include classic feature films, etc.

Magnetic Video, big Detroit tape duplicator, is making large-scale entry into home VTR program field with 100 top-grossing feature films licensed from 20th Century-Fox on non-exclusive basis—it's same package bought by RCA for videodisc. MV Pres. Andre Blay told us he hopes to "bombard the consumer market" with his pictures, which will be available in both Beta & VHS 2-hour formats (he agrees with others that replicating programs in 4-hour VHS format is difficult or impossible). He declined to give prices or method of distribution, but noted he has operated mail-order audio tape clubs in past.

"Our biggest problem will be making these tapes, not selling them," Blay said. "The demand is huge. We're now installing 120 Beta & VHS slave units" for replication. "Home VTR is a major industry and it's going to make it. It needs the best available programming—and that means Hollywood movies."

ZENITH TO APPEAL CV DUTY RULING: Zenith says it will move quickly for Supreme Court review of decision overturning earlier Customs Court order that countervailing (CV) duty levies be assessed on Japanese consumer electronics to offset commodity tax rebates (Vol. 17:16 p7). By 3-2, Customs Appeals Court last week upheld Treasury's right not to impose extra duties, said past practice shows CV duty law wasn't intended to apply to all forms of domestic tax refunds given foreign exporters.

"We've been in this fight for 7 years, and we're not going to quit until the last round," Zenith Chmn.-Pres. John Nevin told us. "I'm confident the Supreme Court will decide the case on the basis of law and not politics, and if it does we'll win."

Zenith has 90 days—extendable to 150—to file with Supreme Court. There's no deadline for court decision on whether to take case. In past, court has been reluctant to accept non-criminal Customs cases, but this one's so important there are forecasts it will opt for review. All of world's major trading nations, including U.S., have agreed not to countervail against rebates of what amount to national sales or excise taxes, and threat U.S. will do so has caused international uproar. Administration, which opposes Zenith suit, has promised to ask Congress to change law if original Customs Court ruling is upheld.

If Supreme Court takes case it could be year or more before final decision. Concerned about growing liability, importers are preparing to ask Treasury to stop collecting bonds covering potential CV duties, return those already posted and resume entry liquidation, on grounds that Appeals Court effectively canceled lower court order. However, Treasury says it plans to keep bonding requirement until Supreme Court acts.

VTR PRICING SUSPENSE: Alphonse- &-Gaston act in videocassette recorder pricing can't go on much longer, simply because machines are about to go to market and it's very difficult to sell them without a price. Some 15 manufacturers have indicated they'll bring VTRs to U.S., but precious few have said what they'll try to get for them.

Magnavox held first of its regional dealer showings last week, left VTR unpriced, presumably to wait & see what competition does. Most others are doing likewise, but time is running out. Zenith formally launches marketing of 2-hour Beta-format machine this week at Aug. 4 meeting in Chicago, where presumably it will let distributors in on the price. Following week, Sylvania will have meeting, but isn't expected to price its 4-hour VHS unit, which is for late Oct. delivery. Week after that (Aug. 18), RCA introduces & prices its 4-hour VHS to distributors in Indianapolis, makes public announcement week of Aug. 21.

Pricing situation: Sony has set pattern so far, introducing one-hour Betamax deck last year at \$1,300, pricing new 2-hour unit (now being delivered) same. Quasar's VX-2000 has been \$995 from start. JVC put \$1,280 tag on 2-hour VHS, Sanyo says V-Cord II will be same price, 2-hour Beta somewhat cheaper. Leaving out a couple of "competitives," that's about it on pricing.

RCA & Zenith will be decisive in pricing arena. If either prices much below \$1,300, everybody eventually will come down to meet them, despite current shortage of merchandise. Price war in VTRs is certain to develop when supply catches up with demand. But at present, it's good guess that Zenith will price very close to Sony's \$1,300. It's known that RCA once aimed at \$1,095 tag as starter, but more recent indicators seem to point to area safely near \$1,300. Although manufacturers are nervous about pricing any consumer product so high, that doesn't seem to worry dealers. Many of those now handling VTR are yelling: "Send us all you can—we'll sell them."

While manufacturers politely say "after you" to one another on prices, they are quietly bad-mouthing each other on just about everything else—in fact, this season could definitively be termed the Summer of the Bad-Mouth. If you compiled all statements manufacturers are making about one another, you'd conclude hardly any VTRs will be delivered this year and none will work.

Joining in summer sport are such semi-innocent bystanders as security analysts. Quintessential example of art of bad-mouthing is bulletin by Bache Halsey Stuart, which quotes report in Japanese press, then embroiders it. Highlights: "The article raises a serious question about the quality outlook of Matsushita's new 4-hour consumer VTR... These questions are... critical... sharp fall-off in picture & sound quality when used in the 4-hour mode... The quality problems have been noted by a number of industry people... Matsushita has discontinued production of its earlier VX-2000 model because of quality problems... [is] having problems gearing up production of the new 4-hour machine... The introduction of an inferior machine may negatively impact the image of

RCA, Sylvania & Magnavox... The inferior quality might cause some minor defections from the Matsushita/JVC system..."

Experts agree just about everything in Bache report is false or misleading, and Bache presumably doesn't worry about almost certain backlash expected following upcoming VTR introductions. But basic rules of a Bad-Mouth Summer is that statements are operative only until proven otherwise. We well remember the last Bad-Mouth Summer ("Who in the world would buy a small-screen Japanese TV set?").

COMPUTERS AT RETAIL: Radio Shack kicks off first major home computer program by chain retailer next week, but Sears & other mass merchants aren't far behind. Radio Shack is holding N.Y. press showing Wed. (Aug. 3) of "low-cost microcomputer system for business, education & home use."

Sears, meanwhile, will test-market computer this fall at undisclosed locations around country. As usual, giant chain isn't revealing details of computer project, but it's being taken fairly seriously; PR man was recently detached from other duties to concentrate on computers & video games. It's understood computers would be sold through chain's camera depts., games remaining part of sporting goods.

Ambitious home computer campaign is also being launched by Contemporary Mktg. of Illinois, which plans to sell Commodore KIM-1 & PET (Personal Transaction Computer) through Mr. Calculator stores. Firm now has 10 stores in Tex., Ill. & Cal., hopes to have 150 outlets across U.S. within 18 months.

Though aimed more at hobbyist, Heath is also moving into computer field with 2 kits—\$1,295 unit using Intel 8080A MPU, \$375 model with Digital Equipment KD11F MPU. Variety of peripherals, including 12" color CRT terminal (\$530), is also being offered. Computers will be "great selling item," spokesman said, adding that other models will be introduced.

Thomson-CSF is discussing possible U.S. manufacturing licenses for its transmissive optical video-disc system with several American firms, Vp Warren Singer said last week at Washington-area demonstration of system to potential govt. users. Prototype shown used thin, clear flexible plastic disc mounted on rigid plastic board, inserted into rigid plastic jacket, all of which is inserted into slot in player. Wired remote calculator-type control using microprocessor permits pre-programming of 9 specific sequential orders to machine—location of specific frame, slow-motion, forward, reverse, still-frame, etc. Frame number can be superimposed on picture, also is displayed on LED readout. First deliveries of 1,000 industrial-institutional machines are due next year in Europe. Singer indicated Thomson still plans eventually to market consumer unit to accommodate flexible throw-away discs.

FTC launched antitrust study of U.S. dry battery market, which staff estimates is worth \$400 million at wholesale. While agency wouldn't comment officially, it's understood target of study is Union Carbide, which dominates market.

Trade Personals

Greg Reyes shifts at Fairchild Camera from gen. mgr. of disbanded Consumer Products Group to gen. mgr. of new Video Games Div.; **John Sussenberger** advanced from vp-mfg. operations mgr. to vp-gen. mgr., Time Products Div.; **Exetron Div.** (watch parts) moved to LSI Group, Optoelectronics Div., to Components Group; **George Urbani** appointed MOS/CCD Div. mktg. mgr.; **William Sick** promoted at Texas Instruments to Materials & Electrical Products Group vp-gen. mgr., succeeding **Joseph Hinchey**, on leave; **Norman Neureiter** succeeds **Sick** as Europe Div. mgr.; **George Simkowski**, ex-Admiral, named sales vp of Daytron Industries, U.S. marketer of consumer electronics produced by Korea's Dae Woo Electronics.

John Welty, Motorola Semiconductor Div. gen. mgr., advanced from corp. vp to senior vp. New div. vps: **Dick Skinner**, power transistor operations dir.; **Ivars Reimanis**, diode & rectifier operations dir.; **George Needham**, R&D & mfg. support operations dir.; **Ted Benedict**, electronic materials operations dir.; **Harry Weisberg**, ex-RCA Solid State Div., joins Harris Semiconductor as European operations managing dir.; **Duane Townley** shifts at Dow Corning Semiconductor to managing dir. of operations of Shin-Etsu Handotai, Dow Malaysian silicon wafer venture.

C. Dick Fuller promoted at Sylvania's Philco unit from east region direct mkts. mgr. to national distributor sales mgr., succeeding **George Jarden**, resigned to form Great Valley Distributors, to handle Philco products in parts of Pa., Del., Md. & Va.; **Donald Studeny**, ex-Sony, joins Sharp Gen. Admin. Div. as national distribution mgr.; **Dan Fujii** advanced at Melco Sales (MGA) from order service processing mgr. to west & southwest audio sales mgr.; **Gary Hartfelder** named for midwest & southeast, **Kevin McDermott** for mideast & New England.

Garrette Burkhart promoted at Radio Shack to buyer for parts & components, alarms, wire, cable & electronic kits; **John Semenuk** appointed Sylvania Parts Div. material mgr., succeeding **Walter Kottas**, now GTE Products Group purchases dir.; **Walter Salm** resigns as Communications Retailing editor to return to ad & PR field (201-238-5340).

Game Plans: Bally could be in trouble with fall marketing plans. FCC hasn't received application for its programmable Professional Arcade (Vol. 17:24 p12). With current 6-week game backlog at labs, Bally couldn't legally begin shipping units until mid-Sept.—"if it came in right now," staffer said... **Other programmable** suppliers are gearing for fall season, and newcomers Coleco Atari have begun shipping first units. Jockeying to line up mass retail accounts is well underway, Woolco chain saying it will go with Atari... **Atari & RCA** will keep in touch with programmable purchasers by using warranty registration cards to compile new-cartridge mailing list... **Recent FCC approvals:** Atari Video Pinball (also approved under Sears label), Magnavox Odyssey 5000, Coleco Ranger, Pro-Quality Electronics Sportstron 101.

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with

Consumer Electronics...

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MATSUSHITA'S HALF: Matsushita reported record 2nd-quarter & first-half (to May 20) sales of \$1.75 billion & \$3.33 billion, up 12% & 15% from respective year-earlier periods. Net increased 22.5% in quarter to just under \$72 million, was up 28.4% for half to \$133.2 million. Consumer electronics volume rose 17% in quarter to \$779.8 million, was up 18% for half to \$1.53 billion. Total export volume was \$466.5 million in quarter, up 32%, bringing full-period total to \$903.3 million, up 42%.

Admiral losses decreased in fiscal 3rd quarter as result of lower manufacturing costs due in part to consolidation of production facilities, parent Rockwell reported. Rockwell said Electronics Operations increased earnings despite loss stemming from quitting calculators... **Advent** showed loss in opening fiscal quarter as sales rose 8.7% (see financial table)... **Lafayette** said loss expected for 4th quarter to June 30 is "sharply in excess" of \$1.2-million 3rd-quarter deficit, suspended quarterly dividend. Company blamed high selling & administrative expenses, decline in sales, write-downs on 23-channel CB inventories... **Fairchild** attributed much of steep decline in 2nd-quarter earnings to write-down of LED watch inventories to current market values. Company is putting emphasis on LCD watches.

Magnavox trade-in promotion Aug. 21-Oct. 8 offers up to \$150 off on 22 electronically tuned 19" & 25" color sets. Promotion ("Trade-In for Touch-Tune Time") is coupled with dealer incentive program, including trip to Super Bowl, will be supported with heavy national ad campaign RCA trade-in promotion runs Aug. 25-Oct. 1 (Vol. 17:21 p8). Magnavox Greeneville, Tenn. color TV plant opened on schedule July 25 after summer vacation following settlement of 3-week strike (Vol. 17:29 p10). New contract includes 90¢ hourly increase over 3-year period, \$30,000 maximum major medical insurance coverage.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Advent			
1977-qtr. to June 25	6,293,294	(218,844)	--
1976-qtr. to June 25	5,788,917	400,386 ^a	.17
American Bcstg. Cos.			
1977-6 mo. to June 30	760,042,000	52,709,000	2.91
1976-6 mo. to June 30	629,637,000	30,410,000	1.74
1977-qtr. to June 30	382,045,000	33,808,000	1.86
1976-qtr. to June 30	315,946,000	20,679,000	1.18
John Blair			
1977-6 mo. to June 30	65,622,000	4,052,000	1.68
1976-6 mo. to June 30	51,348,000	2,055,000	.85
1977-qtr. to June 30	33,875,000	2,418,000	1.00
1976-qtr. to June 30	27,185,000	1,366,000	.56
Canadian Cablesystems^b			
1977-9 mo. to May 31	--	4,551,000	1.14
1976-9 mo. to May 31	--	7,544,000	1.89
Capital Cities Communications			
1977-6 mo. to June 30	143,840,000	20,385,000	2.72
1976-6 mo. to June 30	102,427,000	17,571,000	2.26
1977-qtr. to June 30	80,806,000	12,046,000	1.61
1976-qtr. to June 30	56,220,000	10,723,000	1.38
Clarostat			
1977-6 mo. to June 30	6,685,100	190,000	.34
1976-6 mo. to June 30	5,854,500	167,100 ^a	.30
Combined Communications			
1977-6 mo. to June 30	113,413,000	9,312,000	1.44
1976-6 mo. to June 30	101,027,000	6,249,000	1.07
1977-qtr. to June 30	61,689,000	6,137,000	.95
1976-qtr. to June 30	54,529,000	4,729,000	.79
CTS			
1977-6 mo. to June 30	77,247,000	6,571,000	1.40
1976-6 mo. to June 30	79,528,000	6,893,000	1.48
1977-qtr. to June 30	39,383,000	3,529,000	.75
1976-qtr. to June 30	41,737,000	3,583,000	.77
Doyle Dane Bernbach			
1977-6 mo. to June 30	35,376,000	3,141,000	1.67
1976-6 mo. to June 30	30,058,000	2,795,000	1.54
1977-qtr. to June 30	20,194,000	2,285,000	1.21
1976-qtr. to June 30	16,928,000	1,846,000	1.02
Electronic Memories & Magnetics			
1977-6 mo. to July 2	53,281,000	2,095,000	.29
1976-6 mo. to June 30	43,214,000	5,481,000 ^a	.92
1977-qtr. to July 2	26,917,000	1,111,000	.16
1976-qtr. to June 30	22,372,000	5,087,000 ^a	.90
Esquire Radio & Electronics			
1977-6 mo. to June 30	13,547,531	530,567	.83
1976-6 mo. to June 30	7,511,864	320,843	.50
1977-qtr. to June 30	7,193,305	278,324	.44
1976-qtr. to June 30	3,455,033	107,384	.17
Fairchild Camera & Instrument			
1977-6 mo. to July 3	234,847,000	3,800,000	.70
1976-6 mo. to July 4	209,903,000	3,055,000	.56
1977-qtr. to July 3	117,744,000	1,571,000	.29
1976-qtr. to July 4	113,287,000	2,858,000	.52
Lee Enterprises			
1977-9 mo. to June 30	60,949,000	8,062,000	1.62
1976-9 mo. to June 30	51,466,000	6,550,000	1.30
1977-qtr. to June 30	22,268,000	2,085,000	.62
1976-qtr. to June 30	17,992,000	2,771,000	.55
Masco			
1977-6 mo. to June 30	222,285,000	26,830,000	1.03
1976-6 mo. to June 30	228,602,000	26,010,000	.99
1977-qtr. to June 30	115,615,000	14,120,000	.54
1976-qtr. to June 30	120,269,000	13,715,000	.52
Pemcor			
1977-qtr. to June 30	37,899,977	1,897,973	.87
1976-qtr. to June 30	25,037,705	485,561	.24

Company & Period	Revenues	Net Earnings	Per Share
Rockwell International			
1977-9 mo. to June 30 ^c	4,266,900,000	102,500,000	2.97
1976-9 mo. to June 30 ^c	3,806,400,000	86,200,000	2.52
1977-qtr. to June 30 ^c	1,473,400,000	37,000,000	1.07
1976-qtr. to June 30 ^c	1,312,100,000	31,300,000	.92
Rollins			
1977-year to June 30	255,549,000	24,894,000	1.86
1976-year to June 30	227,068,630	22,361,335	1.67
Scientific-Atlanta			
1977-year to June 30 ^d	51,000,000	2,600,000	1.60
1976-year to June 30 ^d	45,300,000	2,000,000	1.33
1977-qtr. to June 30 ^d	14,000,000	700,000	.47
1976-qtr. to June 30	12,800,000	600,000	.42
Technical Operations			
1977-9 mo. to July 2	69,217,000	280,000 ^a	.21
1976-9 mo. to June 26	60,052,000	(926,000)	--
1977-qtr. to July 2	21,421,000	92,000	.07
1976-qtr. to June 26	19,460,000	(752,000)	--
Texas Instruments			
1977-6 mo. to June 30	955,221,000	54,975,000	2.41
1976-6 mo. to June 30	761,565,000	43,856,000	1.91
1977-qtr. to June 30	493,300,000	27,631,000	1.21
1976-qtr. to June 30	392,198,000	22,569,000	.98
J. Walter Thompson			
1977-6 mo. to June 30	84,521,000	3,630,000	1.26
1976-6 mo. to June 30	68,644,000	1,644,000	.60
1977-qtr. to June 30	46,781,000	3,452,000	1.19
1976-qtr. to June 30	37,887,000	2,346,000	.86
TRW			
1977-6 mo. to June 30	1,602,500,000	74,200,000	2.29
1976-6 mo. to June 30	1,466,300,000	64,300,000	1.95
1977-qtr. to June 30	825,600,000	42,500,000	1.33
1976-qtr. to June 30	743,800,000	37,800,000	1.18
20th Century-Fox			
1977-6 mo. to June 25	190,155,000	8,454,000	1.10
1976-6 mo. to June 26	160,894,000	(2,543,000)	--
1977-qtr. to June 25	100,520,000	5,883,000	.76
1976-qtr. to June 26	77,379,000	(958,000)	--
Washington Post			
1977-26 wk. to July 3	207,516,000	15,842,000	1.83
1976-26 wk. to June 27	179,008,000	11,529,000 ^a	1.28 ^e
1977-13 wk. to July 3	112,957,000	10,824,000	1.28 ^e
1976-13 wk. to June 27	99,048,000	7,716,000	.86 ^e

Notes: ^aIncludes special credit. ^bIn Canadian dollars.

^cRestated. ^dPreliminary. ^eAdjusted.

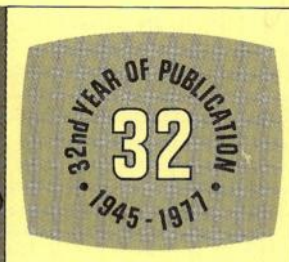
State & local laws conflicting with FCC jurisdiction are proliferating, particularly in CB, according to Commission, which issued public notice reminding everyone of fact. It states: "Licensees who feel victimized by an improper local law may raise federal pre-emption in their own behalf, and local legislative bodies should consider the issue when contemplating the enactment of ordinances in areas regulated by the Communications Act." One example: Recent Ind. state law sponsored by Sen. Merton Stanley, Kokomo, makes it crime to broadcast obscenity over CB. This is field clearly reserved to FCC. Commission may go to court on this and other statutes.

Mergers & acquisitions: Maremont buys 226,000 Pemcor shares, 11.5% of total from Herbert Rowe family... Tandy sells Allied Electronics Div., terms & purchaser undisclosed. Tandy acquired Allied's retail & industrial operations from LTV Ling-Altec for about \$30 million in 1970 (Vol. 10:16 pll)... **Germany's** Rosenthal Technik has offered to buy all outstanding shares of Metalized Ceramics for \$5.4 million. Based in Providence, MC makes semiconductor packages.

WEEKLY

Television Digest®

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

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FIBER PROGRESS OUTRACES FORECASTS: ADL's Elion & ITT's Kau outline projects & progress before OTP group on rural communications. Installations planned in Guam, Malaysia, Canada, U.S. (P. 1)

PROGRAMMING, COMPETITION and new technologies highlight final sessions of House panels on broadcasting and Communications Act rewrite. Satellites, fibers & wire are touted, while govt. regulation is criticized. (P. 2)

CORRECTIVE ADVERTISING upheld by D.C. Appeals Court in 2-1 decision. In FTC order issued against Listerine in 1975, court finds that Commission standards & authority are 'clear.' (P. 4)

BCSTRS. 'AWFULLY POWERFUL,' Hollings states in program on ascertainment. During Senate Commerce Committee saccharin deliberations, 'I felt like a foreman of a fixed jury.' (P. 5)

COMMERCE DEPT. POST of asst. secy. for communications & information sought by Shooshan, Miller, Geller. (P. 5)

LAWYERS' FEES paid by govt. for public participation in agency proceedings nixed by Senate Judiciary Committee. However, Senate Governmental Affairs Committee recommends govt. funding. (P. 6)

Consumer Electronics

RECORD COLOR SALES week salvages slow July, bringing month's sales to nearly 8.5-million rate; 7-month sales rate just below 9 million. (P. 8)

FIBER BREAKTHROUGHS BEAT FORECASTS: Progress in fiber optics is outracing both conservative estimates and wishful thinking faster than any major communications development in recent memory. Two presentations last week emphasized that—by A. D. Little's Herbert Elion and ITT's Charles Kau, at OTP's Interagency Committee for Rural Communications.

Elion disclosed variety of developments, hinted at lot more. ADL is manager for consortium of industry & govt. groups, with job of breaking chicken-egg bottleneck—moving supply & demand along. ADL is in final stage of 8-year program (this stage running \$16 million), installing systems in Guam (cable operator), Canada, a Malaysian and another Asian country. No details of last 3 were given. ADL has formed Program Management Co., under former Apollo mogul Albert Kelley, to oversee fiber & other projects.

ZENITH VTR AT \$1,300, same price as Sony's; introductory national TV-print ad campaign planned. Sony filling pipeline with 2-hour Betamax; introduces sleek, miniaturized industrial versions. (P. 8)

ITC GETS CB petition from E. F. Johnson asking import quotas for 5 years. Company says domestic industry faces extinction, can't finance operations without import changes. (P. 9)

COLOR IMPORTS approached 2 million in first half with assist from 693,000 chassis, mainly from U.S.-owned Mexican border plants. June b&w imports at 44-month high. (P. 10)

NEAR-TERM FUTURE of TV will concentrate on 'peripherals' and steady but unspectacular improvements in cost, reliability & picture quality. RCA's Hittinger sees more optics improvements, greater integration. (P. 10)

RCA'S NEW VIDEODISC—uncoated 2-hour unit—gives excellent picture. Real-time electromechanical mastering achieved. 'Not back to Square 1,' says RCA, citing 'enormous promise.' (P. 12)

'IDEAL TV SET' claimed by TI to meet FCC's objectives of high performance in increased sensitivity & interference rejection at not more than \$30 retail premium. (P. 12)

QUASAR ENGINEERS seek import-adjustment assistance. Labor Dept. also opens case for Raytheon workers, approves help for those who lost jobs in CB antenna, resistor industries. (P. 13)

Guam deal is 2-way, includes schools, U. of Guam, hospitals, etc. Copper & fiber will be run in parallel, in part of system, for direct comparison. Longest run will be 47 km. Systems will be "plug-to-plug compatible." Details of Guam & Malaysian projects will be furnished at Oct. 9-15 "Intercom 77" meeting in Atlanta.

Elion mentioned "Project A," said it would run \$240 million—half for fiber, half for satellite. He refused to say more. However, there's indication it's a major-city "total capability" project in U.S.—phone, TV, data, you name it.

Elion said fairly large programs are needed to prove out economics. Guam & Malaysian projects are \$5 million. One unidentified project eventually will run about \$55 million.

ITT's Kau (pronounced Coe) said, among other things: (1) Fiber is already cheaper than co-ax for some uses. (2) He foresees losses of .5-.2 dB per km—with runs as long as 150 km without repeaters. (3) "There are no real problems" anymore—the life of laser, reliability, will be solved within 2 years. (4) Military is now running 20-megabit bandwidth over 2 km. In England, 140-megabit PCM is running 9 km with 2 repeaters. (5) Training of installers is "not formidable." (6) Mixers & T-couplers will be commercially available in year or so. (7) One-way CATV is "very difficult" on fiber because of linearity problems. However, he said, Times Fiber's Frank Dabby recently gave paper in Tokyo "showing that things are moving" in linearity.

Committee member asked Kau if it's safe to bury fiber cables. Said Kau: "We've buried them. They'll survive—no doubt of it." Said Elion: "We figure they'll survive a typhoon if the poles survive."

(We asked Irving Kahn, principal of Times Fiber & General Optronics, how Bell Labs can claim 1,000,000-hour laser while he claims only 100,000-hour. "We have higher standards," he said. "I challenge Bell to test theirs along ours at their labs or ours—and I believe ours will stand up as long or longer.")

Small phone systems—through National Telephone Cooperative Assn.—are striving for authority to build cable systems. According to Exec. Vp David Fullerton, combination phone-cable system can be built for only 20% more than phone-only—but REA law doesn't permit loans for commercial TV. NTCA will seek REA Act amendment in Sept. In addition, it has petitioned FCC to change rules to permit phone-CATV co-located cross-ownership—though Commission has been liberal with waivers for small towns.

OTP's Vincent Sardella, chmn. of Interagency Committee, said that White House remains intensely interested in Committee's work despite fact OTP is phasing out. He said presidential aide Richard Neustadt assured him that Domestic Council will review recommendations. Committee's goals is draft by Aug. 31, final report in Sept.

PROGRAMMING, COMPETITION & NEW TECHNOLOGIES: House Communications Subcommittee has completed panel discussions on broadcasting & Communications Act rewrite, starts up again following Aug. congressional recess with panels on public broadcasting (Sept. 7-9), safety & special (Sept. 12, 15-16, 19-20), domestic common carrier (Sept. 21, 26-28), cable (Sept. 29-30), aeronautical satellites (Oct. 4) and international communications (Oct. 5-6).

Sessions last week covered programming, regulation vs. competition, broadcasting & new technologies. Subcommittee spent additional 1-1/2 days hearing witnesses who wanted to participate but who couldn't be scheduled earlier. Many were broadcasters making plea for preservation of present system.

Strong defense of networks was offered by CBS' Jack Schneider & ABC's James Duffy. Criticizing concept that "network programs are bad because they are popular," Schneider said station operators like network shows because they are popular and profitable. "This gives him the ability to offer service to his community at other times... The network programming allows him to be serviceable." Commented Duffy: "Part of meeting the needs of a community is blending national programs with local so that when it gets to the local viewer, it has meaning, it has visibility and importance in the local community."

"I think you have to see it," Lee Rich, Lorimar Productions, said of ABC's "Soap." "I think it's excellent programming. It's different. It opens a new form." Duffy said that 172 of ABC's 191 affiliates had agreed to carry "Soap," while 8 had told network they won't; remainder haven't said. "The public wants these types of programs," Duffy said, stating he's certain of this from press & public criticism of TV for being "bubblegum for the eyes" and lacking in innovation.

Rich used his appearance to criticize Group W Chmn. Donald McGannon for advocating 30-day advance pre-screening and for frequent preemption of network shows. Duffy: "McGannon has been the only one who has had a problem with the ABC pre-screening process." Joseph Floyd, KELO-TV Sioux Falls: "I just want to see the ones that are controversial." Rep. Frey (R-Fla.) said station in market with 3-4 others would "have to be a martyr" to pre-empt network shows on more than infrequent basis or risk losing affiliation. Rep. Gore (D-Tenn.) said number of network programs local stations carry not seen in advance give him "the impression that localism is kind of a myth." Floyd: "We're involved all the time in local programming." Gore: "Not all the time. Just a couple of hours a day." Floyd: "That's a lot of time for TV."

Rich & MPAA's Jack Valenti argued that program marketplace is anticompetitive, that networks have upper hand. Rich claimed that producers have deficit first 3 years of network series, often don't profit until syndication. "We generally don't get out of the network what we put in... and it's getting worse," Rich said. Valenti: "We want networks to continue to be distributors of programming. We do not want networks to control programming."

Leavitt Pope, WPIX N.Y., defended networks. "The rules work fairly well as they are now. There are a couple of imperfections, but I don't have an awful lot of sympathy for the Hollywood TV producers." Viacom's Ralph Bañuch agreed: "I would not come before the Congress and ask that the government guarantee a return on my investment."

Present regulation of station performance is "a joke," Aspen Institute's Henry Geller stated, because incumbent is almost always renewed, no matter how he performs. He suggested deregulating licensees, giving them 20-year leases, letting them do what they do best—entertainment—and leaving cultural, news & public affairs and children's shows to public broadcasting, to be supported by percentage of broadcasters' revenues. Radio provides good example of how deregulation would work, said Donald Thurston, NAB chmn. (WMNB-FM N. Adams, Mass.). Especially in small and single-station markets, he said, "if we are unfair, there is instantaneous response from the public."

Paul MacAvoy, Yale U., said new technologies are only way to achieve program diversity, disputed contention that cable importation of distant signals provides only "more of the same." Thomas Swafford, NAB, said that people are "not all that displeased" with current TV fare; they ask for "meaningful" programs but watch "Hee-Haw," he said.

FCC should drop regulation of programming, continue to regulate business practices & technical performance, provide viewers with access, according to Media Access Project's Collot Guerard. James Gabbert, NRBA (KOIO-AM-FM San Francisco), whose stations feature "free speech messages," said "they're good business; it gives us identity... Basically, it's a jungle out there in radio." However, he added, when sister station KIKI(AM) Honolulu offered similar messages, there was little response from listeners, and idea had to be dropped.

Stanley Hubbard, Hubbard Bcstg., railed against cable and citizen groups, said St. Paul Committee for Open Media had only 7 members yet cost KSTP-TV St. Paul "thousands of dollars in hard-earned money" in legal fees while Committee gets its money from foundation grants. Guerard in turn criticized Hubbard's WTOG St. Petersburg for providing only one hour & 33 min. of local programming weekly.

NAB Code: "Outside of some lip service, it just doesn't seem that the industry is able to move in on these public concerns," Frey said. When problem arises, "there is a void, and the government moves in, which is not the best way to go." Gabbert said self-regulation still is needed because most Code rules grew out of abuses. Geller said Code is no substitute for govt. because it merely prohibits certain activities while govt. sets affirmative goals. MacAvoy suggested that Code limitations on number of ad minutes per hour may be "significantly anticompeti-

tive." Or perhaps, he went on, Code isn't anticompetitive "because it does not work."

"The First Amendment doesn't talk about acceptable and unacceptable speech," Subcommittee Chief Counsel Harry Shooshan noted. "What is the difference between the NAB banning liquor ads and the Congress attempting to ban saccharin ads? This is from an industry that wants the same First Amendment freedoms as newspapers. Why not let each individual station decide?"

"The spectrum is a renewable resource," CPB's Philip Rubin stated. "And it can be created. Every time we lay a cable or an optical fiber, we create spectrum... The only reason we cannot today have a wired or 'optical nation' is the economics." He urged that present technology be exploited more fully to bring about program diversity and wider range of video services. CUNY Professor Richard Marsten and Texas Instruments' Clinton Hartmann said satellites could help "wire the nation," provide diversity. Crawford Rice, KSTW-TV Tacoma, said that direct-to-home satellites would destroy localism. He said stations should be used as conduits for any satellite-transmitted programs. Subcommittee Staff Engineer Charles Jackson suggested satellite transmission of national programming direct to homes, leaving to stations news, public affairs, other local shows.

Marsten & Hartmann agreed that U.S. regulatory climate is causing U.S. to lose competitive edge in world technology. Hartmann recommended spectrum buying & selling over govt. allocation. Jack Findlater, MCA Disco-Vision, noted that in Japan, regulators try to "lubricate" change rather than "impede it in the least possible way." On other hand, he said, Japanese firms often are forced by govt. to share new technologies and R&D—something U.S. firms would be loathe to do.

Rep. Heftel (D-Hawaii)—former broadcaster—suggested 3 amendments to Communications Act. He'd license networks, cable and pay-TV systems with 3-year terms, to preserve free TV, help regulate X-rated cable programming.

FTC CORRECTIVE ADS UPHELD: D.C. Appeals Court has upheld right of FTC to order corrective advertising in cases where false ads have created "lingering" false beliefs. Though FTC previously ordered corrective ads in consent decrees, case is first in which such ads were ordered and contested. Writing for majority was Judge J. Skelly Wright, joined by Chief Judge David Bazelon. Dissenting was Judge Roger Robb.

Case involved Warner-Lambert's Listerine mouthwash. Listerine had since 1879 claimed to be beneficial in treatment and prevention of colds & sore throats. FTC in 1972 accused Warner-Lambert of false advertising, and in 1975 issued order requiring firm to insert in next \$10 million worth of Listerine advertising: "Contrary to prior advertising, Listerine will not help prevent colds or sore throats or lessen their severity." FTC arrived at \$10 million figure by averaging Listerine annual ad budget over years 1962-1972. Warner-Lambert appealed, arguing that corrective ad remedy was too severe, exceeded FTC's authority.

Court ruled that FTC has authority to require corrective ads, and that case "requires" such a remedy. "It is clear that the Commission has the power to shape remedies which go beyond the simple cease-&-desist order." Court also noted that Supreme Court recently found that First Amendment "presents no obstacle to government regulation of false or misleading advertising." However, court struck FTC requirement that corrective ads feature phrase, "contrary to prior advertising," because it seemed designed to "humiliate" advertiser.

Court said FTC must satisfy 2 conditions to require corrective ads: (1) Did ad play substantial role in creating or reinforcing false belief about a product? (2) Would belief "linger on" after false ad ceases? "It strikes us that if the answer to both questions is not yes, companies everywhere may be wasting their massive advertising budgets. Indeed, it is more than a little peculiar to hear petitioner assert that its commercials really have no effect on consumer beliefs."

FTC order requires that in TV commercials, corrective phrase must be presented in both audio & video. During audio portion in both TV & radio ads, "no other sounds, including music, may occur."

Warner-Lambert attorney told us that, though no final decision has been made, "our present intention is to seek further review," through appeal for rehearing, or to full Appeals Court, or to Supreme Court. FTC order doesn't go into effect until appeals process is exhausted.

Decision was good news to FTC and to citizen groups. "We're delighted," FTC attorney told us. Harvey Shulman, Media Access Project, said he thinks case has important implications for cases in future in which FTC might require warnings in ads. "If you can tell an advertiser that when they falsely state the facts, they must correct the misleading impression given the public, to me that's analogous to having an obligation to warn the public where an advertised product has serious health or safety risks associated with it."

However, NAB attorney Brenda Fox disagreed: "The opinion is very specific. It is designed to reach 'the accumulated impact of past advertising that necessitates disclosure in future advertising'...I would say that Mr. Shulman is not stating what the court has said, but what he would like the court to say in the future." She said Assn. has "a lot of reservations about the court's ruling. They haven't proven their case, and are misconstruing past cases."

"They are awfully powerful," Senate Communications Subcommittee Chmn. Hollings (D-S.C.) said of broadcasters. In taped program on community ascertainment scheduled Aug. 7 on WPLG-TV Miami, he said that "the average senator" will support any legislation local broadcasters tell him to because "he's very interested in satisfying that local broadcaster because it's instrumental in his reelection. So it's not any pay or anything else, he's got a decent fine broadcasting official in his hometown, in his home district, and he's asked to vote so-and-so and why bother him with the facts?" During recent saccharin deliberations (Vol. 17:31 p1), Hollings said, he attempted to ensure that "matters of public interest in the community...be aired. We tried to write that into the statute the other day. We couldn't get a vote in the Communications Subcommittee. They had already been fixed. Rather than a chairman of a subcommittee, I felt like a foreman of a fixed jury."

Teleprompter filed complaint with FTC, charging unfair competition, seeking cease-&-desist orders against 6 TV stations which refused to take its advertising promoting Home Box Office pay service: KDAL-TV & WDIO-TV Duluth; KTSM-TV & KDBC-TV El Paso; WTVT Tampa; WALA-TV Mobile. Stations generally responded they have right to accept or refuse business as they choose.

AP Radio passes 500 affiliates through addition of 4 Alaska stations via satellite. Vp Roy Steinfert noted that service has been using satellite to feed L.A. & San Francisco and expects to upgrade many other cities with satellite in "immediate future." Service started from Washington Oct. 1, 1974, with 200 affiliates.

International symposium on protection of privacy and "transborder data flows" is set for Sept. 20-23 in Vienna. U.S. delegation of 26 members includes John Richardson, Commerce Dept.; William Fishman, OTP; John Eger & Joseph Ryan, ex-OTP.

TV can be barred from filming executions in Tex., 5th Circuit Appeals Court ruled, reversing Dist. Court. It said First Amendment doesn't grant TV access to events from which general public is excluded.

Congressional Black Caucus isn't satisfied with House Communications Subcommittee's consideration of minority issues in plan to revise Communications Act. Recent all-day "brainstorming" session on media & minorities sponsored by Caucus heard many complaints that options papers ignore minority problems, Caucus Co-Chmn. Stokes (D-O.) told recent Subcommittee panel session. He recommended that additional option paper on minority issues be prepared, and that Subcommittee consider requiring public notice of intent to sell a station; VHF drop-ins; stressing minority ownership; probing minorities & ratings services.

FCC nominees were subject of exceptionally heavy rumor week in Washington. Though President Carter was alleged to have made choices, most informed sources said he hadn't—leading candidates appear to be Charles Ferris, aide to Speaker O'Neill (D-Mass.), and black lawyer Tyrone Brown. Congressional Black Caucus last week urged Carter to appoint a black to 7-year term; vacancy created by departure of Comr. Hooks is 2-year term.

Special NAB committee on Code, chaired by Kathryn Broman (Vol. 17:29 p2), held first meeting on obscenity, etc. last week, achieved no final results—particularly because members James Ebel & Robert Rich were absent. NAB Chmn. Donald Thurston has asked group to produce final report week before Sept. 16 TV board meeting, giving members of latter time to digest it. He said last week's session "went very harmoniously."

Among those seeking new post of Commerce Dept. asst. secy. for communications & information (Vol. 17:29 p2): House Communications Subcommittee Chief Counsel Harry Shooshan, Aspen Institute's Henry Geller, OTP consultant Nicholas Miller. Official will be picked by Commerce Secy. Juanita Kreps, subject to White House approval & Senate confirmation.

EIA 8-man satellite delegation goes to mainland China Aug. 8-17: Sidney Topol, Scientific-Atlanta, chmn.; Carl Faflick, GTE; Paul Visser, Hughes; James Hillier, RCA; Thomas Campobasso, Collins; David Leeson, Cal. Microwave; Frank Barnes, ITT; John Sodolski, EIA.

LAWYERS' FEES NIXED: Senate Judiciary Committee last week killed legislation that would have allowed agencies such as FCC to underwrite attorneys' fees for public participation in agency proceedings. Measure failed on 8-8 vote; it was opposed by NAB. In past, several congressmen have tried to push public interest representation concept on FCC even without legislative authority, but this was opposed by 5-2 Commission vote, only Comrs. Fogarty & Hooks favoring an inquiry to determine whether such a program is needed (Vol. 17:22 p3).

Meanwhile, Senate Governmental Affairs Committee released 2 reports indicating that "special interest groups dominate the federal regulatory process," and recommending govt. funding of public participation, among other measures. "Industry participants overwhelmingly outnumber and outstep others in regulatory proceedings," Chmn. Ribicoff (D-Conn.) stated. "In more than half the formal regulatory agency proceedings, there appears to be no public participation at all and virtually none in informal agency proceedings."

Reports also recommend greater citizen access to courts for review of agency proceedings; "full opportunity" for public intervention in regulatory proceedings; establishment of independent consumer agency; internal consumer advocacy offices within major regulatory agencies; end delays by streamlining procedures, concentrating on rulemaking rather than adjudication, choosing better officials.

FCC's "format" decision—saying entertainment formats are within licensee's discretion, not Commission's—remained unchanged last week, FCC denying reconsideration sought by 5 parties, including United Church of Christ. Commission noted, however, that its conclusion was still subject to judicial review. Comr. Fogarty dissented, said FCC must take "extremely hard look" when loss of format is threatened—if it has substantial audience. However, he acknowledged great problems of administration, possible "collision course with the First Amendment," and "I would defer its resolution to the judiciary."

AT&T has filed its expected increase in part-time TV transmission rates, plus slight decrease in full-time. Company said it received \$14.7 million from part-time service last year; new rates, if applied last year, would have produced \$21.2 million. Full-time service brought in \$37.4 million last year; new rates would have produced \$36.4 million. Networks are principal users of full-time service and buy almost half of part-time. Many former or potential AT&T TV customers are going to satellite.

Cable earth station grants: Ukiah, Cal.; Arkansas City, Kan.; Escanaba, Mich.; Columbia, Mo. Applications: Opp, Ala.; Gilroy, Cal.; Broward County, Fla.; Ketchum, Ida.; Detroit Lakes, Minn.; Starkville, Miss.; Charlotte, N.C.; Norman, Okla.; Greer, S.C.; Midland, Tex.; Appleton, Wis. (For details, see CATV Addenda.)

Sale of WBTB-TV Newark to Wometco has been completed, call being changed to WTVG; mgr. is Dick Hollands, ex-WTVJ Miami.

Saccharin legislation (Vol. 17:31 p1) never made it to Senate floor last week, and all action on bill in both House & Senate now is stalled until Congress returns from Aug. recess Sept. 7. Meanwhile, Senate Health Subcommittee staffer told us Chmn. Kennedy (D-Mass.) will attempt to put back into measure "some restrictions on advertising to inform consumers so that they can make educated choices." Staffer said Senator is considering requiring counter-advertising, reinstating original language deleted by Cannon (D-Nev.) amendment, or warning statement.

FCC Consumer Asst. Office would be eliminated, with 25 similar govt. agencies, under President Carter's proposal to establish Consumer Advocacy Agency; he hopes to persuade Congress that elimination of the 26 functions would finance new agency.

Homosexual groups have petitioned FCC to require that broadcasters give attention to their needs in programming. Jean O'Leary, of National Gay Task Force, claimed 10% of public is homosexual.

Raised dues for NCTA associate members have been approved by Exec. Committee: \$500 a year for companies with sales up to \$1 million; \$1,000, \$1-\$5 million; \$2,500, over \$5 million.

CATV & STATION COVERAGE ATLAS

Latest edition of Television Digest's "CATV & Station Coverage Atlas," one of most valuable reference tools of cable & broadcasting industries, is now off presses and available immediately. Atlas includes station coverage maps indispensable for applying FCC cable rules.

Publication is industry's only reference work showing relationship between TV station contours and locations of all cable systems. Grade B contours of all TV stations are displayed on state maps, along with identification of each community with a cable system.

Among features of Atlas: (1) 55-mile zone maps (also includes 35-mile zones) showing communities with CATV systems underscored in color. (2) Color-coded gatefold map showing locations of MDS licensees & CPs (along with MDS directory) and satellite earth stations & CPs. (3) Expanded microwave section to include list of CARS & business service microwaves along with map of common-carrier microwaves serving cable systems. Other Atlas features: (1) Updated directory of all translator stations. (2) Directories of NCTA, regional and state associations. (3) Directory of FCC Cable Bureau. (4) Directory of equipment manufacturers. (5) Up-to-date quick reference directory of all TV stations.

Copies are available from Television Digest, 1836 Jefferson Pl. NW, Washington, D.C. 20036. Use enclosed order card for prompt delivery.

Personals

Alice Henderson promoted to CBS-TV vp-program practices, Hollywood; **Marcia Stein** advanced to CBS News information services assoc. dir.; **Robert Keenan** to CBS-TV national sales dir.; **John Gray** to central sales (Chicago) dir.; **Paul Koenigsberg** named CBS owned stations retail mktg. services mgr.

George Lenfest appointed vp-operations & engineering, NBC owned stations; **Lew Hunter** named dir., motion pictures for TV, west coast, NBC-TV... **David Burke**, secy. to N.Y. Gov. **Hugh Carey**, named a vp, ABC News & Sports.

Irwin Weiner promoted from ABC Sports administration operations & mktg. services vp to ABC News & Sports financial affairs vp... **James Baerg** advanced to N.Y. program clearance dir., CBS-TV... **Sara Dempsey** promoted to mgr., film program operations, west coast, NBC-TV... **Nancy Royce** promoted to program budgeting & administration mgr., ABC Owned TV Stations; **Kit Scripps** advanced to sales administration mgr.

Sheila Mahony, Cable TV Information Center exec. dir., appointed exec. dir., Carnegie Commission on the Future of Public Bcstg... **John Gantt** named Comsat gen. counsel, remains corp. secy.

Eugene Dodson, Gaylord Bcstg. pres., retires as gen. mgr. of WTVT Tampa, remains with Gaylord "in an executive capacity," Tampa hq; Gaylord Exec. Vp **Crawford Rice** adds duties as WTVT gen. mgr.; **Charles Edwards** succeeds Rice as KSTW Tacoma vp-gen. mgr.; **Jack Berning** advanced to KTVT Ft. Worth vp-gen. mgr., succeeding **James Terrell**, on indefinite leave of absence.

Wallace Jorgenson named pres., Jefferson-Pilot Bcstg., succeeding **Charles Crutchfield**, who retires Dec. 31... **Don Hamlin**, WGBS(AM) Miami vp-gen. mgr., named station mgr., WJBK-TV Detroit, succeeding **Robert McBride**, now WJBK-TV vp-gen. mgr... **Bill Frank** advanced to station mgr., KCOP L.A... **Martin Brantley** promoted to station mgr., KPTV Portland, Ore... **Daniel McCarthy** appointed gen. sales mgr., KHOU-TV Houston.

William Dunaway, ex-WDEF-TV Chattanooga vp-gen. mgr., named gen. mgr., WBAY-TV Green Bay... **Richard Pfister** advanced to engineering chief, WTTG Washington... **Eglon Simons**, CBS financial analyst, appointed sales service mgr., KMOX-TV St. Louis... **David Brugger**, ex-Ia. ETW Network, named gen. mgr., WUFT Gainesville, Fla.

Don Sports, WCLA-AM-FM Claxton, elected pres., Ga. Assn. of Bcstrs.; **Allan MacMillan**, WRNG(AM) N. Atlanta, elected vp & pres.-elect; **John Radeck**, WJBF Augusta, vp-TV.

Robert Corrao, ex-RCA, joins Jerrold as CATV mktg. mgr... **Harve Bennett**, producer, & **Harris Kattelman**, ex-MGM-TV, form own independent production firm, sign long-term contract with Columbia Pictures TV... **Robert Finehout**, ex-Association Films, named Modern Talking Picture Service vp... **Robert Ware**, ex-WPLG Miami, named WPBT chief engineer

WEEKLY Television Digest

with

Consumer Electronics...

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& engineering dir.

Scott Moger, ex-Worldvision Enterprises, named Columbia Pictures pay TV ad & publicity dir.

John Porter appointed Ampex vp-new ventures, new post, succeeded as Magnetic Tape Div. gen. mgr. by **George Zladeh**... **Charles Anderson** & **Charles Steinberg** promoted to exec. vps, Ampex... **Earle Davis**, ex-U.S. Steel, joins RF Systems as CATV marketing mgr. for earth stations... **John Curren**, ex-KXAS-TV Ft. Worth, joins Arbitron southern TV station sales, Dallas hq.

Perry Nash named Teleprompter western mgr., succeeding **David Pardonner**, now cable TV operations dir... **Ben De Augusta**, ex-Group W, appointed operations dir., Worldvision Enterprises... **Judith Anderson**, ex-People magazine, named HBO eastern regional mgr.

Jay Schimmel appointed western sales mgr., Kaiser Bcstg. Spot Sales, L.A., succeeding **Art Wagner**, resigned... **Wallace Anderson**, ex-Beehive International, appointed Telemation customer service mgr... **Joseph Aguayo** promoted to Children's TV Workshop Products Group special projects mgr.

Gene Foster promoted to AP general broadcast exec. for western U.S.; **Elizabeth Olenbush**, ex-Television Factbook & NCTA, succeeds Foster as regional cable TV exec., Denver hq.

Media coverage of blacks has deteriorated, according to NAACP chief Benjamin Hooks, former FCC member. In L.A. speech, he said that white media are deliberately reducing coverage: "They decided that they helped to build Martin Luther King and they'll never do that again." He indicated that blacks may picket media if coverage doesn't improve.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 22 (29th week of 1977):

	July 16-22	1976 week	% change	July 9-15	1977 to date	1976 to date	% change
Total TV.	249,599	209,357	+19.2	203,726	6,929,704	6,032,796	+14.9
color	146,810	124,778	+17.7	129,781	4,251,471	3,550,038	+19.8
monochrome . . .	102,789	84,579	+21.5	73,945	2,678,233	2,482,758	+7.9
Total radio	1,091,269	1,013,417	+7.7	978,658	24,366,779	18,521,130	+31.6
home, portable .	884,309	830,878	+6.4	778,285	17,355,271	11,820,675	+46.8
AM-only	108,008	216,627	-50.1	155,142	3,944,776	2,509,774	+57.2
FM & FM-AM . .	776,301	614,251	+26.4	623,143	13,410,495	9,310,901	+44.0
auto	206,960	182,539	+13.4	200,373	7,011,508	6,700,455	+4.6

Color TV 5-week moving average: 1977—160,106; 1976—137,179 (up 16.7%).

RECORD WEEK SALVAGES SLOW JULY: Color sales to dealers were headed for summertime blahs in July until good pickup started in 3rd week, followed by final-week sales of almost 200,000—record for 30th week of any year and 2nd best sales week of 1977. As result, July sales totaled respectable 583,100, up 10.5% from 1976 month.

July still represented letdown from June's 9.1-million annual rate, at sales rate of less than 8.5 million. After 1973 & 1974, it was 3rd best July in history for color sales. For year's first 7 months, sales to dealers totaled some 4,451,400 sets, up 19.6% from 3,721,501 in same 1976 period. Traditionally, sales in first 7 months total close to 50% of year's total. Sales rate for year to date is now running just short of 8.95 million.

ZENITH'S BETA VTR PRICED AT \$1,300: Zenith launched its 2-hour Beta format videocassette recorder at Chicago distributor meeting last week, and, as expected, price tags on VTR & related products are identical to Sony's—deck \$1,300 including timer, b&w camera \$395, 2-hour cassette \$16.95, one-hour \$12.45. Console combination, including 25" color set, is \$2,600.

Products will be shown to dealers at open houses & special showings soon, deck to be available in major markets early next month, combination in Oct. Zenith Sales Co. Pres. Walter Fisher called VTR "large & exciting market," promised introductory ad & promotion campaign, but didn't reveal size. It's known, however, that Zenith plans national print & TV campaign for VCR. Zenith's price includes dealer allowance for installation & in-home set-up, 90-day carry-in labor warranty, year on parts. Volume shipments start end of Aug. to early Sept.

Sony, meanwhile, has shipped some 3,000 Betamax 2-hour VTRs to dealers in start of pipeline-filling, Sales Vp Joseph Lagore told us last week. Company is sold out of one-hour decks, he said, although some remain in stores. He said Sony ad campaign for consumer Betamax this year would exceed \$5 million.

Introducing 3 new industrial-institutional Betamax units, Sony in effect gave preview of what 2nd-generation consumer units may look like—extremely compact, sleekly designed, and with 3-dB improvement in signal-to-noise. Already reported in these pages (Vol. 17:27 p10, 17:30 p10), introductions include first AC-battery portable Betamax, with 50% reduction in power consumption, for delivery here in Nov., unpriced (\$1,100 in Japan). Player with remote microprocessor auto-search unit makes possible automatic location of any segment of cassette, automatic repeat of any segment, etc.

Video Products Div. Vp Morton Fink made it clear that Sony will aggressively seek institutional Betamax business. In this area, Sony will stick with one-hour format for better quality playback, ease of duplication, absolute assurance of compatibility. Fink rattled off these Betamax commercial networks already in existence: Goodyear, 150 owned dealers, 15 training centers, 43 sales offices, potential 1,800-1,500; Dean Witter Co., 150 brokerage offices; Firemen's Fund, 250 consumer models, potential 9,000 in agents' homes; Pacific Telephone, 120-unit test. Goal is 15-25,000 installations in 1978. He said that 200,000 Betamax units are now in use worldwide, including about 75,000 in U.S. Some 200,000 U-Matics are installed in U.S.

Next home videocassette recorder introduction will also be Beta format—Toshiba, scheduled for Aug. 11 in N. Y.

(We were first among press to view RCA's new 2-hour uncoated disc in action last week. Our description & impressions are on p. 12.)

E. F. JOHNSON TAKES CASE TO ITC: Claiming domestic CB industry faces extinction, leading U.S. producer E. F. Johnson asked ITC for relief in form of quotas or higher duties on imported CB—particularly from Japan—for 5 years. Petition filed under Sec. 201 of Tariff Act claims CB imports have caused "severe dislocation" in U.S. employment, reduced amount of capital available to industry and seriously eroded profits.

Although Johnson said other U.S. CB firms—including Pathcom & Motorola—had suffered under onslaught of imports, it was "most drastically impacted" since it accounts for roughly 80% of all domestic production. And petition said CB imports are only part of larger problem. "In essence the CB import problem faced by U.S. manufacturers is not only akin to the problems faced by domestic TV producers, but is part & parcel of the broader invasion by foreign imports of consumer-oriented electronic goods."

Quotas on CB mobile & base station transceivers would be preferable, petition said, with alternate request that maximum duties or combination of quotas & duties be applied. If quotas, allocation among importing countries should be based on 1975, when CB imports were \$2.4 billion, according to Johnson (about 6.7 million units) or 79% of total market. In 1976, petition said, figures jumped to \$7.8 billion & 92%. From 1972-76, petition claimed absolute import increase of 418% in units, 2,081% in dollars and relative increase against domestic consumption from 79% to 92%.

Damage done to domestic industry by imports included drop in net earnings by E. F. Johnson from \$5.04 million in 1975 to \$260,000 in 1976, inventory writedown in 1976 of \$6.6 million and \$5.3 million so far in 1977. In first half of 1977, company registered net loss of \$3.9 million. Johnson also idled, through termination & attrition, 37.5% of workforce (900) in 2nd half 1976, laid off 600 more workers in 1977.

Pathcom & Motorola also suffered "severe setbacks," petition claimed, with Pathcom going from \$5.3 million net earnings in 1975 to \$1.9 million loss in 1976 and writing down \$6.8 million in inventory in 1976. It laid off 600 workers, 50% of workforce; recent EIA survey revealed 42% national CB production workforce reduction in 1976.

Problem may worsen, Johnson said, due to recent ITC action on TV quotas, with offshore producers using slack TV capacity for CB production. Domestic industry, meanwhile, is hampered in ability to raise cash for production of new models which can compete with innovations from importers (CB-radio, CB-tape deck combinations, etc.).

Staff recommendation probably will go to Commission this week, with decision in 7-10 days on whether petition justifies investigation. ITC has 6 months from filing date (Aug. 2) to send recommendation to President if investigation is launched (Nov. 8 has already been set aside as tentative date for first ITC hearings on issue).

* * * *

Latest transceiver import figures indicate offshore CB activity is already slowing down. June total of 1.4 million units was down 26%, with 6-month total of 9.08 million up 5.3%. Increase is somewhat misleading, however, as figures show hand-helds—mainly toys—up 203.8%

to 4.2 million, while all others, including CB base & mobile units, down 33% to 4.85 million. In mobile CB, only specific area where 1976 & 1977 are directly comparable, June imports sank 45.9% to 638,000, while total for half was down 21.4% to 4.03 million.

FIRST-HALF COLOR IMPORTS AT 2 MILLION: Continuing flood of chassis from south of border pushed over-all June color imports to highest monthly level of year, despite decline in shipments from Japan, Commerce Dept. figures show. B&w imports hit 44-month high.

Total of 947,700 TVs were imported in June, up 83.5% from same 1976 month—456,700 color (up 94.8%), 491,000 b&w (up 74.1%). Shipments brought first-half TV total to 4.26 million (up 54.3%), color at 1.98 million (up 95.5%), b&w 2.27 million (up 30%). Included in color totals were 208,000 & 693,000 chassis for month & half respectively, about 85% from Mexico. With chassis excluded (there were few imported until 3rd quarter last year), color imports of 1.28 million were up just 26.9%.

June TV imports by country, with first-half results in parentheses: Japan total 365,000, up 18.6% (1.9 million, up 32.3%); color 221,000, down 1.6% (1.19 million, up 28%); b&w 144,000, up 73.5% (708,000, up 40.3%). Taiwan total 339,000, up 86% (1.43 million, up 24.9%); color 38,000, up 306.4% (147,000, up 130.2%); b&w 301,000, up 74% (1.28 million, up 18.7%). South Korea total 49,000, up 86.2% (304,000, up 69.3%), color 2,700, up 484.3% (33,000, up 113.4%); b&w 46,000, up 79% (271,000, up 65.1%). Singapore supplied 1,600 color sets in June for 6-month total of 6,200. Singapore color is understood to be Hitachi's, while Mexican chassis are from RCA & Sylvania plants.

In complete color imports, 18" & larger sets continued to account for more than half of shipments, rising 24.2% to 694,000, though share of total slipped from 55.5% in first half last year to 54.3%. Results for other screen sizes: 16-17", 61,000, up 119.4% for 4.8% share (up from 2.7%); 14-15", 100,000, up 7.6% for 7.8% share (from 9.2%); 13", 199,000, up 44.2% for 15.5% share (from 13.7%); 11-12", 132,000, down 3.3% for 10.3% share (from 13.6%); 10"-smaller, 93,000, up 73.6% for 7.3% share (from 5.3%).

NEAR-TERM FUTURE OF TV—'PERIPHERALS': Don't look for startling changes in color TV receivers in next 5 years or so—rather there'll be steady stream of small improvements which will cut costs, increase reliability, enhance picture. Most dramatic TV developments in near future more likely will be in "peripherals" rather than receiver itself. These are among impressions we gained in recent interviews with Research & Engineering Exec. Vp William Hittinger & others at RCA's Princeton R&D complex.

Last major & noticeable improvement in RCA TV was accomplished in 1973-74 with joint development of ColorTrak (CT) by Labs, Consumer Electronics & Picture Tube Div., and, to quote TV Research Lab Dir. David Holmes, "anything that comes along in the next 5 years in terms of picture quality will be much less significant." Hittinger, who headed Consumer Electronics, Solid-State & Components Divs. before taking over responsibility for RCA's "technical wellbeing," indicated CT decision was fortuitous one for RCA—"we could have been hurt badly if it hadn't been for ColorTrak."

What's exclusive about CT? By now, only AccuFilter tinted-phosphor tube. RCA is concentrating on less expensive ways to accomplish CT functions. New CT chassis, now being extended through line, is not only cheaper, Hittinger insists, but it's "noticeable improvement."

Example of type of TV development underway at Labs is new high-resolution bi-potential tube computer-developed in quick project to find better alternative to tri-potential slot-mask tube (Vol. 17:24 p10). Labs' elaborate picture-tube project now is aiming at improvements in both optics & glass, modernization of production techniques, new guns, better focus, phosphors & phosphor application, improved masks & mounting techniques—nothing consumer can see from outside but all adding up to better pictures at lower cost.

In chassis design, RCA is concentrating on integration, now used heavily only in signal-processing circuits. "One area which remains to be exploited is the deflection-control system—horizontal, vertical—as well as the tuner. We're working to remove labor from the electronic tuner assembly."

Real breakthroughs in TV? RCA still believes in giant flat-panel screen, has large program in this area despite discouraging results. At same time, Hittinger thinks projection TV's quality isn't good enough to carry RCA logo. "We won't move [in giant-screen TV] until we have a product at least the equivalent in performance of what we have today. We want high brightness and high resolution, and we believe we know more about this field than anyone else."

Gradual improvements in TV picture are making way for "peripherals"; for example, high-voltage bi-potential tube with sharp edge & corner focus makes better display device for such TV add-ons as teletext or viewdata, games/computers, VTR, videodisc.

RCA's final decision on disc now appears to hinge almost entirely on programming. Said Hittinger: "There's been no fundamental change in attitude, but a sober recognition of the software problem. Exactly what kinds of programs will people buy? We want to have someone else share in this test. We want non-RCA programs." (Hittinger interview was conducted before RCA detailed reorientation of disc program; see p. 12).

Is there any truth to rumor that RCA is developing home optical player which will play both RCA & Philips/MCA discs? "RCA is strongly committed to the non-optical approach. We can see the optical system in the industrial market, but in the consumer market cost is a major obstacle—even with a semiconductor laser. I'm very surprised Philips is coming into the market with a gas laser—there are still problems with gallium arsenide [laser]."

Discussing Matsushita's videodisc (Vol. 17:21 p7), Hittinger said there's currently no joint venture with RCA. "Their system uses a pressure pickup. It's not a capacitive system, and I can't even speculate as to compatibility. It's just a technical curiosity now. We're not sure how far they've gone. We just don't know enough about the system."

Videocassettes can compete with discs if prerecorded programs can be sold for only slightly more than cost of blank cassette, or around \$20, Hittinger believes. "But I'm really skeptical. There are some tough hurdles—the extreme precision required in tape handling (and they've yet to prove that a 4-hour machine can handle recorded cassettes), and very high replication costs." Low-cost CCD color cameras (field in which RCA has done much work): "It certainly isn't around the corner." Compact longitudinal VTRs: "Not in the near future."

RCA's microprocessor video game is "just a first step" toward home computer, and "net-net, we're excited. I see us busy exploiting what we've done; there are a lot more games coming. This kind of plug-in device will be important for some time. We don't know quite where this will lead—there are so many possibilities with LSI and microprocessors tying in with games, tape, discs and so forth," said Hittinger. In evolution from game to computer, Holmes noted, "the new aspect is the possibility that the consumer will have to learn a little more. How much can we convince him to participate?"

Stereo sound for TV once again is subject of FCC inquiry. Commission has issued notice on possible uses of subcarriers on TV aural transmitters—for telemetry & cuing of news crews in field, separate foreign-language TV channels, added TV audio for the blind and stereo TV. FCC last looked into stereo TV in 1964 at request of Philco & GE (Vol. 4:46 p5), dropped subject in 1967 for lack of interest. New notice asks specifically whether public, manufacturers or broadcasters now are interested in stereo-sound TV, feasible system proposals, information on TV quadrasonic sound. FCC notes that stereo interest may have picked up as result of provision for stereo in some videodisc & videotape systems. Comments are due Aug. 18.

Second typhoon in 2 weeks hit Taiwan Aug. 1, causing extensive damage at northern Keelung harbor, cutting off electricity. With southern port of Kaohsiung only partially operational after earlier storm (Vol. 13:31 p7), Taiwan's exporters are expected to have major problems shipping products for at least several weeks.

Fairchild will sell 250,000 programmable games in 1977, Pres. Wilfred Corrigan said in Business Week interview, bringing factory sales of hardware & game cartridges to \$37 million. Last year, 15,000 games were sold, Corrigan said, adding that game: (1) Is only marginally profitable now, but margins will improve in winter when 35 of 43 components are replaced by IC. (2) Is more "flexible" than Atari's new programmable. (3) Will be kept in limited production while dealer relationships are solidified.

TEAC is crediting dealers for 15% counter-vailing-duty surcharge it's been outboarding on invoices since April Customs Court order of levy on imports of Japanese consumer electronics. Even though it's required to continue to post duty bonds pending final resolution of case, TEAC says it's dropping dealer surcharge in belief Supreme Court will uphold Appeals Court reversal of original ruling (Vol. 17:31 p9).

"Consumer Guide to TV Safety," revised & updated, is available from EIA Consumer Electronics Group.

RCA'S NEW VIDEODISC: "We look for no more breakthroughs—this is it." So said Videodisc Operations Staff Vp Richard Sonnenfeldt last week in demonstrating to us RCA's new developmental 2-hour uncoated videodisc (Vol. 17:31 p7). "We have not gone back to Square 1, as some people have said... The promise in this approach is so enormous we'll pursue it to completion, as opposed to the lesser specs we had before."

If performance of developmental system is indicative of promise, new techniques are promising indeed. It had been nearly 1-1/2 years since we'd last seen RCA videodisc demonstration (Vol. 16:12 p8), and in N.Y. last week we saw latest versions of: (1) Original coated 30-min.-per-side disc. (2) Uncoated 30-min.-per-side disc. (3) Coated one-hour-per-side disc. (4) Uncoated one-hour-per-side disc in new player. Pictures could be described as excellent—in some cases almost dazzling—improvement over our last viewing. In all cases, performance was vastly better than that of any pre-recorded 1/2-in. videocassette we've seen, with little or no noticeable noise in picture, no observable dropouts.

RCA says even uncoated 2-hour disc now has signal-to-noise ratio well above 40 dB, probably about 2 dB below coated one-hour disc, virtually unnoticeable from outermost to innermost grooves. When demonstrated first time in Japan in Jan. (Vol. 17:18 p9), difference was 4-6 dB. Uncoated disc looks more like conventional audio record, is black instead of silvery, opaque rather than translucent, but has same rainbow reflections as older version. Sonnenfeldt said RCA had achieved real-time mastering of uncoated disc less than month ago, cutting directly into metal master (as opposed to lacquer master for audio disc), eliminating one production step required in audio disc (lacquer to metal). Combination of uncoated disc, electromechanical (vs. electron-beam) mastering and 2-hour disc results in more than 2-to-1 savings in materials, lower capital investment, higher yields, according to Sonnenfeldt.

New 2-hour uncoated disc is packed in plastic "caddy" which looks like LP record sleeve. Caddy is inserted in slot in new-type player, removed and disc played automatically. Then caddy is re-inserted and removed. Sonnenfeldt said new player, which has no lid, can be built at about same cost as old one, will fit in more compact space because top doesn't open.

What's left to do? "Prove there are no bugs... Go from producing hundreds of uncoated discs to thousands routinely... make sure we can tool for this." Sonnenfeldt reiterated that videocassette's success is delaying videodisc, and added that attention to cassette playing time has made it necessary to increase disc time to 2 hours. Doubled time is achieved with no loss of picture by doubling groove density from about 5,000 to 10,000, using finer stylus. Like old system, new one permits 2 soundtracks or stereo.

Demonstration to us obviously was intended to disprove reports that RCA had scrapped videodisc project. RCA disc definitely is further in future than it appeared to be several months ago. "We're far beyond lab experiments," said Sonnenfeldt, but "it doesn't make sense to go into pilot production

now." As Research & Engineering Exec. Vp William Hittinger summed up: "It's more competitive than the product we had before. We'll need that advantage, and we want to be in a position to exploit it." He conceded RCA is "shifting away" from former course of getting earlier version into mass production, "but that course [coated short-playing disc] is still open to us. What we do depends on our success in this new approach and the availability of the proper software."

TI'S 'IDEAL TV SET': Under \$200,000 contract, Texas Instruments has developed prototype TV set which is claimed to meet FCC's goals of high performance in interference reduction & increased sensitivity at no more than \$30 increase over today's sets (Vol. 16:36 p9). This was indicated last week to House Communications Subcommittee panel discussion on broadcasting & new technologies by Clinton Hartmann, TI surface wave technology branch mgr. He said actual set will be turned over to FCC later this month, report late in Sept.

Most important progress was made in UHF section, where noise was cut to 9 dB, about 2-3 dB poorer than VHF, but sufficient so that viewer won't be able to tell whether he's watching VHF or UHF, Hartmann said. Digitally tuned set will have 25-30 dB better interference rejection than present receivers. Set will have "no perceptive [adjacent-channel] interference" on UHF, a 50-60-dB improvement, with 20-30-dB improvement in reception on 2nd adjacent channels. Improved sensitivity will give better reception in fringes, sharper & clearer picture in strong signal areas, he said.

Hartmann told us that while many parts in set are now available, receiver also includes some "new devices not on the marketplace now." He said set makers haven't undertaken such improvements because of competitiveness & cost-consciousness, as well as fact that receiver standards are based on technology of 25 years ago. Present marketplace, he said to seminar, gives set makers incentive "to shave a few pennies here & there by degrading the set's capabilities; if you don't do it, your competitor will."

Few restrictions would be permitted manufacturers who want to offer full, rather than limited, warranties on their products. Proposed FTC guidelines would ban use of term "full" when warranties require consumer to: (1) Pay product shipping costs. (2) Ship item weighing more than 35 lbs. or hard to handle. (3) Fill out registration card. (4) Remove built-in item where it's not easy job. (5) Return product to dealer when manufacturer has other servicers in area. (6) Ship product in original container. (7) Notify maker of defect within specified time other than in "reasonable" period. FTC is asking for comments on proposals as well as suggestions for others, by Sept. 15, plans hearings in Chicago, L.A. & Washington this fall.

Korea Ray-O-Vac is being established by ESB of U.S. & Korea's STC Inc. to produce some 40 million batteries annually, including types used in electronic watches. Venture will cost \$4.2 million.

AID AT QUASAR: Labor Dept. (LD) is investigating whether those recently dismissed from Quasar engineering dept. are eligible for import adjustment assistance. Agency opened similar probe for workers formerly producing microwave oven tubes at Raytheon Waltham plant, approved help for ex-workers in CB antenna & resistor industries.

In petition for aid, former Quasar workers said engineering staff has been cut back over past 2-1/2 years, largest single termination hitting last July 5. Virtually all Quasar's TV engineering work is done by parent Matsushita in Japan, workers say.

CB case involved workers formerly producing CB antennas & fiberglass antenna rods at True Temper Anderson, S.C. plant. It's understood antennas were mainly for sale to OEM. LD study showed CB antenna imports exceeded domestic production by almost 2.5-1 in 1976, as against an almost one-to-one in 1975, and accounted for 70.8% of U.S. consumption last year, up from 51.6%. LD said one major True Temper customer switched to imports in last quarter of 1976, indicated that was partial reason for plant's 50.5% output decline for that period and 34.7% drop in opening quarter this year.

Former workers producing variable resistors & electronic switches at CTS Elkhart plant and ex-Airco Speer office personnel associated with carbon composition resistor business, also were import-impacted, LD said. It found variable resistor imports jumped 178% in 1976 to equal 91.6% of domestic production, compared with 34.6% of production in 1975, said CTS customers have increased purchases of imports. Job losses at Airco stemmed from shifting production to Singapore in Feb. 1976. LD said this reduced number of office personnel needed.

NEW FCC CB STUDY: Strict enforcement, including court prosecution, may be more successful at bringing about CB rule compliance than education programs (Vol. 17:30 p9). That's general finding of 6-month, 15 city study conducted by FCC Field Operations Bureau.

FOB broke 15 cities into groups of 3, then applied variety of techniques aimed at improving compliance in each group (with exception of one used as control group where only activity was monthly monitoring of CB usage patterns). Techniques included: (1) Pure education (meeting with dealers, users & user groups, appearing on TV & radio etc.). (2) Conventional FCC "strike force" operations using administrative sanctions (fines, license revocation). (3) Combination of education & administrative sanctions. (4) Criminal prosecution, with convictions given wide publicity.

Criminal prosecution proved best method for bringing about compliance, while education method was worst. FCC spokesman cautioned that prosecution method has drawback of involving personnel outside FCC: "In some areas, the U.S. attorney's workload is so heavy it may not be possible to get the support needed."

Sanyo will hike U.S. retail color TV prices average of 3.6% effective with Sept. shipments, company announced in Japan.

Trade Personals

Kenji Tamiya advanced at Sony America from product planning & procurement vp to exec. vp, succeeding **Raymond Steiner**, recently named pres. . . **Robert Livergood**, ex-Raymond Rosen, appointed Lloyd's national sales mgr., succeeding **David Spratley**, now mktg. dir. . . **Sandra Dearing**, ex-Motorola, joins Zenith as information systems training & administration mgr. . . **Justin Camerlengo** promoted from Panasonic PR mgr. to PR dir.; **Richard Ventimiglia** promoted to consumer awareness mgr.

William Moreland, ex-Chiat/Day, appointed mktg. vp, Pioneer Electronics (car stereo, Centrex audio); **William Hutcheson**, mktg. mgr., adds ad mgr. post. . . **James Woodworth**, ex-Turner, joins Studer Revox as Revox brand sales mgr.; **Fred Layn** appointed east mgr. . . **George Simkowski** is mktg. consultant to Daytron, hasn't joined company as indicated here earlier, has office at 4500 N. Thatcher Ave., Chicago (312-838-2070). . . **Linda Feldman** promoted to TEAC training dept. mgr., succeeding **Theo Mayer**, resigned to form own video business.

James Grace advanced at Antenna Specialists from national accounts sales mgr. to OEM sales mgr. . . **Thomas Shea**, ex-Ridge Tool, joins Midland Communications Div. as mktg. & sales mgr. for distributor programs. . . **Mark Bollman**, onetime Magnavox ad & PR vp, named N.W. Ayer senior vp-management supervisor. . . **Meyer Langer** appointed Shure admin. vp. . . **Carroll Ray** advanced at Radio Shack from U.K. Retail Div. financial dir. to corp. development mgr. responsible for consumer product mfg. acquisitions. . . **Thomas Andersen**, CBS Retail Stores Div. pres., named to SBE board.

Tom Recine appointed National Semiconductor distributor mktg. dir. . . **Haskell Waddle** named Monsanto Electronics Div. optoelectronic devices dir. . . **Erich Burlefinger**, ITT Semiconductor IC operations technical dir., adds duties as IC operations dir.

Comments on U.S. aims at upcoming Tokyo Round of GATT trade talks are being sought by Trade Policy Staff Committee of Office of Special Representative for Trade Negotiations. In tariff area, TPS wants views on which U.S. duties can be cut and which should not, as well as which foreign tariff reductions should be sought. It's also seeking comments on U.S. & foreign export subsidies and application of countervailing duties; export & import quotas; effects of standards, packaging & labeling rules on trade; customs practices; govt. procurement policies; need for changes in GATT escape-clause rules that permit countries to protect domestic industries against too much import competition.

Dynascan said 2nd-quarter loss included \$450,000 writedown of CB inventories. . . **General Instrument** declared 10¢ quarterly dividend, first cash payout since 1961. GI said it was dropping annual 2% stock dividend. . . **Automatic Radio** 9-month net includes \$131,000 gain from property sale, \$1.4-million cash settlement of contract from Ford, offset by \$154,000 loss from discontinued operations. . . **GTE** boosted quarterly 6¢ to 56¢.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Acton			
1977-6 mo. to June 30	21,841,000	2,210,000 ^a	.80
1976-6 mo. to June 30	4,345,000	274,000 ^a	.10
1977-qtr. to June 30	12,008,000	1,662,000 ^a	.60
1976-qtr. to June 30	2,127,000	142,000 ^a	.05
Advance Ross			
1977-6 mo. to June 30	20,351,786	304,139	.09
1976-6 mo. to June 30	11,581,793	590,424 ^a	.17
1977-qtr. to June 30	10,355,462	174,610 ^a	.05
1976-qtr. to June 30	6,234,050	419,423 ^a	.12
American TV & Communications			
1977-year to June 30	53,172,128	6,154,759	1.67
1976-year to June 30	41,674,151	4,049,696	1.08
1977-qtr. to June 30	14,482,349	1,803,931	.48
1976-qtr. to June 30	11,264,528	1,247,201	.34
Andrea Radio			
1977-6 mo. to June 30	908,030	59,565	.12
1976-6 mo. to June 30	800,211	41,200	.08
1977-qtr. to June 30	445,009	26,455	.05
1976-qtr. to June 30	451,855	33,007	.07
Arvin Industries			
1977-6 mo. to June 30	233,277,000	15,844,000	2.44
1976-6 mo. to June 30	196,022,000	13,691,000 ^a	2.16
1977-qtr. to June 30	122,887,000	8,821,000	1.37
1976-qtr. to June 30	103,886,000	9,549,000 ^a	1.48
Automatic Radio			
1977-9 mo. to June 30	54,656,000	1,905,000	.79
1976-9 mo. to June 30	61,389,000	5,240,000 ^a	2.16
1977-qtr. to June 30	21,554,000	312,000	.13
1976-qtr. to June 30	24,206,000	1,879,000	.78
BBDO International			
1977-6 mo. to June 30	47,000,000	4,002,000	1.59
1976-6 mo. to June 30	41,000,000	3,528,000	1.40
1977-qtr. to June 30	24,700,000	2,190,000	.87
1976-qtr. to June 30	22,100,000	1,966,000	.78
Cowles Communications			
1977-6 mo. to June 30	5,548,000 ^b	1,717,000	.43
1976-6 mo. to June 30	5,216,000 ^b	2,095,000 ^a	.53
1977-qtr. to June 30	3,028,000 ^b	997,000	.25
1976-qtr. to June 30	2,888,000 ^b	875,000	.22
Downe Communications			
1977-6 mo. to June 30	51,610,000	1,280,000 ^a	.24
1976-6 mo. to June 30	63,178,000	9,391,000 ^a	1.76
1977-qtr. to June 30	26,364,000	838,000 ^a	.16
1976-qtr. to June 30	30,643,000	9,070,000 ^a	1.70
Dynascan			
1977-6 mo. to June 30	55,663,000	1,089,000	.39
1976-6 mo. to June 30	55,973,000	7,064,000	2.74 ^c
1977-qtr. to June 30	18,254,000	(598,000)	--
1976-qtr. to June 30	33,853,000	4,330,000	1.63 ^c
Emerson Radio			
1977-qtr. to June 30	8,210,000	184,000	.19 ^d
1976-qtr. to June 30	6,485,000	202,000	.18 ^d
Grey Advertising			
1977-6 mo. to June 30	30,167,000	2,141,000	2.83
1976-6 mo. to June 30	28,306,000	1,614,000	1.46
1977-qtr. to June 30	15,623,000	1,180,000	1.71
1976-qtr. to June 30	15,952,000	1,222,000	1.19
Interpublic Group			
1977-6 mo. to June 30	114,267,000	6,372,000	2.66
1976-6 mo. to June 30	93,239,000	5,041,000	2.13
1977-qtr. to June 30	63,804,000	5,344,000	2.23
1976-qtr. to June 30	51,800,000	4,187,000	1.76
Matsushita^e			
1977-6 mo. to May 20	3,334,448,000	133,202,000	1.34 ^f
1976-6 mo. to May 20 ^g	2,889,007,000	103,704,000	1.05 ^f
1977-qtr. to May 20	1,750,206,000	71,960,000	.73 ^f
1976-qtr. to May 20 ^g	1,562,736,000	58,729,000	.59 ^f

Company & Period	Revenues	Net Earnings	Per Share
Ogilvy & Mather			
1977-6 mo. to June 30	68,724,000	4,330,000 ^a	2.28
1976-6 mo. to June 30	52,087,000	2,921,000 ^a	1.58
1977-qtr. to June 30	37,435,000	2,953,000	1.55
1976-qtr. to June 30	27,901,000	1,877,000 ^a	1.02
Soundesign			
1977-6 mo. to June 30	61,227,000	3,190,000	.99 ^c
1976-6 mo. to June 30	53,271,000	2,893,000	.89 ^c
1977-qtr. to June 30	35,020,000	1,911,000	.59 ^c
1976-qtr. to June 30	27,216,000	1,573,000	.48 ^c
Telemation			
1977-6 mo. to June 30	4,709,000	257,000 ^a	.25
1976-6 mo. to June 30	4,754,000	(536,000)	--
1977-qtr. to June 30	2,414,000	213,000 ^a	.21
1976-qtr. to June 30	2,339,000	(314,000)	--
Times Mirror			
1977-28 wk. to July 10	546,761,000	44,140,000	1.30
1976-28 wk. to July 11	473,913,000	31,360,000	.93
1977-16 wk. to July 10	314,751,000	26,464,000	.78
1976-16 wk. to July 11	271,710,000	19,822,000	.59
Tokyo Shibaura Electric^h			
1977-year to March 31	5,189,700,000	13,400,000	--
1976-year to March 31	4,938,500,000	(14,800,000)	--
UA-Columbia Cablevision			
1977-9 mo. to June 30	17,466,000	1,861,000	1.11
1976-9 mo. to June 30	14,821,000	1,527,000	.90
1977-qtr. to June 30	6,071,000	647,000	.39
1976-qtr. to June 30	5,173,000	558,000	.33

Notes: ^aIncludes special credit. ^bFrom operations. ^cAdjusted. ^dFully diluted. ^e\$1=277 yen. ^fPer ADS. ^gRestated. ^hAt yen's current rate.

Mergers & acquisitions: Pemcor asked Chicago federal court to block Maremont's \$33-million takeover bid, halt auto supply firm's purchase of 11.5% interest from family of ex-Chmn. Herbert Rowe (Vol. 17:31 p12). Maremont, offering \$16.75 for Pemcor shares, would be violating FTC order prohibiting acquisitions in auto products field, claims Pemcor, which makes car stereo as well as hi-fi speakers. . . **Superscope** agreed to acquire Memphis piano maker Aeolian, for undisclosed cash sum. Aeolian will make pianos containing Superscope electronic piano playing-recording system, Pianocorder, retailing from \$2,750 to \$17,500. . . **Harman International** holders approve merger into Beatrice Foods. . . **Cherry Electrical** has agreed to acquire Micro Components (specialized IC devices) for undisclosed cash sum. . . **P.R. Mallory** acquires solid-state timer plant & production license from Design & Mfg. Corp., private-label appliance producer. . . **Electronics** mergers or division sell-offs in first half totaled 21, more than double same 1976 period, consulting firm W. T. Grimm reports. . . **Electro Audio Dynamics** offers to repurchase 675,000 shares, comprising 27% interest, at \$4 each. Bulk of shares tendered are expected to come from Swiss bank under SEC orders to dispose of 666,000 shares. . . **Carlisle Corp.** agreed to acquire Graham Magnetics for about \$17 million.

CB Scene: Sluggish U.S. market is forcing more cutbacks in Japanese production, leader Cybernet slicing Aug. output to 75,000-80,000 from 300,000-350,000 monthly earlier in year. . . **FCC** says it doesn't reserve any CB bands for special events, despite news release issued before recent sailing regatta claiming FCC would make periodic broadcasts asking CBers to reserve channels 2 & 5 for racing committee.

WEEKLY

Television Digest®

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AUGUST 15, 1977

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

ATTACKS AGAINST 'SOAP' INTENSIFY: Coalition of religious & civic groups try to stop planned Sept. start of program on ABC. CLC pressures affiliates, advertisers. Catholic Conference seeks public support. ABC responds. (P. 1)

NAB CODE SUBPOENA is upheld by FTC as agency denies Assn. 'motion to quash.' NAB hasn't decided whether to appeal order to turn over all documents relating to Code Authority review & approval of 16 top ads. (P. 2)

BLANKET MUSIC LICENSE practices violate anti-trust laws, Appeals Court rules in reversing lower court decision favoring ASCAP & BMI over CBS. Court orders optional per-use licensing. (P. 3)

RADIO'S BEST YEAR SINCE 1976 sees 'typical' FM station showing profit for first time, according to NAB survey. (P. 3)

ABA GOES SLOW ON TV ads for lawyers, permits radio ads without restrictions. FCC fairness doctrine enforcement recommendations put off until Feb. Fair trial-free press recommendations more favorable to radio-TV being formulated. (P. 4)

TELEPROMPTER 'MIGHTY PLEASED' with 2nd-quarter, first-half results as Cable Div. leads resurgence. (P. 4)

CABLE CARRIAGE rules are attacked by CATV, defended by broadcasters & MPAA, in comments to FCC. CTIC fears granting NCTA petition may harm smaller broadcasters. (P. 5)

ATTACKS AGAINST 'SOAP' INTENSIFY: Coalition of 10 national religious & civic groups has launched campaign attempting to force ABC-TV to cancel sex adult comedy even before its scheduled debut Sept. 13. As result, "'Soap'...is in trouble," according to Aug. 21 issue of National Catholic Register (weekly newspaper).

Campaign—spearheaded by U.S. Catholic Conference and Southern Baptist Christian Life Commission (CLC)—is intensive, includes pressure against affiliates & prospective sponsors and mass appeals for public support. Conference said ABC "must be publicly challenged" for scheduling "Soap" and that it "should be removed from family TV entertainment."

CLC has written 188 ABC affiliates urging them not to carry program, has received 59 responses: 14 said they wouldn't carry "Soap" (most were secondary affiliates), 25 planned to carry it, 20 are waiting to see revisions (Vol. 17:31 p1) before deciding. (Note: ABC plans

Consumer Electronics

ITC LAUNCHES CB import probe, accepting E. F. Johnson petition. Justice to decide on Japan probe next month. Customs proposes origin marking on front, top or sides of TV, radio, stereo. (P. 7)

IMPORTS TOOK 46% of total TV market in first half, including 28% of color and 73.5% of monochrome. First-half color supply totaled 4,529,000 as imports rose 27%, domestic production 16%. (P. 7)

TOSHIBA DEBUTS VTR in Beta format at \$1,300, with accessory low-light electronic-viewfinder color camera at \$1,700 similar to one now being sold at \$2,495. First-half color videocassette recorder imports totaled 45,864. (P. 8)

JULY COLOR SALES to dealers up 10.5% from 1976, inventories remaining at about 13-week supply. First Aug. week sees 55% increase in color. (P. 10)

AUG. DROP-INS by Philco & Sylvania raise small-screen color leader prices but hit new low points in 19" & console merchandise. Quasar fills out digital-tuning and 100° line. (P. 10)

BALLY WILL SHIP games in time for fall-Christmas season, company says, despite failure to ship testing sample to FCC. (P. 10)

IHF SHOW IN ATLANTA is latest effort to establish audio as separate industry. If successful, show will move to other locations in coming years. (P. 10)

RADIO SHACK COMPUTER going into 100-150 stores in fall with \$600 price tag for 3-piece system. Software includes diverse programs. (P. 11)

closed-circuit telecast of first 3 episodes of "Soap" on successive days [Aug. 16-18] this week. Affiliates saw first 2 in L. A. last May, but substantial changes have been made since then.)

ABC-TV Affiliates Chmn. William Turner, KCAU-TV Sioux City, wrote CLC that it was "precipitous" in attacking "Soap" and in urging affiliates not to carry program, said that concerns about show "have aroused a great deal of unwarranted criticism." Other affiliates reportedly objected to Baptists' alleged attempt at prior censorship.

CLC also wrote to 11 prospective "Soap" advertisers (Vol. 17:29 p2), found 2 that still are in—Timex & Warner-Lambert—some who have withdrawn or said they are going to, others who were uncommitted. Responses hadn't been received from 4—Revlon, American Home Products, Datsun, American Motors—by Aug. 11. Among uncommitted, Kayser-Roth general counsel wrote CLC that "we do not in any way assume responsibility for the content of the program." That function, he said, "lies with the federal & state administrative agencies and with the networks."

Catholic League official Judy Guarr charged that "'Soap' violates the rights of parents by risking the exposure of children to unsuitable material. [It] also violates the rights of religious bodies by exposing their beliefs & practices to ridicule & denigration."

"'Soap' is in direct contradiction with the Code of the NAB and even more so with TV's traditional status as a family medium," Catholic Conference charged. Program "must be publicly challenged... ABC seems to be running a shell game [in announcing changes in 'Soap']... Criticism based on the original episodes... is now conveniently made to seem invalid."

Responded ABC: "'Soap' is not an all family vehicle. It is not intended for all members of the family... We must recognize that we are a pluralistic society. It is therefore imperative that we maintain the freedom as broadcasters to present responsible entertainment programs and that adults have the similar freedom to choose to watch or not to watch such programs."

Group W. Pres. Donald McGannon told ABC-TV Pres. Fred Pierce last week that network's closed-circuit defense of "Soap" 3 weeks ago (Vol. 17:29 p1) left unanswered a "broader more generic" problem—basis of criticism which "has been the most intense and comprehensive of any TV program... I cannot find anything in [ABC] statements or explanations that justify this extreme material being presented to a mass audience in a comedic style." However, McGannon said, Group W will review revisions in first 2 episodes "even though it would seem that massive changes would have to be made." Group W's WJZ-TV Baltimore has said it wouldn't clear first 2 episodes.

National Federation for Decency—member of coalition fighting "Soap"—said last week it plans 3-month project to monitor prime-time network programming for sexual content, starting Sept. 4. Group plans report on most sexually-oriented programs and sponsors most involved in such shows.

NAB CODE SUBPOENA UPHELD: FTC has denied NAB motion to quash subpoena for all documents relating to TV Code Authority review & approval of 16 toy commercials. At week end, NAB officials hadn't yet seen FTC order, hadn't decided whether or not to comply with subpoena or appeal to federal court.

Subpoena was issued as part of FTC Compliance Div. investigation of possible false or deceptive ad claims or packaging by toy companies (Vol. 17:20 p4). Commission hasn't released names of firms under investigation, or stated which ads it's examining.

In urging FTC to quash subpoena, NAB had argued that it shouldn't be target of FTC investigation because Assn. is responsible solely for enforcement of Code, not FTC regulations. NAB also argued that subpoenas will undermine Code Authority by throwing into question confidentiality of material submitted to it by advertisers. FTC attorney said NAB can request that materials given agency be kept confidential, and that Commission would decide whether to respect request on basis of FOI Act and its own guidelines.

Toy firms also have been issued subpoenas as part of investigation, FTC attorney told us, but wouldn't say whether material sought was duplicative of that asked of NAB, or whether toy

firms had compiled with subpoenas; firms haven't publicly opposed FTC subpoenas.

In other developments: (1) FTC Improvement Act of 1977 made it through House Rules Committee shortly before beginning of Aug. congressional recess, but never made it to House floor (Vol. 17:29 p4), due to press of legislation. When bill is scheduled for floor action after House returns Sept. 7, heaviest lobbying is expected to center around provision which would permit class action suits by consumers who are victims of violations of FTC rules and orders.

(2) FTC has gone to U.S. Dist. Court (D.C.) to seek enforcement of 28 subpoenas issued to 6 cigaret manufacturers, 2 tobacco trade associations and 20 ad agencies. Subpoenas were issued in May 1976 as part of in-depth investigation of cigaret ad compliance with agency rules. FTC rejected objections from each of 28, but companies have refused to give Commission requested documents.

CBS WINS ASCAP APPEAL: N.Y. federal Appeals Court (2nd Circuit) last week ruled that ASCAP & BMI blanket music performance licenses in current form constitute illegal price-fixing in violation of Sherman Act and ordered them to issue per-use licenses to networks which wish them. In unanimous opinion, 3-judge court overruled 1975 Dist. Court decision clearing music licensing organizations of antitrust charges brought by CBS in 1969 (Vol. 10:1 p6, 15:39 p6).

However, Court stopped short of barring blanket licensing. "We think, however," decision said, "that if... a remedy can be fashioned which will ensure that the blanket license will not affect the price or negotiations for direct licenses, the blanket license need not be prohibited in all circumstances." Lower court was instructed to provide per-use licensing system to ensure acquisition of music in open market at competitive rates. Although ABC & NBC didn't participate in litigation, per-use system would also be available to them.

Spokesmen for ASCAP & BMI were unavailable for comment at presstime on possibility of appeal. CBS representative expressed confidence that "a competitive system will reduce music costs while achieving a fairer distribution of music royalties to composers & publishers."

Senate Communications Subcommittee Chmn. Hollings (D-S.C.) & Inouye (D-Hawaii) have joined Sen. Heinz (D-Pa.) in sponsoring legislation to create National Endowment for Children's Bcstg. Proposal was drafted by Center for Action Research (Vol. 17:18 p5). For copies of Center's report: 20 Nassau St., Princeton, N.J. 08540.

Hubbard Bcstg.'s WTOG St. Petersburg provides weekly more than 3 hours of local public affairs programs, more than 5 hours of local news, about an hour of other local programming, station management says, refuting charge of Media Access Project attorney Collot Guerard (Vol. 17:32 p3).

N.Y. Supreme Court Appellate Div. upheld lower court ruling exempting CATV subscribers from state sales tax. Suit had been filed by N.Y. Cable TV Assn.

United Cable TV moves corp. hq from Tulsa to 7995 E. Prentice Ave., Englewood, Colo. 80110. Phone 303-770-1800.

FM LEADS GOOD 1976 FOR RADIO: Radio stations had their best financial year in 1976 since 1968, according to annual NAB survey, with "typical" FM station reporting profit for first time. Of 356 FM-only stations reporting, 64% had profit; average was \$12,900, compared with \$700 loss in 1975.

FMs reported 48.2% jump in time sales—to \$207,300—with operating expenses growing 34.5%. NAB attributed FM growth "in part" to greater participation by major market stations.

Overall, NAB received responses from 2,100 AM-FM stations, with "typical" station having time sales of \$248,000 (up 19.3%), pre-tax profit rising from \$8,800 in 1975 to \$18,300 last year.

"Window Dressing on the Set: Women & Minorities in TV," report highly critical of portrayal of women & minorities in TV programming and hiring in broadcast industry, will be released Aug. 16 by U.S. Commission on Civil Rights. FCC earlier had had opportunity to review draft, rejected suggestion that Commission begin rulemaking or act on case-by-case basis to improve these groups' portrayal in programs, said it was proud of FCC's present EEO system (Vol. 17:25 p6).

NAB Radio Code Board has proposed relaxation of time standards (now generally permitting 18 min. of commercials per hour) to place more responsibility on "individual broadcasters for determining advertising schedules." New language—to be voted on by NAB Radio Board at Oct. 4 meeting in Washington—permits stations to exceed 18 min. "for good cause... in order to fulfill their responsibilities to the communities they serve."

Mission Cable, 140,000-subscriber system in San Diego owned by Cox, joins HBO pay-cable network in fall, will receive programming via satellite on 10-meter antenna. Also signing with HBO was Tele-Communications Inc. (about 600,000 subscribers) for most of its system; TCI will use about 50 4-meter dishes for satellite reception.

IEEE Bcst. Symposium Sept. 28-30 in Washington will cover TV transmitter circular polarization, FM quad, broadcast satellites, fiber optics. Chmn. is Ogden Prestholdt, A.D. Ring & Assoc. Registration: George Jacobs, Board for International Bcstg., 1030 15th St. NW, Wash. 20005.

ABA GOES SLOW ON TV ADS: Meeting in Chicago last week, ABA House of Delegates approved radio ads for lawyers, but accepted recommendation of its Board of Govs. to approach TV ads cautiously. Revisions in ABA Code of Professional Responsibility aren't binding on lawyers, but serve as guide for state assns. which are directly responsible for lawyer discipline. As approved by House of Delegates, ABA will create Commission on Advertising to formulate recommendations on "appropriate safeguards" for TV ads in time for Feb. 1978 meeting. Assn. also encouraged local "experimentation." NAB had sought no restrictions on lawyer ads.

In other actions: (1) House of Delegates put off until Feb. consideration of Science & Technology Section recommendations on FCC fairness doctrine enforcement, at request of Administrative Law Section. Drafted by Communications Law Committee, chaired by Washington attorney Marcus Cohn (Vol. 16:24 p4), the paper recommends: Increase FCC focus on requirement that broadcasters devote reasonable time to discussion of controversial issues; FCC adoption of general percentage guideline for informational programming; that access, FCC discretion and renewal-only approach to fairness enforcement be adopted to minimize agency involvement in programming; that personal attack rules be replaced with policy requiring that station simply offer time to respond; that political editorial fairness be assured simply by requiring station to give candidate reply time; that FCC follow "hands-off" policy in area of alleging news distortion, unless there is evidence that station management gave instructions to slant news; that no fairness or equal time responsibilities be imposed on cable where access is provided; that non-commercial broadcasters be allowed to editorialize and endorse political candidates and be freed from requirement of "strict adherence to objectivity and balance in all programs or series of programs of a controversial nature."

(2) Legal Advisory Committee held hearing on fair trial-free press, heard RTNDA Gen. Counsel J. Laurent Scharff urge greater freedom for broadcast coverage of trials; stronger limitations on judges' ability to impose gag orders; more reliance on methods other than gag orders to protect against effects of pre-trial publicity; increased protection for reporters from contempt citations; enhanced ability of reporters to protect confidential informants. "Many of our suggestions received comments indicating that they would be favorably considered," Scharff told us. Committee plans to have final recommendations ready by Feb.

KBSC-TV Corona-L. A.—which went pay TV last spring (Vol. 17:15 p4)—is conducting "extensive research" on whether to offer X-rated movies after midnight. Station claims 6,000 subscribers (at \$17 per month), said it's adding new ones at rate of over 100 daily, that 60% of new subscribers ask if X-rated movies will be aired.

FCC Field Operations Bureau opened office in Pittsburgh area (William Penn Highway, Monroeville, Pa. 15146) Aug. 8. Phone 412-823-3380; Wolfe Huber is engineer in charge.

TELEPROMPTER 'MIGHTY PLEASED': Led by "continuing improvement" in Cable TV Div., Teleprompter had 2nd-quarter net income of \$1.77 million (10¢ a share), \$2.9 million (17¢) for first half of 1977. Company had 2nd-quarter loss of \$1 million in 1976, \$2.3 million loss for first half. "I am pleased, mighty pleased," said Chmn. Jack Kent Cooke.

Revenues for 2nd quarter were \$28.4 million (up from \$26.1 million last year); first-half revenues increased \$6.2 million to \$56.2 million (see financial table). Cable Div. (excluding Manhattan & L.A.) had 2nd-quarter revenues of \$24.1 million (up 8%), operating income of \$10.3 million (up 36%).

Manhattan & L.A. systems have been operated jointly with Hughes since Jan.; Teleprompter's share of 2nd-quarter losses was \$615,000 (compared with \$919,000 in 1976), \$1.3 million for first half (down from \$2 million last year).

Inferior quality of UHF reception deters 61% of TV households "all of the time," "very often" or "sometime" from watching UHF, according to Sarkes Tarzian-sponsored survey of 504 households in L.A. & Chicago areas. Conducted by Decision/Making/Information, Santa Ana, Cal., for FCC rulemaking on UHF-VHF comparability, survey found that other factors discouraging UHF viewing include limited programming (58%), tuning too difficult (32%), "only every other number shown on the dial" (30%), "numbers are too close together on the dial" (28%), and "numbers on the dial are too small" (17%). If UHF tuner were "essentially the same" as VHF, 27% said they'd be "much more" or "somewhat more" likely to watch UHF.

"It is obvious that the most significant beneficiary of the limitations which MPAA requests the Commission impose upon the networks will be the MPAA companies," NATO's Martin Goldman wrote FCC Chmn. Wiley and Senate Antitrust Subcommittee Chmn. Kennedy (D-Mass.). Commenting on MPAA request for immediate declaratory ruling barring certain allegedly anticompetitive network program contract practices (Vol. 17:23 p4), Goldman alleges that MPAA companies "have engaged in the same practices and abuses they now attribute to the networks" against theater owners.

House Communications Subcommittee hearings on rewrite of Communications Act (Vol. 17:32 p2, et seq.) "produced the first comprehensive testimony on broadcast issues in many years" and should be reprinted, according to NAB Pres. Wasilewski. In letter to Subcommittee Chmn. Van Deerlin (D-Cal.), Wasilewski said record should be made available as soon as possible, that it "would provide an excellent reference" for Committee members and for future research.

Warner Cable & Altoona, Pa. reached agreement last week on renewal of CATV franchise until 1988 following extensive negotiations; monthly subscriber fee rises from \$4.50 to \$5.75.

NTV Network (KHGI-TV Kearney, Neb. and 3 satellites) names Katz TV Continental as rep.

CABLE SIGNAL RULES DEBATED: NCTA petition to FCC to eliminate cable distant signal, syndicated program exclusivity & nonduplication rules and substitute market-by-market restrictions only when economically justifiable is strongly opposed by broadcasters, supported by cable systems—as might be expected—in comments to FCC last week.

In rulemaking petition, NCTA said House Communications Subcommittee staff report on cable, D.C. Appeals Court's HBO-pay-cable decision and recent passage of Copyright Law revisions require changes in FCC signal carriage rules. Only those restrictions "which are demonstrably necessary to preserve overall service to the public" should be retained, Assn. argued.

Broadcasters asked that present rules be retained, arguing that FCC already is considering many of same issues in other proceedings, and that true value of rules can only be determined after FCC has completed its inquiry on economic interrelationship of broadcast & cable. Ad hoc—rather than generally applicable—rules, NAB states, would lead to "continuing uncertainty, preclude sound business judgments, and discourage potential investment" both in cable & broadcast. Though rules have become "the 'whipping boy' for cable's failure to develop in major markets," they won't impede cable's growth, Assn. says. NAB is joined by INTV, AMST and several TV stations.

NCTA petition is labeled "utterly without merit" by MPAA. It cites recent Supreme Court decision protecting "Human Cannonball" from broadcast of his entire performance without permission as proof that "cable has no First Amendment right to carry any broadcast program without the consent of the copyright owner." Cable's copyright fees aren't high enough to justify changes in rules, MPAA states.

"Any restrictive policy on carriage of distant signals by a CATV system is contrary to the public interest and is legally defective if the local TV station is not in danger of being able to adequately serve the public interest," states Jackson Community Antenna Inc.—typical of cable industry support for NCTA position. However, group of CTIC staff members filing as individuals, while "generally supporting" NCTA, express fear that granting NCTA petition in its entirety "might in fact cause some adverse affect upon the ability of smaller broadcasters to provide adequate locally-initiated services. Frankly, we do not see the cable industry trying to fill that potential gap."

Commentator Lowell Thomas, Sen. Tower (R-Tex.) & Litton Industries Pres. Fred O'Green headline Council of Better Business Bureaus Sept. 26-28 national assembly in Colo. Springs, according to Pres. William Tankersley.

Newspapers should aid TV-radio in First Amendment battles, according to Donald Dwight, publisher of Minneapolis Star & Tribune, owner of KTVH Hutchinson, Kan.

FCC finalized new rules last week getting agency out of cable franchising and certification requirements, as reported earlier (Vol. 17:30 p2).

FCC has asked D.C. Appeals Court to remand license renewal of KJAZ(FM) Alameda, Cal. —opposed by Committee for Open Media (COM)—promised court to hold hearing on facts it previously thought weren't "open to dispute" but now has decided "were indeed subject to conflicting interpretations." FCC gave no explanation. However, KJAZ and COM opposed remand, instead asked Court to rule on issues. COM filed petition to deny station's renewal in 1974, alleging it promised no news & editorials in coming license term, only 30-min. talk show late Sunday evenings to fulfill public service obligations. Group also claimed station failed to meet past public service program promises. COM opposes remand because FCC hasn't designated specific hearing issues in remand request. Station opposes remand because FCC hearing means "the 'kiss of death' for the small broadcaster." FCC renewed KJAZ without hearing.

"We strongly object to allowing any federal bureaucracy, for whatever reason, to dictate to us the content of any broadcast material," NAB Pres. Wasilewski wrote House Commerce Committee Chmn. Stagers (D-W. Va.). He referred to legislation pending before Committee allowing continued sales of saccharin products for next 18 months, but authorizing FDA to require warning message in saccharin ads. If govt. won't ban saccharin, it shouldn't restrict ads, he said. Further, warning messages may make ads cumbersome and impractical for radio, may turn out to be "totally ineffective."

FCC EEO rule exempting stations with 10 or less employees from filing equal employment reports has been struck down by 2nd Circuit Appeals Court (N. Y.), which ordered Commission to return to earlier rule exempting only those stations with less than 6 employees. FCC relaxed rules in mid-1976 (Vol. 16:26 p5); appeals were made by several public interest groups. In unanimous decision, Court said FCC action was "arbitrary & capricious" and that agency's justifications were "unsupportable or inadequate."

NAB meetings & seminars in Sept.: Convention (Las Vegas), 7; license renewal seminar (Cooperstown, N. Y.), 10; labor relations (Winston-Salem), 11-14; re-regulation, 14; small, medium & large-market radio, 15; children's TV, 15; annual FCC tour of small-market radio stations, 16; TV board, 16; exec. committee, 17; minority management seminar, 21-22; license renewal seminar (Harrisburg, Pa.), 26; TV Code board (Monterey, Cal.), 26-28.

NBC will end guided tours of its TV-radio center in Rockefeller Center Sept. 4 because of a lack of interest by tourists. Tours started in 1933, were conducted by young pages—many of whom later became top broadcast execs. or TV-movie stars.

WLLE(AM) Raleigh license has been revoked for fraudulent billing. FCC Judge Ernest Nash would have imposed \$10,000 fine, but Commission decided revocation was justified.

CBS has completed purchase of \$50 million worth of its common stock—authorized by board in March—as "an investment of corporate funds."

Personals

President is expected to appoint Washington attorney **Leonard Marks**, one-time USIA dir., to head U.S. delegation to 1979 WARC with rank of ambassador; post will be fulltime, last 2 years.

Edmund Auer elected CBS vp-treas., succeeding **Haskell MacCawatt**, now vp-administration; **Alvin Fenichel** elected vp-general auditor, succeeding **George Staudter**, resigned; **David Nelson**, ex-CBS TV Stations, named vp-station mgr., new post, WBBM-TV Chicago; **Kathryn Schumacher**, ex-Clinton E. Frank Inc., joins WBBM-TV as sales research mgr.; **Steven Orr**, ex-WBBM-TV, named vp-station services, affiliate relations, CBS-TV; **Michael Nowacki** advanced to sports sales planning mgr., CBS-TV Network Sales.

John Connor, Allied Chemical chmn., elected an ABC dir.; **Thomas Madden** joins ABC as dir. of PR planning... **Curtis Fonger** promoted to news dir., WOTV Grand Rapids, Mich.

Woody Durman, ex-WFMY-TV Greensboro, N.C., named news dir., WRDU-TV Durham, N.C.; **Karen Lynn**, ex-WBRE-TV Wilkes-Barre, appointed promotion mgr.... **John Grubbs**, Storer Bcstg. vp-standards & compliance, named vp-gen. mgr., Storer's WGBS(AM) Miami, succeeding **Don Hamlin**, now mgr. of Storer's WJBK-TV Detroit... **Charlotte Klein**, ex-Harshe-Rotman & Druck, N.Y. PR firm, joins WNET N.Y. as press & community relations dir.

Consultant **Rex Bradley**, ex-NCTA chmn., named chmn. of April 30-May 3 NCTA convention in New Orleans... **George Smith** joins Telcom Engineering as systems engineer... **Ben Posner**, CPB vp-finance, planning & administration, retires; he'll stay on until successor chosen.

W. Randolph Reiss, ex-KCOP L.A., named Paramount TV vp-sales, N.Y. hq... **Mark Polinger** joins National Telefilm Assoc. northeast sales staff; **Paul Berkowitz** named to southeast sales staff.

Dewey Heggen, KFYZ-TV-AM-FM Bismarck, N.D., elected RTNDA Region 5 dir.; **Robert Gilmartin**, KHOU-TV Houston, resigns as Region 8 dir.

Darius Gaskins, FTC Economics Bureau dir., resigns to become chief economic adviser to CAB Chmn. **Alfred Kahn**; **Mark Grady** & **Robert Pitsch** named attorney advisors to FTC Comr. **Calvin Collier**... **Michael Marcovsky** promoted to gen. mgr.-Columbus programming, Warner Cable Qube Div. (2-way cable).

Sen. Kennedy (D-Mass.)—principal sponsor of legislation to authorize govt. funds for citizens' groups to participate in agency proceedings—has promised to continue to fight for such legislation. Senate Judiciary Committee's 8-8 vote to kill legislation (Vol. 17:32 p6) "is merely the first skirmish in a battle that is likely to determine the shape of democratic government for years to come," Kennedy stated. Similar bills are pending before Senate Governmental Affairs and House Judiciary Committees.

Cable Satellite Network (Vol. 17:17 p7) has caught eye of 5 programming firms, CSN consultant **Rex Bradley** told Aug. 3 board meeting. Of 5 firms, 3 have offered specific plans: (1) American Cable Entertainment Network, Atlantic City, N.J., plans 5-hour day, partially advertiser-supported at first, completely advertiser-supported after 3 years. (2) Network One, Las Vegas, outlined 24-hour day, with CSN paying for 8 hours per day of delivery and any public affairs programming costs until there are 3 million subscribers, after which Network One would accept all costs and responsibility (Vol. 17:27 p4). (3) World Enterprises, N.Y., submitted plan for 90-min. advertiser-supported show, with CSN supplying cost of satellite time, program going free to systems except for delivery charges. **Bradley** reported that there is "a substantial amount of programming of high quality which can be made available for cable, from various sources."

Continuing "generally positive reaction" to on-air PTV fund-raising efforts is reported by CPB-sponsored national survey conducted Jan.-Feb. 1977. Attitude is unchanged from 1976 "despite increases in station efforts to generate financial support via pledge appeals on TV," survey found. While 56% feel appeals "make people uncomfortable," and 20% feel people sometimes "avoid PTV to avoid fund requests," 93% feel they're necessary for PTV's survival. Appeals are enjoyable to 60%, while 41% would prefer total govt. support and 29% agree that PTV "can't be very good" if it has difficulty raising funds. At same time, survey reports increased awareness of PTV (from 86% year ago to 89% in 1977), increased viewing. PTV signal was available to 79% of US TV homes.

Sen. Mathias (R-Md.) has introduced legislation which would bar FCC from denying license renewal based on violation of Commission's rules on fraudulent billing unless there was "conscious and direct participation" by station's principal officers and unless FCC also considered station's programming practices. Measure was "a constituent service kind of bill," according to Mathias spokesman, who said it was requested by **Richard Eaton**, United Bcstg. pres. **Eaton's WFAB(AM)** Miami, Fla. is in FCC renewal hearing due in part to fraudulent billing practices. United Bcstg. owns 14 stations, 3 of which are in Md.

ASCAP radio music license fees should be decreased—not raised 15% as ASCAP is seeking—according to All-Industry Radio Music License Committee. Rejecting ASCAP proposal, Committee decided to go to court; it also will seek elimination of sustaining fee and "a viable per-program license."

SMPTE sets next technical conference Oct. 16-21, Century Plaza Hotel, L.A.

Obituary

Jerry Greene, 36, was killed in crash of small commuter airplane Aug. 11 in N.Y. State. (**Ronald Greenberg**, corp. counsel for UA-Columbia, survived.) **Greene** was pres. of Classic Cablesystems, a dir. of NCTA, Teleprompter (where he formerly was vp-finance & treas.) & N.Y. Cable TV Assn. He recently formed **Greene/Field** brokerage firm. Survivors include wife, 2 sons.

Consumer Electronics®

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MANUFACTURING & SALES • TV • AUDIO • TAPE PRODUCTS • VIDEOPLAYERS • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 29 (30th week of 1977):

	July 23-29	1976 week	% change	July 16-22	7 mo. 1977	7 mo. 1976	% change
Total TV.	328,136	304,306	+7.8	249,599	7,257,840	6,337,102	+14.5
color	199,935*	171,463	+16.6	146,810	4,451,406	3,721,501	+19.6
monochrome ..	128,201	132,843	-3.5	102,789	2,806,434	2,615,601	+7.3
Total radio	1,875,167	1,841,564	+1.8	1,091,269	26,241,946	20,362,694	+28.9
home, portable	1,693,677	1,628,071	+4.0	884,309	19,048,948	13,448,746	+41.6
AM-only	380,532	563,502	-32.5	108,008	4,325,308	3,073,276	+40.7
FM & FM-AM	1,313,145	1,064,569	+23.3	776,301	14,723,640	10,375,470	+41.9
auto	181,490	213,493	-15.0	206,960	7,192,998	6,913,948	+4.0

Color TV 5-week moving average: 1977-166,042; 1976-141,874 (up 17.0%).

*Record for 30th week of any year.

ITC LAUNCHES CB IMPORT PROBE: ITC formally accepted E. F. Johnson petition claiming damage to domestic CB industry from imports (Vol. 17:32 p9), opened investigation under Sec. 201 of Tariff Act. Hearing will start in Washington Nov. 1, Commission vote expected in early Jan. Results, in form of recommendation, must go to President by Feb. 2.

Draft questionnaire will be shown to domestic CB producers for recommendations in next few weeks, with finished questionnaire going to domestics, importers & exporters in mid-Sept. Results of questionnaire won't be part of pre-hearing staff report for Commission, but will be included in final report prepared for President.

Among other foreign trade developments: (1) John Shenefield, nominee as Asst. Atty. Gen. for Antitrust, told Senate Judiciary Committee he hoped to determine by late Sept. whether Justice should open full-scale investigation of antitrust aspects of Japanese check-price agreements (Vol. 17:23 p10). (2) Customs has proposed requiring country-of-origin marking on front, top or sides of consumer electronic products to assure visibility when on display.

Marking proposal, understood to have been drafted at request of labor union, is almost certain to be opposed by both domestic & foreign manufacturers. EIA Consumer Electronics Group spokesman said CEG expects to oppose it since it has fought similar measures in past. Every domestic consumer electronics manufacturer offers some foreign-made products.

Pointing to Supreme Court ruling that origin marking must be in "conspicuous place which shall not be covered or obscured," Customs said it has become practice to put name of country on back of sets and "contemporary marketing practices" make this "unacceptable." Customs also noted that many such foreign products carry "brand name which does not suggest foreign origin." Spokesman told us "contemporary marketing practices" include placing of TV sets with back to wall, stereos & radios chained in place, etc., all making rear of set inaccessible. Rule would apply to "radios, stereo systems, TV sets and other similar consumer electronic products." Comments are due Sept. 2.

IMPORTS TAKE 46% OF TOTAL TV MARKET: Imports gathered record share of growing TV market for both first half & 2nd quarter of 1977, our analysis of EIA & govt. figures indicates. In color, both domestic & imported sets showed increases in both periods, but in monochrome domestic output plunged while imports grew smartly.

In first half 1977, imports represented 46% of U.S. TV set supply (up from 42.6% one year earlier), 28.3% of color market (vs. 26.6%) and 73.5% of monochrome (vs. 65.5%). Import penetration of color market was double that of 2 years ago. Second-quarter figures tell similar story—imports 45.1% of total TV (up from 41.1%), 29% of color (vs. 28.2%), 72.4% of monochrome (vs. 60.8%).

Figures don't include imported color chassis, which are counted as domestic sets in table below. Most of these are from Mexico, built by RCA & Sylvania there. If these were counted as imports instead of domestic sets, import share of color would rise to 43.6% for half and 49.6% for quarter—while share of b&w would go to 77.1% in half, 75.9% in quarter.

Looking at color TV picture another way, imports in first half took 54% of portable-table market—only area in which they compete directly with domestic product. Here's domestic production-vs.-imports picture for first half & 2nd quarter:

U.S. TV SUPPLY—FIRST HALF

	U.S. Produced	% change	Imports*	% change	Total	% change
Total TV, 1977.	4,037,000	+8.7	3,441,000	+24.7	7,478,000	+15.5
1976.	3,713,000		2,760,000		6,473,000	
color, 1977.	3,247,000	+16.3	1,282,000	+26.9	4,529,000	+19.2
1976.	2,791,000		1,010,000		3,801,000	
b&w, 1977.	790,000	-14.3	2,159,000	+23.4	2,949,000	+10.4
1976.	922,000		1,750,000		2,672,000	

2ND QUARTER

Total TV, 1977.	2,086,000	+3.1	1,803,000	+27.3	3,889,000	+13.1
1976.	2,024,000		1,416,000		3,440,000	
color, 1977.	1,656,000	+11.4	677,000	+15.9	2,331,000	+12.6
1976.	1,487,000		584,000		2,071,000	
b&w, 1977.	430,000	-19.9	1,127,000	+35.4	1,557,000	+13.7
1976.	537,000		832,000		1,369,000	

*For 1977, excludes imports of 693,000 color and 115,000 b&w chassis in half, 479,000 color and 55,000 b&w chassis in 2nd quarter.

TOSHIBA DEBUTS VTR, HOME COLOR CAMERA: Toshiba formally introduced its 2-speed Beta-format videocassette recorder in N. Y. last week at now-standard \$1,300—same price Sony & Zenith are charging for virtually identical machines—along with low-light compact home color camera with electronic viewfinder at \$1,700. Deliveries are scheduled to start in Oct.

Initial VTRs are made for Toshiba by Sony, but company officials said Toshiba would start building own Beta-compatible unit next year in different & distinctive configuration. Company still is manufacturing non-compatible V-Cord II, but won't bring it to U.S. because of "realities of the market." Number of units to be shipped to U.S. this year wasn't specified, but previous reports have indicated it could be 5-10,000.

Despite camera's relatively high cost, Toshiba America Vp-Gen. Sales Mgr. Edward Garland forecast one would be sold for every 10-12 VTRs. Camera is new version of existing Toshiba unit, modified for use in standard room lighting with price reduced substantially. Earlier version required 25 ft.-lamberts illumination. Same camera, as modified by GBC and sold under its own name, requires 10-ft.-lamberts and sells for \$2,495. New Toshiba home camera needs only 5 ft.-lamberts, is equipped with f0.85 lens.

Comparison with JVC's recently-introduced Vidstar color camera (which requires 25 ft.-lamberts illumination) shows they're quite different. JVC unit sells for \$1,500 with optical viewfinder, \$2,150 with electronic viewfinder & zoom lens, uses two 2/3" vidicon pickup tubes,

weighs 6 lb. excluding separate control unit, has built-in mike. Toshiba camera has single 1" vidicon with stripe filter, weighs less than 7 lb. with electronic viewfinder & lens, has automatic sensitivity control, built-in control unit with separate power supply, built-in mike, will accommodate any standard C-mount lens. Either camera can be used with any type of color VTR.

Quasar continues to be delighted with sales of its \$995 Great Time Machine, says at least 50% of its dealers are handling it as well as some retailers who haven't sold Quasar products before. Quasar's new b&w camera lists at \$400, contains own trigger control to start & stop VTR (by connecting to remote pause-control jack), has "on-air" light. Camera accessories are wide-angle lens \$40, 25-ft. extension cable \$55.

RCA seems to be planning one of biggest product introductions since color TV for its SelectaVision VTR, first Matsushita-built VHS deck to debut in U.S. Distributors get details at Indianapolis meeting this week (Aug. 18)—then RCA officials take 2-day coast-to-coast tour to introduce it to general press Aug. 22 in L.A., Aug. 23 in N.Y. Elaborate preparations have spurred speculation that some kind of surprise is in works—after all, RCA unit isn't first, but 7th videocassette recorder to get formal market introduction. (Others: Sony, Quasar, Sanyo V-Cord II, JVC, Zenith, Toshiba.)

Commerce Dept. figures show imports of 45,864 color videocassette recorders from Japan in this year's first half, at about \$33 million, or average price of \$719 each—figure includes U-Matic & other industrial & broadcast recorders as well as those intended for consumer market. Of that number, 11,995 were shipped in June alone, at \$8 million—average price of \$668. In all of 1976, videocassette recorder imports from Japan totaled 32,124 at \$28.9 million, for average price of \$900. In 1975, total was 19,228 at \$15.7 million, average price \$815.

Philips isn't only Dutch company with eye on U.S. consumer electronics market. Enter little-known Hagemeyer NV, Holland's biggest (\$600-million sales, \$7-million net) independent trading company. It has acquired majority interest in Yorx Electronics, formerly New York Transistor Corp., purchased in 1974 by Alvin Tannenbaum, Lloyd's co-founder & ex-chmn. Hagemeyer is worldwide marketer of consumer products (handles Matsushita audio in Europe), aims to make Yorx major factor in mid-priced audio, expand into hi-fi & VTR. It also has plans for international distribution of Yorx line, bulk of which will continue to be sourced in Far East. Some equipment will be made in Europe. Move by Yorx into own-brand sales ends contract under which Yorx handled product design, engineering & procurement for Emerson Radio.

Sanyo Mfg. Co. is increasing U.S. parts content of sets made for Sears at Forrest City, Ark. to about 50% and taking other measures to assure that sets produced there won't come under orderly marketing (quota) agreement, according to Japanese parent company. Company also indicated Ark. plant expansion is on target with schedule in our report last May (Vol. 17:21 p9), having increased monthly production to 50,000 sets from 30,000, full-year output to total about 350,000 sets (19" & 25"). Parent company, meanwhile, canceled plans to float \$50-million convertible bond issue in U.S., presumably will issue debentures in Japan instead. (For U.S. subsidiary's financial results, see p. 12).

Sanyo is now full owner of Fisher, having purchased 50% ownership from Emerson Electric for undisclosed cash.

Commodore may be buying Newport Beach, Cal. semiconductor house for production of PET \$600 home computer. Asked about reports his firm is negotiating for purchase of C/MOS operation Frontier and speculation it might be used for PET production, Mktg. VP Sam Bernstein declined comment. Commodore acquired MOS Technology last year, giving it in-house supply of calculator MOS circuits and MOS-developed KIM-1 breadboard training computer. Firm now is expanding distribution of \$245 KIM-1, may eventually offer it as leader for more sophisticated PET. Frontier reportedly suffered financial problem earlier this year, cut work force from 430 to 210 and dropped production of finished digital watches to concentrate on watch module production.

Projection TV now represents nearly half of Advent's sales, annual report stating that video products sales in year to March 26 totaled \$13,804,805, loudspeakers \$10,263,422, other audio products \$3,914,810, compared with \$10,789,855 video sales, \$10,134,018 loudspeakers, \$3,409,959 other audio in fiscal 1976. Report states that summer sales promotion has resulted in highest rate of projection TV shipments to date, forecasts that quarter ending Sept. 24 will be "moderately profitable." First commercial shipments of new Model 710 with 5-ft. screen, retailing at about \$2,600, will start this fall.

Largest consumer ad expenditure in history of compact stereo is promised by Pioneer of America for its Centrex line starting this month. Running through Sept. 1978, campaign will use 18 national publications, with strong emphasis on women's magazines for first time. Theme is "component stereo without components."

JULY SALES TO DEALERS: Good-but-not-great July saw color sales up 10.5% from 1976 month, at annualized rate of just below 8.5 million sets (Vol. 17:32 p8), with monochrome sales down from last year less than 1%, 2nd such decline in 3 months. For year's first 7 months, color sales were up nearly 20%, monochrome just over 7% (see State of the Industry).

Aug. got off to excellent start, with sales of more than 155,000 color sets, up better than 55% over same 1976 week.

Good production control saw color output for July at about 627,000—just 44,000 over sales-to-dealers of 583,109—with factory-plus-distributor inventories continuing to represent about 13 weeks' supply, same as month ago. Inventories totaled about 2,648,000 at end of month, representing increase of less than 1% during month; factory inventories at 1,561,000 were up 2.8%, while distributor stocks of 1,087,000 were down 1.5% during July. As opposed to year-earlier, factory-plus-distributor inventories were up 20.1%, factory inventories up 31.4%, distributor up 6.9%.

Production plus imports for year's first 7 months totaled 5,156,000 color sets, up 20.7% from last year and about 707,600 more than domestic sales to dealers. Here are EIA sales-to-dealers figures for July, with 1976 & 1975 comparisons:

Product	July 1977	July 1976	% change	July 1975
Total TV	955,641	900,613	+6.1	842,972
color	583,109	527,841	+10.5	441,540
monochrome	372,532	372,772	-0.1	401,432
Total radio	4,676,813	3,895,659	+20.1	3,644,429
home, portable	3,879,273	3,115,443	+24.5	3,080,414
AM-only	749,333	916,628	-18.3	770,377
FM & FM-AM	3,129,940	2,198,815	+42.3	2,310,037
auto	797,540	780,216	+2.2	564,015

AUG. DROP-INS: Quasar, Sylvania & Philco rounded out 1978 lines with drop-ins. Sylvania pushed 13" starting color price up \$10 with 2 models at \$330. Regular-line 19" starting price is down \$30 with new \$400 leader replacing "summer special" at same price. Two 25" sets are \$630 & \$650, bringing floor console starting prices down from former \$670; another new console is \$680, combo \$1,195. Stereo console prices firmed with new 13-model line at \$240-\$420. New accessory speakers are \$70 per pair.

Philco introduced new 15" color set at \$340 (up \$10), dropped in 21" at \$540 and new low-end 25" console at \$550 (previous starting console was \$630). Accessory speaker system is \$50.

Quasar introduced models promised in May (Vol. 17:22 p9)—remote 19" digitally tuned set with double-sided Audio Spectrum Sound at \$700, varactor-tuned 19" at \$520, remote version \$600, all using 100⁰ tri-potential tube. New 100⁰ Audio Spectrum 25" console is \$800; 12" color has open list. AC-DC 9" b&w is \$130.

Labor Dept. has started investigation of import-adjustment assistance petition by former Airco Speer carbon resistor workers at Bradford, Pa.

BALLY'S GAME PLANS: Bally still plans to ship Professional Arcade programmable game in time for fall-Christmas, despite fact FCC doesn't have sample for type-approval testing. Application has been filed with FCC, Consumer Products Div. Mktg. Dir. Robert Wiles said, and working model will be submitted soon, possibly this week. Shipments will start in mid to late Sept., he said.

FCC, however, said application hasn't been received, that game backlog at Laurel, Md. labs has stretched waiting period close to 7 weeks. If application was received last week, and approved within 6 weeks, "they couldn't sell it until Sept. 26," FCC official said. Problem is delay in shipments of key custom chip needed for Arcade, Wiles said. "It uses 3 chips, and we've got the other 2. The last one is now being evaluated by us and the vendor. We'll get it in time."

Programmables probably won't be available in quantities industry forecast earlier, Wiles said. "Everyone thought there would be 1.5 million this year, but my gut reaction is it will be 500,000 to 800,000. And I think it will be closer to 5 than 8 based on the logistics of getting enough chips." Bally will support Arcade retailers with point-of-purchase display holding game and 19" color set, 2-min. demonstration cassette explaining operation and "putting game through its paces."

Firm is now shipping Fireball (\$800) & Evil Knievel (\$750) electronic pinball machines and Wiles said interest among conventional TV & consumer electronics dealers is picking up. "Our brown goods distributors, including RCA & Zenith distributors, are having good luck with them."

IHF'S NEW SHOW: International High Fidelity is continuing struggle to establish audio as separate industry, latest move being announcement of audio-only show in Atlanta May 19-21. IHF show will be staged in new World Congress Center, shift to other spots around country in succeeding years if first event is successful. Acknowledging industry's ambivalence over CES, IHF Chmn. & Jensen Pres. Jerry Kalov said most audio firms—including his own—probably will exhibit at both shows in 1978, hopefully reserving bulk of new-product introductions for IHF event.

Show isn't just repeat of ill-fated Audex show venture (Vol. 16:38 p9, et. seq.) begun last year by Charles Snitow Organization, IHF officers stressed. New show is being managed by Snitow, but under IHF's direction. Snitow took pains to downplay past differences between EIA and his organization, which managed CES until EIA set up own show-management operation last year. EIA had no comment on new show.

Effort will be made to keep non-audio products out of show, Kalov said. Producers of car stereo systems & VTRs will be permitted but watches, calculators, CBs and other products not connected with hi-fi industry will be excluded. "We're a \$2-billion industry and we've got to stand on our own 2 feet," he said. IHF also launched annual survey of dealers, with questionnaires on projected sales growth in 16 component & accessory categories for 1978 mailed to 20,000 hi-fi dealers. Results will be released at IHF management seminar Oct. 4-5 in N.Y.

RADIO SHACK COMPUTER: Radio Shack stepped up competition in budding home computer market with new 3-piece \$600 system going into 100-150 stores in Sept. TRS-80 system comprises 53-key keyboard incorporating Z-80 8-bit MPU (sold separately for \$400), 12" b&w video monitor, data cassette recorder. Firm stressed computer will be aimed at combined education/small business/home markets, with initial software library of blackjack & backgammon (free with system), education/math & payroll (\$20), personal finance (\$15) & kitchen programs (\$5).

Consumer computer business is unknown quantity, spokesman at N.Y. press introduction acknowledged. "We don't know which segment will be biggest, and no one else does either. That's the reason for the diverse programming in the start-up library. We don't know who wants to do what with it, but we know there's a demand for it." In addition to pre-programmed cassettes, owner's manual will describe basics of user programming. By Dec., disc drive, printer & other peripherals will be on market.

Entire system is being produced at Ft. Worth factory, with some subassemblies purchased from outside suppliers. Monitor is modified, tunerless version of set in RCA's current b&w line. Pres. Lewis Cornfeld said computer would show up first in selected company-operated stores around world, plus franchise & dealer stores. Radio Shack will also experiment with mail order, wholesaling outside own system and computer specialty stores in future. Computer is not loss leader, Cornfeld said, adding that current prices in industry "are too high...and we won't be alone" in introducing lower cost systems during 1977-78.

CB Scene: Roughly 75% of CB users are males 18-44 and have high school education; typical user makes over \$15,000 yearly; 8% of U.S. homes bought CB in 1976; total CB ad spending in 1976 was \$14 million, up from less than \$1 million in 1975, according to survey by Target Group Index. **Superscope** adds first base station, dual-conversion unit with LED digital clock & automatic Ch. 9 scanner. Price range is \$330-\$380. **Telex** adds leader (\$20) & step-up (\$30) electret mikes designed for higher sensitivity and improved RF rejection to ProCom mike line. Also new is power mike with see-through plastic case (\$43).

Sony is buying most of tube-production equipment of former Westinghouse picture tube plant at Horseheads, N.Y.—about \$15-million worth. Equipment will be installed in expanded San Diego plant, with complete picture-tube manufacture expected to begin in first quarter of next year. Sony currently assembles tubes in San Diego, using screened faceplate & mask assemblies imported from Japan, U.S.-made funnels. Last year, Sony considered buying entire Westinghouse plant.

Consumer buying plans for color TV jumped 32% in July from June, according to Conference Board, whose latest survey indicated 8.6% of families intended to buy color sets in next 6 months, up from 6.5% in June and 5.3% in July 1976. Plans for b&w purchases were made by 1.7% in July vs. 1.6% in June and 2% in July 1976.

Trade Personals

Wayne Morgan, ex-mdsg. & sales services mgr., promoted to Zenith national audio mdsg. mgr. **Arthur Gasman** resigns as B.I.C. ad vp, becoming consultant to company and to parent Avnet, succeeded as vp & ad dept. head by **Andrew Carduner**. **Ralph Emerson**, ex-Sylvania Home Entertainment PR dir., named news & information administrator, RCA Govt. Services Div., Moorestown, N.J.

Dwight Renzema named national sales mgr., ESS Inc. (hi-fi components, projection TV); **Mike Conroy** appointed international mktg. mgr.; **Frank Jones** European sales mgr.; **Jeff March** ad & publicity coordinator. **A. James Hazle** promoted from Fairchild vp-controller to finance vp, succeeding **R. Douglas Norby**, resigned. **Steve Smith**, ex-consumer products field sales coordinator, named Stackpole Components supervisor of consumer products sales, succeeding **Ted McGowan**, retired.

Pierre Lamond, ex-Advent pres. who recently rejoined National Semiconductor, elected vp; **Philip Roybal**, ex-microprocessor mktg. mgr., named business mgr. of NS's new Personal Computer Components Group; **Dennis Dauenhauer** promoted to National Semiconductor mktg. mgr. for pressure transducer products. **Bud Mogol**, ex-Marcel Watches, named sales vp for Leisurecraft Products, responsible for sales of Mercury Time watches to major accounts.

TV manufacturers have asked Wilmington federal court for permanent injunction against release of TV accident data companies supplied to Consumer Product Safety Commission. Court, which issued temporary injunction in 1975, set Sept. 12 hearing date. Meanwhile, CPSC may ask that case be transferred to D.C. Dist. Court, which has been ordered to rehear suit for release brought against CPSC by Consumers Union & Ralph Nader's Health Research Group (Vol. 17:29 p10).

Electronic Games Div. of Warner Communications (Atari & Knickerbocker Toy) lost \$3.8 million on revenues of \$9.7 million in 2nd quarter, \$6.8 million on first half revenues of \$23 million, company said. If Atari (purchased Oct. 1976) & Knickerbocker (July 1977) had been purchased Jan. 1, 1976, earnings would have increased by \$35 million in first half 1976, \$18.9 million in first half 1977. Game inventories in first half were 20.7 million, compared to 18.8 million in 2nd half 1976.

First U.S./Southeast Asia Telecommunications conference (Jan. 19-21) in Singapore has already attracted 16 U.S. hardware exhibitors—including GE, GTE, ITT & Western Electric—according to EIA Communications Div., sponsor of event. Conference is designed as forum for state-of-art advances in U.S. telecommunications hardware & technology, will include seminars on telephone & transmission equipment & systems, mobile communications.

Game Plans: Toy producer Tomy joins Nintendo in budding Japanese game market with 4-game TV Fun Color using Oki Electric LSI. Tomy & Nintendo games sell for about \$38.

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
Bowmar Instrument			
1977-9 mo. to June 30	8,867,000	421,000 ^a	.11
1976-9 mo. to June 30	10,035,000	2,579,000 ^a	1.29
1977-qtr. to June 30	3,409,000	256,000 ^b	.04
1976-qtr. to June 30	2,727,000	70,000 ^a	.04
Coleco			
1977-6 mo. to June 30	55,474,000	2,074,000	.30
1976-6 mo. to June 30	43,887,000	1,429,000	.21
1977-qtr. to June 30	31,940,000	1,172,000	.17
1976-qtr. to June 30	24,816,000	810,000	.12
Foote, Cone & Belding Communications			
1977-6 mo. to June 30	38,126,000	3,207,000	1.33
1976-6 mo. to June 30	31,540,000	2,299,000	.99
1977-qtr. to June 30	20,664,000	2,050,000	.85
1976-qtr. to June 30	17,171,000	1,700,000	.73
Heritage Communications			
1977-6 mo. to June 30	2,460,750	(568,071)	--
1976-6 mo. to June 30	2,112,052	(38,182)	--
1977-qtr. to June 30	1,237,070	(253,364)	--
1976-qtr. to June 30	1,139,224	(17,432)	--
ITT			
1977-6 mo. to June 30	6,180,485,000	305,199,000 ^a	2.34
1976-6 mo. to June 30	5,618,244,000	316,259,000 ^a	2.55
1977-qtr. to June 30	3,231,717,000	163,120,000 ^a	1.24
1976-qtr. to June 30	2,925,004,000	196,967,000 ^a	1.59
Lloyd's Electronics			
1977-qtr. to June 30	18,711,000	(637,000)	--
1976-qtr. to June 30	17,041,000	(270,000)	--
MCA			
1977-6 mo. to June 30	382,792,000	35,187,000	1.95
1976-6 mo. to June 30	372,293,000	44,253,000	2.46
1977-qtr. to June 30	184,853,000	19,169,000	1.06
1976-qtr. to June 30	155,174,000	20,367,000	1.13
Meredith			
1977-year to June 30	235,623,000	12,473,000 ^a	4.06
1976-year to June 30	190,728,000	14,100,000 ^a	4.60
1977-qtr. to June 30	58,440,000	2,164,000 ^a	.70
1976-qtr. to June 30	49,078,000	2,803,000 ^a	.91
Oak Industries			
1977-6 mo. to June 30	80,093,232	1,294,931	.62
1976-6 mo. to June 30	73,354,595	1,647,461	.90
1977-qtr. to June 30	40,722,879	585,786	.27
1976-qtr. to June 30	37,681,309	872,984	.48
Sanyo Mfg.			
1977-5 mo. to May 31 ^d	22,534,000	241,000	.06
1977-qtr. to May 31 ^d	17,712,000	556,000	.13
Seaport			
1977-6 mo. to June 30	9,507,000	241,000 ^a	.09
1976-6 mo. to June 30	9,226,000	217,000 ^a	.08
1977-qtr. to June 30	4,791,000	142,000 ^a	.06
1976-qtr. to June 30	4,774,000	146,000 ^a	.06
Sonderling Bcstg.			
1977-6 mo. to June 30	13,755,000	992,000	.90
1976-6 mo. to June 30	12,706,000	946,000	.86
1977-qtr. to June 30	7,736,000	789,000	.72
1976-qtr. to June 30	7,252,000	757,000	.69
Telecor			
1977-year to May 31	96,248,000	4,126,000	.98
1976-year to May 31	77,084,000	3,220,000	.77
1977-qtr. to May 31	23,875,000	896,000	.21
1976-qtr. to May 31	19,498,000	890,000	.21
Teleprompter			
1977-6 mo. to June 30	56,247,000	2,892,000	.17
1976-6 mo. to June 30 ^e	50,026,000	(2,300,000)	--
1977-qtr. to June 30	28,465,000	1,774,000	.10
1976-qtr. to June 30 ^e	26,101,000	(1,053,000)	--
Texscan			
1977-year to April 30	7,879,848	157,874 ^a	.19
1976-year to April 30	4,441,560	41,853 ^a	.05

Company & Period	Revenues	Net Earnings	Per Share
Trans-Lux			
1977-6 mo. to June 30	6,187,689	411,544 ^a	.21
1976-6 mo. to June 30	5,610,422	192,952 ^a	.10
1977-qtr. to June 30	3,297,749	229,926 ^a	.12
1976-qtr. to June 30	2,980,242	111,411 ^a	.06
United Cable TV			
1977-year to May 31	17,546,000	77,000	.04
1976-year to May 31	15,284,000	(4,247,000)	--
1977-qtr. to May 31	4,702,000	133,000	.07
1976-qtr. to May 31	4,078,000	(793,000)	--
Wells-Gardner			
1977-6 mo. to June 30	4,771,000	(1,229,000)	--
1976-6 mo. to June 30	4,374,000	(655,000)	--
1977-qtr. to June 30	2,691,000	(536,000)	--
1976-qtr. to June 30	2,130,000	(176,000)	--

Notes: ^aIncludes special credit. ^bAfter special charge. ^cAdjusted. ^dNo comparable figures available. ^eRestated.

WEEKLY Television Digest

with
Consumer Electronics...

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Wells-Gardner's increased losses for half & 2nd quarter (see financial table) resulted from lower color TV shipments and increased production of products with lower labor content, company said. W-G has delayed pilot CB production until Sept., is scheduled to start burglar-alarm production in mid-Aug., plans other diversification as well as efforts to improve position in color market.

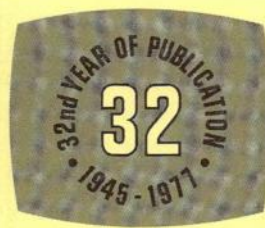
Glossary of microelectronic terms, definitions & letter symbols is available from EIA... **National Retail Merchants Assn.** offers 16-chapter guide to retail TV advertising (members \$8.95, non-members \$13.95), 100 W. 31st St., N. Y. 10001.

Customs asks **Tenna** to pay \$11.4-million penalty for \$80,400 underpayment of duties on imports over last 5 years. Penalty represents full value of imports. Tenna says underpayment wasn't intentional, seeks penalty reduction.

WEEKLY

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AUGUST 22, 1977

VOL. 17, NO. 34

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

GAO 'GRINDING AX' FOR CONGRESS? 'Comprehensive' study of FCC wasn't prompted by congressional rewrite, rather by 'a growing concern about the direction of regulation.' Broadcasters see move as 'very alarming' if findings are used for legislation. (P. 1)

WOMEN & MINORITIES are 'window-dressing' in TV industry, Civil Rights Commission charges. Broadcasters & FCC refute findings, warn that certain recommendations might infringe on First Amendment or lead to quota systems. (P. 2)

'HELP FOR TV VIEWERS' is packet of materials to be mailed to 45,000 church leaders by Southern Baptist Christian Life Commission. (P. 3)

NETWORKS' 'CARTEL-LIKE' HOLD on TV advertising is hit by Y&R's Ostrow. (P. 3)

TV SPORTS REVENUES for 3 networks totaled \$427.5 million in 1976, broadcast economist Pearce finds. ABC grossed \$215.5 million, CBS \$112.5 million, & NBC \$99.5 million. (P. 4)

FCC VACANCIES now won't be filled until 'mid-or late Sept.,' according to White House official. Staff recommendations are still on Presidents desk. (P. 4)

'TV INSANITY' CAUSED MURDER, defense will claim in trial of Miami teenager. WTVJ editorial says attorney has violated ABA canon. (P. 4)

GAO 'GRINDING AN AX FOR CONGRESS'? "The most comprehensive study ever done" of FCC rules & regulations and their impact on broadcasters & public has been launched by General Accounting Office (GAO)—much to consternation of both FCC and broadcast lobbyists in Washington, who see investigation as ammunition for proposed Communications Act rewrite. Study was begun totally on GAO's own initiative, say project Dir. Robert (Ed) Allen, asst. GAO dir., Community & Economics Div., and House Communications Subcommittee Chief Counsel Harry Shooshan.

Allen said groundwork for study began in Nov. 1976, that final go-ahead was given by GAO in April because of "a growing concern about the direction of regulation." Added Shooshan: "The Subcommittee has not requested the investigation." He said GAO came to Subcommittee with planned investigation, that Subcommittee had furnished GAO with information & reports to help it get started.

Noting that GAO is arm of Congress and claiming that it usually moves only at request of congressional committees, FCC officials and Washington broadcasters refused to accept explanation that GAO study wasn't motivated by attempt to rewrite Communications Act. "Our concern is that maybe they're grinding an ax for Congress," broadcast lobbyist said. "It'll be very alarming if the GAO is collecting information on broadcasting that'll be used for legislation."

Consumer Electronics

MAJOR VCR PRICE move from RCA this week in introduction of 4-hour unit expected to result in revision of competitors' prices, big push toward mass-market sales. (P. 6)

COMPUTERS CLOSING IN on home market, as Byte Shops begin emphasizing non-hobbyist uses. Pertec readies low-price line for chain-store marketing. (P. 6) Mr. Calculator operation plans 100-150 computer stores nationwide in 18 months. (P. 8)

VARACTOR TUNERS in more than half of all color consoles. 20% of portable-table models produced or imported in first half, EIA figures show. (P. 7)

VTR COLOR CAMERA offered by GBC for immediate delivery in quantity at \$1,600. Sanyo introduces lower-priced Beta VTR in Japan. (P. 9)

EIAJ FIGHTING ITC probe of CB imports, claiming E.F. Johnson petition doesn't warrant relief. Petition cited as proof of growing U.S. protectionist movement. (P. 9)

FIRST LAS VEGAS Winter CES to occupy triple the space of last Jan. event. Most TV manufacturers to exhibit, presumably displaying VTRs. (P. 9)

PENNEY TO SEEK continued exemption from recall for three 18" hybrid color models CPSC says may pose fire hazard. Models were excluded when Penney recalled 8,000 similar sets in 1974. (P. 10)

Allen said GAO has fulltime office, staffed by 6 professionals, to keep track of FCC and that "a great portion of our work is self-initiated... There's nothing unusual or out of the ordinary" about comprehensive study planned. He said as many as 1,000 licensees may be interviewed and/or sent questionnaires, that final report is due next March. There's no set budget for study; outside consultants and probably polling organizations (Harris, Gallup) will be used.

Consultants hired so far (to devote about 30 days each to FCC project) include PhD's William Canby (brother-in-law of Vice President Mondale) of Ariz. State U. and Ohio State's Thomas McCane; tentatively on list also is Wesley Wallace, U. of N.C. Major GAO participants in study will include Supervisory Auditors James Barnes & James New; they'll spend 2-3 days with each network in Sept.

Major question GAO will attempt to answer: "The impact of FCC regulations on the industry and the public." New stressed that investigation won't be "audit" of industry but a close look at reasonableness of Commission policies & regulation. Allen said it's "premature to say" if March report will include legislation recommendations. Initial emphasis will be placed on Facilities Div. of Broadcast Bureau. Among specific subjects to be studied:

Industry structure & ownership, diversification, network-affiliate relationships, ascertainment, renewals, localism, public access, fairness doctrine, Sec. 315, CATV, new technology, public interest groups. "We don't want to leave any stones unturned," Barnes said.

FCC official said last week that "GAO constantly has some aspects of our operation under review"—WARC, Common Carrier Bureau & fees are recent examples. Commission execs. said they had very little knowledge about new study, repeated this statement after Aug. 17 briefing of FCC exec. dir. & Bcst. Bureau. GAO "was very vague about the whole damn thing," we were told.

'WINDOW DRESSING ON THE SET': U.S. Civil Rights Commission (CRC) has charged that minorities & women are stereotyped and under-represented in TV programming—including news—and underemployed and underutilized in TV industry, as expected (Vol. 17:33 p3). To remedy this, CRC recommends series of FCC, congressional and industry actions.

However, industry and FCC spokesmen refuted CRC's findings and warned that certain recommendations might infringe on broadcasters' First Amendment freedom or lead to quota systems. Findings & recommendations are contained in 181-page study called "Window Dressing on the Set: Women and Minorities in TV." Study is based on close look at 3 networks, their 15 owned stations, 15 commercial and 10 noncommercial TV stations chosen at random, as well as one week of network "dramatic" programming 8-11 p.m. for each year 1969-1974.

In TV drama & news, CRC concluded, minorities & women are typified by racial & sexual stereotypes and are under-represented compared with U.S.'s ethnic & sexual makeup. Broadcasters are inhibited from change, CRC said, by assumption that to portray women & minorities in realistic & representative manner would diminish their programs' audiences.

Decisionmaking slots at TV stations are filled predominantly with white males, CRC charged, and that while "relatively high proportion" of minority women are employed as on-air talent, few are found in management positions, "suggesting that minorities and women serve merely as window dressing." In addition, report charged, FCC's EEO reporting form allows stations to "imply erroneously that women and minorities are moving into decisionmaking positions when their job titles and salaries suggest that they perform primarily clerical and routine administrative tasks." Other FCC-required EEO reports "are meaningless at best and misleading at worst," CRC concluded, because they allow licensee to report efforts to improve that may not result in actual improvement.

To improve situation, CRC recommends: (1) FCC should begin inquiry & rulemaking, perhaps modeled after inquiry on children's programming, to "explore ways to require that network programming serve all members of the viewing public." (2) Production companies & networks should work to improve on number & quality of portrayals of minorities & women. (3) Networks should upgrade efforts to place minorities & women in decisionmaking slots in news departments. (4) Congress should give FCC authority to regulate networks' EEO performance.

(5) FCC should require EEO reporting of all broadcast licensees, no matter how small, and improve reporting requirements to make them more useful & comprehensive. (6) FCC should require that "overall utilization of men and women of each racial/ethnic group on a local station's workforce should be at least 80% of parity with their representation in the labor force of the station's service area," and that minorities & women be dispersed throughout various job categories in comparable fashion to white males. (7) Defer or designate for hearing renewals of those licensees who don't comply.

FCC's recent EEO program modifications won't have "significant effect" on industry practices, CRC charged; rather, they indicate FCC's "persistent unwillingness or inability to recognize the real deficiencies in its earlier equal employment program."

"Nowhere in this report does the Civil Rights Commission suggest that the FCC take on itself the role of censor," stated Chmn. Arthur Flemming. "This Commission does suggest, however, that...there are approaches that can be taken by the FCC that would stop well short of censorship." Responded FCC Chmn. Wiley: "To me, it is difficult to conceive of how our Commission would grapple with such a complex and highly subjective concept as stereotyping without becoming deeply involved in the review of broadcast programming material." Warning against govt. censorship, NAB TV Vp Jane Cohen stated: "Any stereotyping that might have occurred in the past in TV has largely been corrected by increased industry sensitivity to the concerns of the public. That's the way the system is supposed to work." ABC said it has "grave reservations" about increased govt. involvement in program & news content, while NBC said it already shows "special sensitivity" with regard to sex, age, race, color, creed, religion, ethnic and national stereotyping. Govt. control of "the kinds of people we see on TV, the roles in which they are cast, and, indeed, the ways in which they think, talk and act" was decried by CBS Washington Vp Bill Leonard. "I doubt if anyone really wants that kind of TV here."

Findings & recommendations on TV employment practices also came in for much criticism. Wiley said CRC report "comes perilously close to calling for the establishment of a quota system, something which our Commission does not advocate. Instead, we expect our licensees to make reasonable and good faith efforts to seek out and employ minorities and women, and, in increasing numbers, broadcasters are living up to this expectation." Networks noted past improvement in EEO area, said this continues. NBC also stated that CRC's findings "appear to be based on out-of-date data and are not in accord with the facts, at least as they might concern NBC." CRC Project Dir. Helen Franzwa countered most recent FCC data showed few differences from findings based on earlier figures. Commented Flemming: "The practices that we've identified in our report are continuing and are indeed accelerating."

What happens to report recommendations now is up to Congress, FCC & industry. Flemming said report would be submitted to relevant congressional committees and to President, added that CRC would "follow up" after there has been "a reasonable time for the interested groups to digest it... We are willing to testify on these matters... We hope some of this data will also be helpful to the courts which have to rule on some of these matters." In response to reporter's question, Flemming said CRC has no plans to do similar study on print media.

"Help for TV Viewers" is packet of materials to "help parents, pastors and others concerned about the medium's moral content." Packet will be mailed by Southern Baptist Christian Life Commission in next few weeks to 30,000 pastors and 15,000 other church leaders. It contains reprints of articles and speeches on TV, sample letters of complaint to stations & advertisers, pre-addressed postcards to network presidents, "TV survey form" to evaluate week's programming, and pamphlets suggesting what families, individuals & churches can do about TV sex & violence.

U.S. Appeals Court (3rd Circuit) has reversed Feb. 1976 convictions of 4 Brunswick Record execs. for illegal payments to radio disc jockeys (Vol. 16:9 p6). However, Court said they must stand trial again on payola charges.

Small Business Administration should permit loans to minority firms to invest in communications, Congressional Black Caucus Chmn. Mitchell (D-Md.) wrote SBA Administrator A. Vernon Weaver. "We do not believe that there is a constitutional problem with such activities by the SBA," Mitchell wrote. "There is ample precedent for government assistance in the communications field," including CPB, USIA, HEW, State & Defense Depts.

Charging TV networks are "cartel-like" in their hold on TV advertisers, N.Y. ad agency exec. called for support for 4th—or more—networks using cable & satellites. Joseph Ostrow, Y&R senior vp-dir. of communications services, told Ad Age workshop in Chicago that "the networks seem to be unable to control their lust for greater & greater profitability."

TV SPORTS REVENUES DETAILED: Gross ad revenues for all sports programs on 3 TV networks totaled \$427.5 million in 1976, according to economist Alan Pearce. Now consultant to OTP, Pearce presented findings—based on own research—at recent Boston U. sports broadcasting seminar. By network, Pearce found, ABC sports ad revenues totaled \$215.5 million, CBS \$112.5 million, NBC \$99.5 million.

ABC baseball grossed \$26.3 million (with average minute costing \$49,500), bowling \$4.2 million (\$21,700), college & professional football \$66.1 million (\$61,500), golf \$12 million (\$32,300), others (Olympics, Wide World of Sports, tennis, auto racing, etc.) \$107 million (\$50,800). All ABC sports programming for 1976 carried 4,272 min. of ads at average cost of \$50,500 per min.

CBS NBA basketball grossed \$23.5 million (\$30,600), bowling \$421,300 (\$11,500), pro football \$56.9 million (\$61,500), golf \$12.5 million (\$38,800), soccer \$360,000 (\$11,300), others (horse-racing, sports specials, tennis, boxing, auto racing, etc.) \$18.7 million (\$23,000). All CBS sports shows for year carried 2,897 min. of ads at average \$38,800 per min.

NBC baseball gross revenues were \$22.4 million (\$30,000), college basketball \$12 million (\$27,600), bowling \$288,000 (\$13,700), pro football \$49.1 million (\$58,300), golf \$5.1 million (\$32,300), others (tennis, boxing, track, etc.) \$10.4 million (\$18,500). Total NBC ad minutes were 2,769.3 at average \$35,900.

Pearce estimated ad agency commissions & station compensation at \$107 million and rights payments at \$175 million. Remainder represents production costs, overhead & profits. Point of exercise, he said, was to prove that TV & sports are "a marriage—TV relies as heavily on sports as sports relies on TV."

FCC doesn't meet this week (next meeting Aug. 31) but Chmn. Wiley and Cable Bureau Chief James Hobson will participate in Aug. 22-23 Southern Cable TV Assn. convention in Atlanta. Other activities: (1) Comr. White speaks at Aug. 22-25 Chicago convention of Associated Public Safety Communications Officers; also appearing will be FOB Chief Phyll Horne, Safety & Special Chief Charles Higginbotham, Chief Engineer Raymond Spence. (2) Comr. Quello speaks Aug. 26 at W. Va. Bcstrs. Assn. convention at White Sulphur Springs.

White House official told us last week it'll be "mid- or late-Sept." before appointments are made to fill 2 FCC vacancies. Staff recommendations still are on President's desk; after he makes selection, 2-3 weeks will be needed for FBI clearances before names go to Senate. FCC Chmn. Wiley—whose term expired June 30 but who has stayed on because successor hasn't been confirmed—now plans to leave agency by end of Sept., maybe sooner, and not wait for new chmn. to take over.

Metromedia is buying independent KDOG-TV (Ch. 26) Houston from Crest Bcstg. for about \$11 million cash.

'TV INSANITY' CAUSED MURDER: Attorney for 15-year-old accused of murdering elderly neighbor will claim crime was caused by "TV-induced insanity," according to court papers filed last week in Miami. Lawyer Ellis Rubin said "constant diet of violent crime shows" watched by youth—to be tried as adult—were responsible for "diseasing his mind and impairing his behavioral controls."

Youth was "suffering from and acted under the influence of prolonged, intense, involuntary subliminal TV intoxication," Rubin told court. Through "the excessive and long-continued use of this intoxicant, a mental condition of insanity was produced." Sept. 26 trial will be televised under year's experiment that started in July (Vol. 17:28 p1).

WTVJ Miami aired editorial accusing Rubin of violating ABA canon by attempting to try case in press through charges against TV. Networks had no comment on court filing, which mentioned several programs & network TV movies.

Grocery Mfrs. of America cried "foul" at July 25-26 Tom Snyder "Tomorrow" NBC program with White House consumer aide Esther Peterson talking about Consumer Protection Agency proposal now pending in Congress. GMA claimed, in Aug. 12 letter to NBC Chmn. Julian Goodman, that fairness doctrine required that it be given opportunity to rebut Peterson support of proposed legislation. Network acknowledged receipt of complaint, said it would check out facts before commenting. This is second GMA attack on NBC; first protested network's Sept. 1976 documentary on food additives that finally wound up as formal complaint to FCC, where it's still pending.

Member of House Communications Subcommittee will appear at each NAB conference this fall; they'll speak at TV lunch, participate in separate TV & radio panels. Schedule: Rep. Russo (D-Ill.)—Chicago, Oct. 13-14; Rep. Murphy (D-N.Y.)—Cambridge, Mass., Oct. 17-18; Rep. Moore (R-La.)—Atlanta, Oct. 20-21; Rep. Wirth (D-Colo.)—Denver, Nov. 7-8; Chmn. Van Deerlin (D-Cal.)—San Diego, Nov. 10-11; Rep. Frey (R-Fla.)—Dallas, Nov. 14-15. TvB, NATPE & RTNDA will program various TV sessions, all coordinated by NAB Govt. Affairs Vp William Carlisle.

TV satellite tariff revisions filed with FCC by RCA would expand service options, set new rate structure. To be effective Nov. 10, new tariffs would reduce off-peak rates, permit user to select protected, unprotected or preemptible service. Daily fixed-term schedule would have rate differential for 5, 10, 15 & 24-hour levels, while occasional fixed-term schedule would permit contracts for 1,000 or 2,000 hours annually, as opposed to 1,800 hours now offered.

UA-Columbia Cablevision starts distributing Madison Sq. Garden events Sept. 27 with NHL game. RCA Americom satellite will be used to distribute signal to 30 cable systems with over 640,000 subscribers. UA-Columbia charges systems on per-subscriber basis, expects million subscribers by end of year.

Personals

Peter Derow, Newsweek pres., joins CBS Sept. 6 as senior vp, new post, responsible for all staff work and for advising Pres. **John Backe** on diversification; **J. William Grimes** elected CBS vp-personnel... **M.S. (Bud) Rukeyser** promoted to NBC exec. vp-public information, new post... **Patricia Matson**, ABC Washington news information dir., moves to ABC's N. Y. hq as dir., business information, broadcasting; she succeeds **Susan Lack**, resigned to move to Chicago.

James Lyons named pres.-chief exec. officer, Nielsen Media Research Services Group; appointed dirs. were Exec. Vp **Roy Anderson**, Exec. Vp **William Hamill**, Exec. Vp **Wilson Swigart**, and Vp **Edward Schillmoeller**.

Michael Senkowski, administrative asst. to FCC chmn., and Atlanta attorney **Lawrence Movshin** become assocs. in Washington law firm McKenna, Wilkinson & Kittner... **Daniel Schwartz** promoted to FTC Competition Bureau deputy dir.; **E. Perry Johnson** advanced to asst. dir.-regional operations... **L. Stephen Quatannens**, ex-Army Dept., joins Hamel, Park, McCabe & Saunders, Washington law firm.

Robert McConnell, WISH-TV Indianapolis vp-gen. mgr. and NAB TV dir., moved to vp, parent Indiana Bestg. Corp.; **Duane Harm**, ex-KOTV Tulsa, appointed WISH-TV vp-gen. mgr... **David Emery**, ex-WFSB-TV Hartford, named news dir., WMAR-TV Baltimore... **Tom Collier**, ex-Okla. State PTV, named news dir., KCRG-TV-AM Cedar Rapids.

Tom Honer, ex-KETV Omaha, named gen. sales mgr., WLSL-TV Roanoke, Va... **Anne Speakman** promoted to press relations mgr., WCVB-TV Boston... **Stanley Basara** advanced to RCA Best. Systems studio & control equipment engineering & product management mgr... **William Shaw** shifts at General Instrument from corp. business planning analysis to Jerrold business development mgr., responsible for planning, business analysis & development for Broad-band Communications Group.

Marnie Sarver promoted to public affairs dir., WIIC-TV Pittsburgh; **Jack Gilbert** advanced to personnel & office services dir... **John Gross**, ex-WICS Springfield, Ill., appointed sports dir., KXAS-TV Ft. Worth... **Cecil Forster**, Group W vp-business affairs, appointed gen. mgr., WINS(AM) N. Y., succeeding **S. William Scott**, who resumes former duties as Group W radio vp-news & public affairs.

Donald Quayle, CPB senior vp-broadcasting, resigns; he'd been informed that he wouldn't be considered for re-election at CPB board's Sept. 14 election of officers... **Peter Fannon**, ex-OMB, appointed PBS planning dir.

TV ad revenue will surpass that of newspapers—excluding \$3.3 billion print receives from non-TV customers (liquor, cigarets & classifieds)—in 1977 for first time, according to TvB. "Same class" of advertisers will spend \$7.67 billion in TV this year, compared with \$7.6 billion in newspapers, TvB said. Of TV revenues, \$3.43 billion will be spent on network advertising, \$2.33 billion on national spot and \$1.9 billion local.

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Using TV to sell TV: (1) TvB plans "massive nationwide on-air TV campaign to dramatize the medium's sales power & superiority over other media." Campaign includes 60-sec. spot sent to 700 TV stations. (2) TIO, with cooperation of networks, has sent stations 30-min. program ("TV in America: The Issue of Violence") presenting "balanced treatment" of industry efforts to reduce violence. Program is moderated by Martin Agronsky, features Annenberg School of Communications (Pa. U.) Dean George Gerbner, producer Lee Rich & TIO Dir. Roy Danish. TIO plans to produce similar programs on subjects "of vital interest to viewers & broadcasters."

Comparison ads should feature attributes of products or services that are "of significant difference" and "truthfully stated," according to NARB. Report stresses that "advertisers must not be inhibited by codes or other devices from competing in any legitimate and honest way." FTC has been investigating whether advertising self-regulatory codes—such as NAB's—restrict comparative ads in anticompetitive manner (Vol. 16:8 p5).

WGAL-TV Lancaster's license should be renewed since most of abuses complained about had been discontinued years ago and didn't violate FCC rules & policies when they were practiced, according to FCC Judge Reuben Lozner. In summary decision, he noted WGAL-TV has reached agreement with complaining Feminists for Media Rights and Steinman family owner has agreed to sell station by Dec. 1981 (Vol. 17:17 p9).

Amway Corp. of Mich. (home care products sold door-to-door) announced agreement to purchase Mutual radio network for about \$15 million. Amway official said company had been seeking entry into broadcasting for 3 years, won out in bidding for Mutual over several other groups.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended August 5 (31st week of 1977):

	July 30- Aug. 5	1976 week	% change	July 23-29	1977 to date	1976 to date	% change
Total TV.	241,945	171,317	+41.2	328,136	7,499,785	6,508,419	+15.2
color	155,116	99,950	+55.2	199,935	4,606,522	3,821,451	+20.5
monochrome . . .	86,829	71,367	+21.7	128,201	2,893,263	2,686,968	+7.7
Total radio	2,154,462	595,754	+261.6	1,875,167	28,396,408	20,958,448	+35.5
home, portable .	1,958,251	366,510	+434.3	1,693,677	21,007,199	13,815,256	+52.1
AM-only	616,741	101,937	+505.0	380,532	4,942,049	3,175,213	+55.6
FM & FM-AM .	1,341,510	264,573	+407.0	1,313,145	16,065,150	10,640,043	+51.0
auto	196,211	229,244	-14.4	181,490	7,389,209	7,143,192	+3.4

Color TV 5-week moving average: 1977—147,645; 1976—125,558 (up 17.6%).

MAJOR VCR PRICE MOVE COMING FROM RCA: From industry standpoint, price will overshadow product when RCA introduces first Matsushita-built 4-hour home videocassette recorder this week at news conferences in N.Y. & L.A. Impending price move by RCA will send entire industry rushing to the calculators—possibly even to the negotiating table—and result in new VCR price structure virtually overnight.

It's universally conceded that present \$1,300 list-price structure established by Sony—and adopted by all Beta & VHS brands announced until this week—is artificial one for "skimming top of the market." Some manufacturers have openly indicated they'd welcome price break from a competitor to get market really moving.

And RCA's suggested list price is expected to be designed to do just that. It's certain to represent most important move toward mass-market VCR sales since introduction of Betamax, and will put abrupt end to industry's Sonyesque price structure. It all boils down to what happens this week. RCA's list price will be much closer to Quasar's \$995 than to Sony's \$1,300.

Pressure on pricing also is intensified by expectation that Sears will introduce low-priced Sanyo-built 2-hour Beta-type VCR. Single-speed unit went on Japan market last week at about \$925 (see p. 9), is scheduled for shipment to Sears by year's end. Monthly production currently is set at 5,000, in addition to manufacture of Sanyo's non-compatible V-Cord II.

COMPUTERS MOVING CLOSER TO HOME: Interest in budding personal computer market continues to mount. Among latest developments: (1) Acceleration of dealer-expansion program by hobbyist-oriented Byte Shops, with new emphasis on consumer market. (2) Plan by Pertec for chain-store marketing of low-cost iCom computer systems. (3) Entry of new firm—Video Micro Computer Div. of Umtech—into field. (4) Ambitious program by Mr. Calculator operation to open nationwide chain of computer stores (see p. 8).

Byte Inc. now has affiliations with 65 independently-owned Byte Shops (including one in Japan, 2 in Canada) through dealer-support program, hopes to increase total to over 100 by first quarter 1978. Emphasis in many stores will gradually shift from hobbyist-experimenters to small business men & consumers as market evolves, according to Byte Inc. Mktg. Vp Paul Terrell. "We're going to gravitate to where the bucks are," he said.

Byte Shops will begin handling personal computers now being introduced by smaller computer

manufacturers, at same time trying to convince others to enter field. "We think National & TI will come in. We've written product specs for them on small computers, and we're trying to push them into consumer marketplace. They'll do what they did to the watch & calculator markets, and we want to carry their products when they come."

Hobbyist will remain important part of Byte Shops, but Terrell says many new stores are being opened outside high-technology areas of country, forcing owners to cultivate small-business & consumer markets.

Pertec also is going after low end of computer business, will introduce new iCom systems starting at \$350 aimed at hobbyist & personal computer markets in Oct. Initially, systems will be sold through computer specialty stores which now handle firm's higher-priced Altair line, plus Byte Shops. But Pertec official Neil McElwee said plans are underway to offer iCom through "large retail chains"—which he wouldn't identify—during Christmas 1978. Radio Shack will offer line of iCom peripherals with its new home computer (Vol. 17:33 p11).

Meanwhile, Pertec is marketing Altair line (\$395 kit to \$15,000 business system) through 23 computer-specialty outlets, will offer \$5,000 turnkey business system on experimental basis through 9-outlet Tex. dept. store chain in next few weeks.

Other firms also are getting into field and among latest apparently is Video Micro Computer Div. of Umtech. Company officials refused to discuss plans but acknowledged they'll be at Winter CES with new product, presumably low-cost computer aimed at home and/or small-business market.

Nation's consumer electronics retailers are taking field seriously, judging from quick poll we conducted among sampling of appliance-TV dealers, TV specialists & dept. stores. "It's simple—we've looked, we're looking and we'll continue to look," buyer for major southern hard-goods chain told us. "We'll wait for the dust to settle, but we'll probably get in."

Appliance-TV dealer in northeast says he can't avoid getting in. "That's my kind of business. I'll sell them when they're available, make a fast 6-month run until the mass merchants wipe out prices, then get out. It's just what I did in games." "I have to get in," dept. store chain official told us. "It's going to be a rat race, but I've got to do it, because someone else will if I don't."

ELECTRONIC TUNING DOMINATES CONSOLE MARKET: Electronic varactor tuning came into its own this year, according to EIA data showing it replaced mechanical tuning in just over half of all color consoles made or imported in first half. In more price-sensitive portable-table area, penetration was held to 20%.

Apparent growing demand for better tuners didn't rub off on related step-up feature, remote control, which failed to improve on first-half 1976 market position. Remote's share of portable-table market rose from 10.6% to 10.8%, but in consoles penetration dropped to 11.1% from 11.8%.

Analysis of color product mix shows portable-table models improved position slightly at expense of consoles & combinations for 6 months, but lost somewhat from first quarter when they accounted for 73.8% of new supply. While unit increases were logged for all screen size classifications, only 16-17" showed market-share improvement; 13" held steady, all other sizes declined.

Breakdown of color portable-table results by screen size: 12"-&-under 335,000, up 7.9% for 10.2% share (up from 11.5%); 13" 274,000, up 22.7% for 8.3% (8.3%), 14-15" 217,000, up 13.9%, 6.6% (7.0%); 18-19" 1,946,000, up 21%, 59.2% (59.6%); 20"-&-over 168,000, up 18.1%, 5.1% (5.3%). Screen-size breakdowns for consoles are no longer available.

Though total b&w output was up 10.4% to 2.95 million, 11-12" was only size to show improvement; all others slipped both in terms of units & relative position. Number of b&w battery portables, all 12"-&-under, rose 17.7% to 533,000, but accounted for just 25.6% of sets in those sizes, down from 26.9%. Portable-table models were up 10.8% to 2.92 million, ac-

counting for 99% of supply, up from 98.6%, with 10'-&-under at 403,000, down 12.2% for 13.7% share (down from 17.4%), 11-12" at 1.67 million, up 36.8% for 56.8% (46.4%); 13-15" at 107,000, down 1.9% for 3.6% (4.1%); 16-17" at 149,000 for 5.1% (7.6%), 18'-&-over at 580,000, down 9.6% for 19.7% (24.4%). Consoles fell 23.9% to 28,000 for 1% share down from 1.4%.

Imports increased penetration in all color portable-table sizes except 14-15", where they slipped to 46.2% from 48.9%. In 12'-&-under, imports accounted for 67.2% (up from 61.3%), 13" 72.5% (62.1%), 16-17" 17.5% (12.3%), 18-19" 35.6% (34.9%). In b&w, import share of 11-12" dropped to 83.6% from 88%, but rose for all other portable-table sizes, increasing to 97.8% from 94.5% for 10'-&-under, to 54.4% from 31.3% for 13-17" and to 38.9% from 22.1% for 18'-&-over.

COLOR TV PRODUCT MIX—FIRST HALF

Type	Units	1977		1976	
		% change	% of total	Units	% of total
Portable-table	3,287,000	+21.8	72.6	2,699,000	71.0
Console	1,227,000	+12.9	27.1	1,086,000	28.6
Combination	16,000	+3.9	0.3	15,000	0.4
Total	4,529,000	+19.2	100.0	3,800,000	100.0
Remote control	494,000	+20.1	10.9	411,000	10.8
Varactor tuner	1,287,000	n. a.	28.4	n. a.	n. a.

COMPUTERS—A RETAIL GAMBLE: In bid to become nation's first home computer retail specialist, Ill.-based Mr. Calculator plans 100-150 stores—all focused on \$600 Commodore PET computer—over next 18 months. Stores also will offer Commodore KIM-1 breadboard training computer (\$245), full range of peripherals, computer publications & manuals, complete servicing capabilities.

"We want to explode the computer business," Pres. William Wade said in interview, "and PET is the item which will make this dream a reality." Chain now has 4 stores ringing semiconductor area of northern Cal. (San Jose, Palo Alto, San Francisco, Marin County), one at UCLA in Berkeley, one in Chicago, 3 in Houston, and satellite store at U. of Tex., Austin.

New stores will be in other metropolitan areas associated with high technology (Phoenix, Boston, etc.). "I'm not a missionary," Wade says. "I don't want to go out and beat the drum and say: 'Hey, look at what I have.' I want to go into those areas where people already know what it is." In beginning, hobbyists & small businessmen will account for bulk of computer sales, home user becoming more important later.

Wade envisions Radio Shack-style merchandising approach. "You go into Radio Shack, and if you want to move your speakers 150 ft. apart, you buy a wire and they've got it in a plastic sack that says \$18.12, or whatever. That's what I want... When the customer comes in and says, 'I need a widget,' it's my job to have that widget there with a bag around it and take his money. That's the way you build a business."

Mass-merchandising approach also will affect manufacturers. Wade compares situation to calculator market, where established firms failed to

react to product & pricing trend in early 1970s: "We had a funeral about 7 years ago, and those guys have been dying since." Wade isn't forecasting similar problems for established computer firms, simply pointing out difference between industrial & consumer marketing. "Who knows what's going to happen to IBM... Certain businesses can sell a \$20 item, others can't."

Low price, plus fact extensive peripheral equipment isn't necessary, is primary advantage of PET system, according to Wade. Hobbyist now paying \$2,000-\$5,000 "for a bunch of parts to wire together will come in and spring for \$600 to have a complete system that works." Experience in selling advanced scientific calculators to students, engineers & workers in semiconductor industry has given Mr. Calculator perfect background for fullscale move into computers, Wade believes. "If we've learned what we think we've learned, we'd be schmucks to wait for someone else to do it. We'd rather do it ourselves."

RCA converted remainder of its 19" & 23" color lines, with exception of 5 digital Control Center remotes, to new cost- & power-saving "Xtended Life" chassis. At same time, 19" ColorTrak models were switched from in-line to delta picture tubes, following similar move in XL-100 sets last Feb. (Vol. 17:9 p8). Prices of new models are relatively unchanged from predecessors, except that opening 19" ColorTrak model is up \$20 to about \$470. Electronic 20-position tuning system is featured in XL-100 for first time, at about \$450. New ColorTrak 19" step-ups are \$490, new contemporary configuration at \$500, remote \$550, Control Center \$700. Electronic-tuned 25" console is \$650. Monochrome drop-ins are 12" at under \$100 (unchanged), promotional 16" at under \$150 (down \$10), 19" at \$170. (Most sets are open-listed and prices are approximate.)

VTR COLOR CAMERAS: New version of Toshiba-made "home" color camera is now being offered by GBC Closed-Circuit TV, N. Y., which claims to be world's largest supplier of TV cameras. At \$1,595, camera is stripped-down version of unit GBC previously sold at \$2,495, lower price made possible by replacement of electronic viewfinder with optical one and price reduction by Toshiba.

Similar camera sold under Toshiba's own name is modified for low light, carries \$1,700 price tag (Vol. 17:33 p8). In catalog photos it appears to have electronic viewfinder; actually it now has optical finder—same as new GBC unit. GBC has long had U.S. exclusive on this Toshiba camera and still, according to Chmn. Harry Lefkowitz, is only source where it's readily available. While Toshiba & JVC will be allocating color cameras to dealers for some time, he said, "we have close to 1,000 in stock." He said some Quasar, RCA & Zenith distributors have expressed interest in color camera. Such manufacturers "are missing the boat" by not offering color cameras, Lefkowitz told us. "If 1% of the VTR buyers this year buy a color camera, that's 2,000 cameras—and I'll sell 75% of them."

Quasar, meanwhile, said survey of owners of its Great Time Machine indicated 20% were "interested" in buying new b&w camera at \$395. Survey showed "almost an equal distribution for the \$10,000, \$20,000 & \$30,000-&-over income groups" among VTR buyers according to Mktg. & Sales Vp Alex Stone.

Sanyo introduced its Betacord VTR on Japanese market last week at price tag about \$75 below other Beta & VHS recorders, including its own previous 2-speed Sony-made unit. New Sanyo-built VTR is similar to the one it showed at June CES, has 2-hour recording only, built-in LED timer (Vol. 17:24 p11). Sanyo has indicated this unit will be its "low end" in U.S., with V-Cord II as high end (Vol. 17:16 p8). Price in Japan is 248,000 yen, about \$925-\$930 at current exchange rate vs. 268,000 yen (about \$1,000) for predecessor without timer—general price area of other Beta & VHS units. Increase in value of yen has, in effect, pushed dollar-equivalent prices up from about \$925 when units were introduced last March (Vol. 17:11 p8) without any change in Japanese-market price.

CB Scene: FCC won't issue any further rules on Aug. 1 cutoff date for production under old standards, despite petition from 5 CB makers asking agency to make sure importers obey rules (Vol. 17:27 p10). Instead, FCC urged importers, distributors & marketers to receive evidence of pre-Aug. 1 production date from offshore suppliers before units are imported. . . Cybernet has begun shipping new compact 40-channel CBs using 5-IC circuitry to OEM customers, but not at lower price points forecast earlier. Stagnating U.S. market and subsequent decrease in OEM orders prevents high-volume production which would have dropped costs & prices. . . FCC report on regulating CB radio service (Vol. 17:32 p13) has been released. Copies available from Downtown Copy Center, 1730 K St. NW, Washington 20006.

EIAJ FIGHTS CB PROBE: EIA-Japan will "vigorously oppose" imposition of quotas or tariff increases asked in E. F. Johnson petition filed with ITC (Vol. 17:32 p9, 17:33 p7). Johnson filed with ITC rather than "fairly competing in the marketplace," EIAJ said, adding that sharp increase in CB imports during 1976 was due to large orders from U.S. companies competing with Johnson, not export activities of Japanese firms.

EIAJ also said: (1) Imports have decreased "drastically" this year due to 23-to-40 conversion and drop in consumer demand. (2) Petition is further evidence of rising U.S. protectionism. (3) Johnson claim that Japanese TV manufacturers may use facilities idled by TV orderly-marketing (quota) agreement for CB production is "unwarranted & unsubstantiated allegation." Added EIAJ: "It is clear that Johnson has not sustained any serious injury to warrant relief. . ."

Meanwhile, Japan Export Transceiver Industry Assn. (JET), has begun study of impact ITC investigation may have on its 45 member companies. Cybernet official, acting as JET spokesman, said probe wouldn't have any immediate influence on Japanese output, since production & exports already have dropped sharply from 1976 levels.

BIG WINTER CES: First Winter Consumer Electronics Show in Las Vegas Jan. 5-8 will occupy 300,000 sq. ft.; triple the size of last Jan.'s Chicago event and 75% as big as Summer CES, EIA/CES Senior Vp Jack Wayman said last week. Analysis of preliminary list of winter exhibitors shows return of large number of TV manufacturers—presumably mainly for display of videocassette recorders. Among TV makers listed for winter show: GE, Hitachi, JVC, Magnavox, Mitsubishi (Melco), Panasonic, Quasar, RCA Consumer Electronics, Sanyo, Sharp, Sony, Sylvania, Tatung.

Questioned about Institute of High Fidelity (IHF) audio show in Atlanta May 19-21, Wayman said IHF show is charging \$5 per square foot of exhibit space vs. \$3 for summer CES. "It remains to be seen" if IHF show will succeed—"we've had lots of competition in the past." Wayman said CB segment of Winter CES will be about same size as PC-76 show last year. Attacking fragmented shows, he added: "Calculators & watches should have had a great show for a couple of years, just like PC—but it couldn't keep up. You couldn't have a Radio Show today. There'll always be something hot, but you need the broad base of dealers attracted by an all-industry show."

FCC actions in consumer electronics area: (1) Delayed until Nov. 25 comments deadline on inquiry into use of subcarrier frequencies for TV stereo (Vol. 17:32 p11), replies now due Dec. 9; (2) put off until Dec. 18 (replies due Jan. 16) comments deadline on FM quad inquiry, and until Oct. 15 (replies Nov. 15) on AM stereo inquiry (Vol. 17:26 p11); (3) extended to Oct. 17 (replies Nov. 17) comment period on proposed rules change to further reduce CB spurious & harmonic emissions.

Atari adds 100,000-sq.-ft. building to Sunnyvale, Cal. complex, for final production of video games, bringing total manufacturing area to 556,000 sq. ft.

Trade Personals

H. Robert Limmer, ex-Anaconda, appointed RCA staff vp & counsel... **David Westerman**, Hazeltine chief exec., named chmn., succeeding **Harold Wheeler**, appointed chmn. emeritus and remaining a dir.; **Sal Nuzzo**, chief operating officer, advanced from exec. vp to pres., succeeding **Westerman**... **William Hegyi**, ex-Olympic, most recently consultant to Korean electronics industry, joins Electron Tubes International as international mktg. vp.

Gary Summers, ex-Signetix, joins Motorola Semiconductor IC Div. as microcomponents mktg. mgr., succeeding **Owen Williams**, now on special assignment... **W. Joseph Hilburn** promoted at Stackpole Components to international & distributor sales mgr... **Sharon Raposa**, ex-Digital Equipment, appointed Sylvania Components Group ad mgr., succeeding **Richard Porter**, now sales promotion mgr.

Morris Adato resigns as Fanon/Courier national sales dir. to join Cal. rep firm Roman Mktg... **Terry Grant** named Craig Nev. & S. Cal. sales mgr.; named to sales force: **Dave Kerr** (Chicago), **Mike Davey** (Conn. & S. Mass.), **Mike Smith** (Ga.)... **William Barrett** advanced at Belden to corp. industrial relations dir... **Linda Moore**, ex. secy.-administrative asst. to former EIA Pres. **V.J. Adduci**, shifts to similar post at Consumer Electronics Show operation in Chicago.

Kurt Siem, ex-Tel-Tone & GTE, appointed National Semiconductor telecommunications mktg. dir.; **James Newton** named vp-gen. mgr., **Richard Presby** appointed vp-mktg., of NS subsidiary Dyna-Craft (circuit boards, etc.)... **Gerald Heller** resigns as Optel pres. Oct. 1 to form Fla. rep firm; he'll be succeeded by Operations Vp **Nunzio Luce**... **Donald Nelson** advanced at Omron Control Components Div. from eastern sales mgr. to national sales mgr., succeeding **William Mazzler**, resigned... **William Brennan**, ex-Harris Semiconductor, appointed Mostek N.Y. metro sales mgr.

Import impact aid for U.S. workers & businesses would be easier to get under bill (HR-8442) introduced by Rep. Vanik (D-O.). Measure would permit help when there's merely threat of declining sales because of import competition, as opposed to current rules requiring actual losses. It also would extend help for first time to workers or firms which supply import-injured industry as well as to employees who are bumped from jobs by inter-company transfer of workers from import-impacted division, extend benefits from 18 months to 2 years. Controversial provision of bill requires firms to notify Labor Dept. if they plan import-related layoffs, plant closings or relocations. Administration proposal, expected to contain many of same recommendations, will be sent to Congress this fall.

EIA's search for pres. is nearing end. Among front runners: ex-Pemcor Chmn. **Herbert Howe**, now NASA executive, and EIA Gen. Counsel **Raymond Johnson**, who has handled pres. duties since resignation of **V.J. Adduci** last June. Announcement should come next month.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Ampex			
1977-qtr. to July 30	70,774,000	4,522,000 ^a	.41
1976-qtr. to July 30	65,449,000	1,812,000 ^a	.17
Audiotronics			
1977-year to June 30	13,600,000	797,000	.96
1976-year to June 30	11,645,000	696,000	.83
Capehart			
1977-qtr. to June 30	5,799,000	(2,304,000)	--
1976-qtr. to June 30	9,719,000	(945,000)	--
Craig			
1977-year to June 30	132,756,000	11,051,000	3.52
1976-year to June 30	117,932,000	9,877,000	3.18
Morse Electro Products			
1977-qtr. to June 30	20,558,000	(1,418,000)	--
1976-qtr. to June 30	21,630,000	(2,716,000)	--
Movielab			
1977-28 wk. to July 2	14,291,106	339,824 ^a	.24
1976-28 wk. to July 2	13,470,401	342,220 ^a	.24
1977-13 wk. to July 2	7,414,819	158,972 ^a	.11
1976-13 wk. to July 2	7,337,480	120,462 ^a	.08
Philips NV ^b			
1977-6 mo. to June 30	5,784,300,000	120,200,000	--
1976-6 mo. to June 30	5,703,300,000	93,900,000	--
1977-qtr. to June 30	2,946,800,000	55,900,000	--
1976-qtr. to June 30	2,898,200,000	51,800,000	--
Superscope			
1977-6 mo. to June 30 ^c	81,500,000	2,300,000	1.00
1976-6 mo. to June 30 ^c	84,500,000	4,100,000	1.76
1977-qtr. to June 30	40,200,000	900,000	.40
1976-qtr. to June 30 ^c	44,900,000	2,200,000	.94

Notes: ^aIncludes special credit. ^bAt guilders' current rate. ^cRestated.

PENNEY TO FIGHT RECALL: J.C. Penney plans to argue against need for recall & repair of 3 color TV models Consumer Product Safety Commission says may pose fire hazard. The 18" tube-type sets were made for Penney by Matsushita, were sold 1970-72.

Problem—focus resistor that could overheat—is same one that led to recall of some 35,000 18" sets by Panasonic and 8,000 by Penney (all Matsushita-made) in 1974 (Vol. 14:13 p11). Sets recalled then, and those involved now, were produced at about same time.

In letter to Penney announcing opening of Sec. 15 "substantial-hazard" case, CPSC said it conducted engineering studies of previously unrecalled models after receiving 2 reports of chassis fires (both contained within sets) from consumers. CPSC said studies showed resistors may fail. Penney told us those models were excluded from 1974 recall after CPSC accepted engineering tests showing they weren't fire-prone, said data would be resubmitted for comparison with new CPSC test results. Panasonic told CPSC it never marketed sets with chassis same as those involved in current case, so isn't involved.

Penney said it doesn't know at this time how many sets are involved. Company said it still has customer list, but acknowledged that locating owners who may have moved several times since 1970 may be difficult.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

TV PROFITS TOP BILLION dollars in 1976, FCC financial figures show. Network and stations income before federal taxes is \$1.25 billion. Advertising gross revenues were more than \$6 billion. (P. 1)

MULHOLLAND FOR HOWARD AT NBC in move by Schlosser to make network quicker to react to competition. (P. 2)

NAB TV CODE & 'SOAP': Baptists & Catholics intensify campaign against ABC 'adult comedy.' NAB Code would ban 'graphic portrayal of sexual acts by sight or sound.' (P. 2)

COMMON CAUSE 'OVER-SIMPLISTIC,' says Quello of study showing regulators see industry reps 10 times more often than those of consumers. (P. 3)

STATION-TO-SATELLITE-TO-CABLE attacked by MPAA, which petitions FCC for rulemaking to restrict growth of 'super stations,' denial of applications for Alaska, Canada, Puerto Rico. (P. 4)

GERBNER'S TV STUDIES to expand & diversify to cover news, ads, quiz shows, portrayals of family, business, military, etc. (P. 4)

FTC COMPLAINT against L.A. Times—charging volume ad discounts violate antitrust laws—could mean trouble for TV-radio. (P. 5)

TV PROFITS TOP BILLION: Profits for TV broadcasting industry topped \$1 billion in 1976, first time in TV history. TV broadcast revenues, less commissions, were almost \$5.2 billion, expenses almost \$3.95 billion, income before federal taxes more than \$1.25 billion—60% jump over 1975.

FCC reported that 1976 gross advertising revenues reached over \$6 billion, with \$2.67 billion network, up 24%; \$1.92 billion national & regional spot, up 32.7%; \$1.43 billion local, up 28.2%. Revenues for networks' 15 owned stations were almost \$487 million, up 23.1%, while profits zoomed to \$159 million, up 50.4%. (FCC doesn't divulge individual network figures; for Television Digest's exclusive breakdown, see Vol. 17:19 p1. For FCC's report on combined network performance, see Vol. 17:15 p1.)

Other highlights: (1) Revenues of non-network-owned stations were \$2.59 billion, up 28.1%; income \$795.6 million, up 70.7%. (2) Networks paid affiliates \$626.8 million, including \$40.2 million to their owned stations. (3) For 2nd year in row, independent UHF's reported profit—\$38,095,000 on revenues of \$181,126,000. (4) Fifty-three VHF's & one UHF reported profits of \$5 million or more each. Of unprofitable 42 VHF's & 59 UHF's, 4 V's and 4 U's reported losses of \$400,000 or more. (5) Stations in markets below top 100 reported revenues of \$404,108,000, while income before federal taxes jumped 66-2/3% to \$64,142,000. (6) Barter and tradeout

Consumer Electronics

BASF LVR SHOWN for first time at Berlin TV-radio exhibit. High-speed longitudinal video recorder uses pocket-sized tape cartridge, is to be priced same as TV set. (P. 7)

RCA \$1,000 TAG on 4-hour VHS home VCR, low camera pricing, stuns competition. Unit features built-in LED clock-time, 20-ft. wired remote pause control. Sony seen responding to price and playing-time challenge. (Pp. 8 & 10)

JAPAN COLOR EXPORTS took sharp drop in July, compared with 1976. Justice seeking access to confidential filings in Zenith suit against Japanese. (P. 9)

IMPORT IMPACT AID approved for ex-Optel digital watch assemblers, those dismissed from watch quartz crystal jobs; 2 new probes opened. (P. 10)

ADMIRAL RETURNS to hot pricing with 1978-model color portable line, trims \$10 from 13" leader, \$50 from 19" in drive to take market share from Japanese brands. (P. 11)

MAGGIE GAME SUIT filed last week goes after 12 makers, distributors & dealers for patent infringement. (P. 11)

JULY CB APPLICATIONS plunge to lowest level in nearly 2 years. (P. 11)

transactions amounted to \$72,569,306, 2.5% of \$3.1 billion net revenues. (7) Networks spent \$218 million on news & public affairs, up 36.2% from \$160 million. (8) Total employment, as of Dec. 31, 1976 was 64,833, with 13,802 employed by networks, 5,197 by network-owned stations, and 45,834 by all other stations (including almost 8,000 at 188 UHF stations). In 1975, total employment was 62,275, with 13,256 by networks, 5,137 by network owned stations, 43,882 by all other stations.

MULHOLLAND FOR HOWARD AT NBC-TV: In move which NBC Pres. Herbert Schlosser said was designed to permit TV network "to react and make decisions more quickly," NBC-TV Pres. Robert Howard was replaced last week by Exec. Vp-Olympics Robert Mulholland. Schlosser also announced other major changes:

(1) NBC Sports was separated from TV network, set up as separate div. under Alvin Rush with new title exec. vp-sports. (2) Exec. Vp Mike Weinblatt adds NBC-TV gen. mgr. to title, will be responsible for sales, advertising, promotion, business affairs and program & talent negotiations. (3) WNBC-TV N.Y. Vp-Gen. Mgr. Ray Timothy moves to new position of exec. vp-affiliate relations; Donald Mercer, who headed dept., reports to Timothy.

Commented Schlosser: "When I became chief executive officer of NBC early this year, I undertook as one of my management priorities a review of the NBC organization to set up the most efficient structure... I am convinced [changes] will strengthen our capabilities in the TV network field." He told Aug. 22 news conference Howard was fired before start of new program season because "if we had waited until the season began, people inevitably would relate it to how we're doing. Actually, fall looks good to us."

However, official of another network speculated that Howard's firing "indicates a lack of confidence" by NBC in its fall programming. He thought major reason for change was move by NBC to emphasize to affiliates, advertisers, agencies & program suppliers that network is willing & able to make changes. Mulholland, competitor said, is "a good choice and goes in with high grades."

A top-level RCA exec. said that moves were strictly Schlosser's idea and that RCA Pres. Edgar Griffiths "had nothing to do" with changes. Howard wasn't told of firing until morning of news conference; Mulholland was told of promotion week earlier.

Weinblatt will be first network "general mgr." since Robert Stone, and Mulholland said re-establishment of post will free him to work on programming, other matters, and to "react quickly." Before being named head of planning for 1980 summer Olympics, Mulholland had been exec. vp of NBC News. At one time, he was producer of "NBC Nightly News." He's 43, joined NBC in Chicago as newswriter in 1961.

NAB TV CODE & 'SOAP': Religious groups intensified campaign to "pressure ABC into canceling 'Soap' "—as put by Christian Life Commission (CLC) of Southern Baptist Convention (Vol. 17:33 p1). At same time, broadcasters were discussing in private how best to carry out mandate of NAB TV Board to change TV Code "to reassert in more specific terms the broadcaster's recognition of TV as primarily a family medium" (Vol. 17:27 p2).

Meanwhile, we're told ABC is "sticking to its guns," doesn't intend to withdraw "Soap," which network describes as "adult comedy," from fall schedule, 9:30 p.m. Tues. Bcst. Standards & Practices Vp Alfred Schneider said 6 scripts have been cleared and "they are satisfactory and well done." He said major changes were required in some, minor in others.

ABC revised first 2 episodes from versions shown to affiliates in May—closed circuited new versions to stations 2 weeks ago. "It's still just trash... It's a long dirty joke," according to New Orleans priest who saw all 4 versions. CLC officials denounced "Soap" as "prime-time pollution... a 30-min. dirty joke."

CLC is pressuring potential advertisers not to buy into "Soap," claims that only one—Timex—of 11 such advertisers identified in Television Digest still are in first episode (Vol. 17:29 p1). Baptist group also has written all ABC affiliates asking them not to carry "Soap."

Father Patrick Sullivan, dir. of Catholic Office of Film & Bcstg., which is in coalition of 10

groups (including CLC & National Church of Christ opposing airing of "Soap"), told us "core question" is scheduling of program in prime time when millions of children are watching. "We wouldn't object if it were aired at 11:30 p.m.," he said. At Aug. 19 Indianapolis meeting, Knights of Columbus condemned program as offensive portrayal of promiscuity, homosexuality & transvestism, and charged that it ridicules & desecrates morality "and the Catholic religion in particular."

Speaking to Ark. Bst. Assn.—and referring specifically to "Soap" controversy—Julie Hoover, ABC-TV east coast dir. of broadcast standards & practices, stated: "Pre-screening by demand of special interest groups, boycotts and government controls are roads that lead to inhibitions... There is no question that our critics have become more vocal and far more strident. They have even organized in an effort to impose their singular and often imbalanced view on the community as a whole. [But] there is no question that prior review by outside interest organizations can have a chilling effect on the creative process in entertainment and then perhaps in other forms of information."

* * * *

There shall be "no graphic portrayal of sexual acts by sight or sound," reads proposed amendment to NAB TV Code now circulating among TV Code Board members. Parent TV Board—under leadership of then-Chmn. Robert Gordon—directed that tougher language on sex be drafted for consideration at Sept. 16 meeting of TV Board in Washington. Joint committee, chaired by new TV Chmn. Kathryn Broman, and composed of Code & TV Board members, met Aug. 3 and foregoing language resulted. Proposed amendment hasn't yet been sent to TV Board members.

Other provisions stress "family atmosphere" of TV viewing and that licensees must always keep this fact in mind, say stations are responsible for determining what is "profane, obscene or indecent" and emphasize that community standards will prevail.

SEEING IS NOT BELIEVING: That's FCC Comr. Quello's response to study by public affairs lobby, Common Cause, showing that regulatory officials see industry reps 10 times more than consumer reps. CC studied 1976 appointment calendars of 39 commissioners in 11 agencies, found 46% of 2,786 recorded outside contacts were with industry reps, 4% with consumer or public interest reps.

Quello called CC conclusions "over-simplistic." He noted that "mere logging or reporting of a meeting doesn't reflect the debate, disagreements and rejections of proposals." Many industry appointments, he pointed out, are among reps who present opposing views vis-a-vis each other (cable vs. broadcasting, etc.). He said commissioners "are not likely to be misled or unduly influenced by executives or industry committees."

Among 3 commissioners who declined to submit appointment calendars to CC was FCC Comr. Washburn. Among those who told CC they didn't keep calendars were Comrs. Lee & Hooks.

TV coverage of terrorists where hostages are involved should be on delayed basis, some 70% of police chiefs feel, and 30% think there should be no TV coverage at all. These and other results were reported by Cal. State U. researcher who queried police chiefs in 32 major cities and got replies from over half. Other results: (1) More than 1/3 felt TV newsmen should not contact terrorists at all; (2) 46% said they felt live coverage was great threat, 33% moderate threat, to hostages. Over-all, chiefs believe reporters do poor (20%) or average (33%) job on such stories.

Nervous TV producers, saying creativity is being stifled by anti-violence campaign, present arguments in Aug. 28 TV Guide. Highlights: Violence on TV is being "sanitized." Networks have "thrown in towel" because of fear of FCC, Congress, advertisers, and pressure groups. Police shows are on way out because of over-exposure, not because of anti-violence crusade. Among comments: David Gerber ("Police Story," "Police Woman")—"The PTA stand on TV violence is ludicrous." What about major issues of day, he asked, like busing, protecting teachers in ghetto schools? For AMA, what about Medicare scandals and high cost of medical care? Frank Price, president of Universal TV ("Baretta", "Kojak")—"Last year it was the family hour. Now we're talking about 9-11 sex & violence. Next year, they'll be saying they don't like fantasy because some report says it makes kids fantasize... Step by step, the pressure groups are eroding TV. And the networks don't give a damn because they're gonna sell the advertising anyway."

Target of Christian-oriented programing by PTL TV Network, Charlotte, when it goes satellite for distribution to 165 "affiliates," is 24-hour daily talk-variety-entertainment schedule. Distribution via RCA satellite starts Oct. 1; currently, PTL provides daily 2-hour program via videodisc. Evangelical group, founded in 1973, recently acquired first TV station: WJAN Canton, O. for \$2.5 million.

FCC Chmn. Wiley & Comr. Fogarty are among participants in Sept. 2-4 National Black Media Coalition conference in Washington. Workshops are planned on public broadcasting, CATV, ownership, EEO & Communications Act rewrite.

STATION-SATELLITE-CABLE ATTACKED: Fearing shrinking market, Motion Picture Assn. is asking FCC to restrict growth of "super stations" which are developing through distribution of signals to cable systems via satellite. MPAA not only petitioned for general rulemaking, but asked Commission to deny Southern Satellite's applications to distribute WTCG Atlanta to Alaska, Canada & Puerto Rico.

MPAA makes self-interest & public-interest arguments: (1) Growth of cable audiences fed by stations such as WTCG erodes market for producers' products. (2) "Super stations" negate FCC policy encouraging localism. MPAA notes that 465 cable systems carry WTCG to more than 850,000 subscribers; that 207 more have applied to carry it to another 370,000. In addition, petition says, WYAH-TV Portsmouth, Va. is widely distributed, while there are applications pending to satellite-spread WGN-TV Chicago & KTVU San Francisco.

Inexpensive satellite distribution, MPAA said, encourages systems "to carry a more distant signal with less programming of local interest..." MPAA notes that FCC, in dropping leapfrogging rules, said: "If we find that 'super-stations' are, in fact, being created, and that their creation is working to the detriment of the public, appropriate corrective measures will be taken."

When asked whether producers can offset lost business by increasing rates to stations such as WTCG, MPAA attorney Fritz Attaway said he doesn't believe they can add more national business than other stations will lose. Also, he said, some stations, such as WGN-TV, say they don't include cable audience in setting ad rates.

From public-interest standpoint, Attaway said, FCC's whole station allocation scheme is based on service to local community.

Top-of-the-head guess of one FCC official is that Commission isn't likely to buy MPAA argument, or much of it: "I think the satellites are producing more diversity than they are likely to eliminate."

NAB is urging broadcasters to persuade senators to eliminate restrictions on utility advertising contained in House-passed energy legislation. National Energy Act, as approved by House, would prohibit electric & gas utilities from passing on to customers costs of all institutional, promotional & political ads not touting conservation or safety. "This is the type advertising most frequently used by utilities in radio & TV," NAB states, urging support of Senate bill—which contains no utility ad restrictions. Senate Subcommittee begins hearing Sept. 7-9.

Two petitions to deny were filed with FCC against pending sale of WJLA-TV Washington to Combined Communications Corp. (Vol. 17:14 p8): (1) Group including NOW, National Black Media Coalition, D.C. Media Task Force, Adams-Morgan Organization. (2) Former employee of CCC station in Atlanta, Martha Snelling, who is litigating on charge of employment discrimination.

Storer buys WLAK-FM Miami Beach for \$4.25 million. Storer owns WGBS(AM) Miami.

GERBNER TO 'DIVERSIFY' TV STUDIES: Program monitoring activities of U. of Pa. Annenberg School's research group studying TV's effects on behavior will be expanded, according to group's George Gerbner. In remarks prepared for American Psychological Assn. Aug. 27 meeting, Gerbner cites 3 new areas: Development of monitoring techniques for news, ads and programs such as quiz shows & soap operas; comparison of TV content and its effects across different cultures; preparation of "indices" and "profiles" for studying factors other than violence, such as family relationships, medicine, business, military, energy, politics, minority groups, etc.

Gerbner has been under pressure to broaden scope since May, when NIMH told him that, because TV monitoring no longer constitutes "basic research," govt. funds will be cut off after Feb. 1978 (Vol. 17:22 p5). NIMH invited Gerbner to submit new proposals, and he plans to seek NIMH funds for parts of new research, also seeks money from private sources.

New programs can begin right away because Annenberg group already has data collected from 10 years of network programming, consisting of tapes of more than 1,000 programs plus computer-stored information on "several thousand characters, actions, and relationships," Gerbner says.

"Public telecommunications" is how House Communications Subcommittee refers to public broadcasting in scheduling 3 days of panel discussions on subject as part of Communications Act rewrite effort. "That's public broadcasting plus alternate technologies," staffer explained. Sessions will cover role & goals of public telecommunications, PBS-CPB-NPR relationships, programming, possible additional broadcast services such as news service, data transmission & increased coverage of local activities, possible use of non-broadcast technologies, UHF handicap, proposed satellite interconnection system, relationship with govt., funding, etc.

Added starters for RTNDA convention Sept. 15-17, San Francisco: House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) & NBC correspondent Bill Monroe on First Amendment panel; CBS News Pres. Richard Salant on coverage of terrorists & hostages; Cal. Gov. Jerry Brown & NBC Chmn. Julian Goodman speak at Sept. 17 lunch. CBS correspondent Eric Sevareid receives Paul White Award.

Courts are going too far into policy role, said FCC Comr. Quello to W. Va. Bcstrs., citing recent reversals of FCC decisions regarding newspaper cross-ownership, cable exclusivity, family viewing, obscenity. All are being appealed or under consideration for appeal, he said. He added: "Lest my comments be misunderstood as an indictment of the courts, I should point out that we are upheld in most of our decisions."

Tennessee Bar Assn. voted to bar lawyers from advertising on TV-radio, contrary to newly-adopted American Bar Assn. policy that permits unrestricted radio advertising, but plans guidelines study for TV (Vol 17:33 p4).

AD PROBE COULD TOUCH RADIO-TV: FTC complaint issued recently against L. A. Times, charging that discounts for large-volume advertisers discriminate against smaller-volume buyers, may have important implications for radio-TV. If case holds up through adjudication by FTC judge and in subsequent court challenges, it could set standard for ad rate structure of all media, and provide basis for smaller advertisers to sue stations for treble damages under antitrust laws.

"It could be a landmark," according to Washington attorney Harry Plotkin, who has followed field closely. Complaint against L. A. Times charges violation of both FTC Act and Robinson-Patman Act, he noted. Robinson-Patman forbids price discrimination for similar products unless "cost-justified," and cost justification "traditionally has been very hard to prove," Plotkin stated. In addition, govt. never before has alleged that advertising is covered by Robinson-Patman because it is a service, not a product (though private suits have used Robinson-Patman in advertising field).

While FTC Act provides Commission with authority to issue cease-&-desist orders and levy modest fines, Robinson-Patman allows injured parties to seek treble damages. "It's conceivable, if the allegations are upheld, that there could be treble damage suits," Daniel Schwartz, FTC Competition Bureau deputy dir., told us. "But this is not the FTC's task. The injured parties will have to prove their own case." Will L. A. Times complaint serve as model for FTC to apply same reasoning to radio-TV? "We have one case here which we're going to have to deal with," Schwartz said. "Beyond that, I really can't speculate what we'll do. It's conceivable." Other FTC attorneys also declined to speculate.

FTC interest in ad pricing isn't new. FTC began looking at TV network ad pricing in 1960's as part of Competition Bureau "network investigation." One product of that investigation was acceptance of "assurances" from 3 networks in 1974 that they'd promote regional ad programs on one-year trial basis (Vol. 14:43 p5).

"Discrimination" by AT&T against TV stations, especially independents, and against program packagers producing real time material for stations will be fought by Robert Wold Co., which said it would "vigorously" oppose proposed revision of parttime TV interconnection charges (Vol. 17:32 p6).

Planning HBO satellite pay-cable feeds, Tele-Communications will spend \$1.25 million initially, \$3 million ultimately, for some 50 earth stations (Vol. 17:33 p3), is negotiating with Hughes & Scientific-Atlanta, among others.

Cable earth station grants: Ozark, Ark.; Seymour, Conn.; Ashland, Ky. Applications: Redstone Arsenal, Ala.; Little Rock AFB, Ark.; New Milford, Conn.; Ruston, La.; Ortonville, Minn.; Shaw AFB, S. C. (For details, see CATV Addenda.)

Hq of Harris Corp. moves from Cleveland to Melbourne, Fla. Broadcast products division remains in Quincy, Ill.

Harte-Hanks buys Southern Bcstg.—for \$57 million (\$16 million cash, remainder over 10 years at 8%)—producing series of reactions: (1) H-H sells Southern's WGHP-TV High Point & KFWD(FM) Ft. Worth to Gulf United for \$24 million cash. (2) H-H buys WLCY-AM-FM St. Petersburg from Rahall for \$6.5 million, will sell Southern's WRBW(FM) Tampa. (3) Rahall merges into Gulf in stock exchange valued at more than \$30 million. Before transaction, H-H owns KENS-TV San Antonio, WLTV(TV) Jacksonville & WFMY-TV Greensboro. Southern owns, in addition to WGHP-TV & KFWD(FM), WSGN(AM) Birmingham, KULF(AM) Houston, KOY(AM) & KRFM(FM) Phoenix, WKIX(AM) & WYYD(FM) Raleigh, WRVA(AM) & WRVQ(FM) Richmond, WEZI(FM) Memphis and KYND(FM) Pasadena, Tex. Rahall group, in addition to St. Petersburg stations: WNDE(AM) & WFBQ(FM) Indianapolis, WLCY-TV Largo, Fla., WKAP(AM) Allentown & WWRN(AM) Beckley, W. Va. Gulf also is buying KLBK-TV Lubbock for \$8.35 million & WVOJ(AM) Jacksonville for \$1.25 million from Grayson Enterprises.

Exclusion of radio-TV from proposed rules easing restrictions on securities advertising is opposed by broadcasters in comments to SEC. Agency proposed relaxing ad restrictions on stock offerings last June to increase availability of information to potential buyers. However, NAB charges, SEC's continued exclusion of radio-TV would be "unfounded and arbitrary" and "raises serious constitutional questions." Further, "NAB believes that the SEC will find that radio and TV commercials raise fewer problems" than print ads. NBC charged proposed rules would be anticompetitive and infringe on investment companies' First Amendment rights.

Ex-WJBK-TV Detroit sportscaster Red Jamison has filed \$4.5 million suit against station, alleging he was fired solely to make room for black sportscaster—former major league baseball player Charlie Neal. Jamison's wife also is suing for \$2.5 million because she has lost "the economic benefits of being the wife of a known sportscaster" and is now forced to work.

Increase of half-million in public radio broadcasting audience in top 24 radio markets is claimed by CPB. It said Arbitron gives public radio in 24 markets 2.4 million listeners vs. 1.9 million last year. CPB also noted that 28 out of 36 public radio stations in those markets increased weekly audience from last year.

Small-cable bill in N. Y. has been vetoed by Gov. Carey who found it "vague" regarding definition of system and document-filing requirements. Disappointed N. Y. Cable Assn. officials said they'd seek to meet his objections next year.

BPA added 104 members this year, surpassing goal of 700 total by end of 1977, according to Pres. Lynne Grasz. Cal. membership increased from 38 to 54; N. Y. leads with 57.

Attack TV through sponsors if violence isn't reduced, Knights of Columbus advised members in resolution passed by its Supreme Council. It urged persuasion, or product boycotts if necessary.

Personals

Pierre Camu, ex-Canadian Assn. of Bcstrs., named chmn., Canadian Radio-TV & Telecommunications Commission, succeeding **Harry J. Boyle**, resigned... **Raymond Strassburger**, ex-FCC Gen. Counsel office, named Senate Communications Subcommittee minority staff counsel.

Jeff Ruhe named asst. to ABC News & Sports Pres. **Roone Arledge**; **Peggy Brim** promoted to special asst.; **Jerry Hellard** promoted to west coast special projects mgr., ABC PR, replacing **Laurence Frank**, resigned to form own PR firm... **Barbara Garshman** advanced to NBC-TV program development exec.

Deputy Dir. **Harold Horn** promoted to exec. dir., Cable TV Information Center, succeeding **Sheila Mahony**, now exec. dir. of Carnegie Commission on the Future of Public Bcstg. (Vol. 17:32 p7).

House Communications Subcommittee member **Marc Marks** (R-Pa.) & ex-NBC White House correspondent **Robert Goralski** address Sept. 27 gathering of Pa. CATV Assn., Camp Hill... Rep. **Van Deerlin** (D-Cal.), House Communications Subcommittee chmn., keynotes Dec. 5 USITA convention, Las Vegas.

James Abbott promoted to vp-programming, WTVW-TV Evansville; **Gerald Fischer**, WTVW-TV business mgr., named vp & controller... **Jacqui Mullen** promoted to news dir., WOWK-TV Huntington-Charleston... **Charles Darling** advanced to news dir., KIRO-TV Seattle; **Michael Lyman** named local sales mgr... **Robert Murray**, Dun & Bradstreet controller, joins Corinthian Bcstg. as financial mgr... **Wilbur Miller**, Drake U. pres., elected a dir., Cowles Communications.

W. Rodger Provo promoted to Washington Star Communications Bcst. Div. vp... **John Edwards & Dell Heney** named Nielsen vps... **L. Donald Robinson**, ex-Kaiser Bcstg. Spot Sales vp-gen. mgr., appointed successor Field Spot Sales pres., new post... **Jim Harriott**, ex-KIRO-TV Seattle, appointed KOMO-TV Seattle exec. news dir.

Alexander Korn, FCC broadcast economist, retires, will do part-time consulting with Robert R. Nathan Assoc., Washington... **Steve Schoen**, ex-Jerrold, appointed Magnavox CATV technical sales rep.

Tony Lynn, ex-Teleprompter, named HBO programming dir... **Constance Schmidt**, ex-Federal Bcstg., begins Vista Programming Service, (CATV programming): 20 Galston Dr., Route 4, Trenton, N.J. 08691... **William Baffi**, ex-Image Edit, joins Worldvision Enterprises as asst. operations dir... **Ray Perez**, ex-Ameco, appointed RMS Electronics CATV Div. asst. sales mgr.

Richard Wyckoff, NAB attorney, ex-FCC, promoted to asst. gen. counsel... **Phyllis Cohen**, ex-Queens (N.Y.) Tribune, joins TIO as assoc. editor... **Clynn Moser**, ex-Wolf Trap Foundation, named PBS development coordinator.

Warren Kraetzer, ex-WHYY-TV Philadelphia,

named gen. mgr., WSBE-TV Providence, R.I... **Gail Oldfather**, Televents pres., elected pres., Cal. Community TV Assn... Named to new posts at Warner Cable QUBE Div. (Columbus, O. 2-way cable): **Edward Anderson**, ex-ABC-TV, asst. gen. mgr. & program admin. dir.; **John Coleman**, ex-WABC-TV N.Y., "Columbus Alive" exec. producer; **Nyhl Henson**, program operations mgr.

Herb Ornstein, ex-Jerrold, forms CATV financial consulting company: 5 Tulip Lane, New Rochelle, N.Y. 10804, 914-235-7660... **Janet Nash** advanced to mktg. services administrator, Systems Wire & Cable... **Perry Vartanian**, ex-IVC, appointed mfg. operations mgr., Ampex Audio-Video Systems Div.

New FCC committee assignments, following resignation of Comr. **Benjamin Hooks**: Comr. **Joseph Fogarty**, telecommunications committee (Comr. **Margita White**, alternate); Comr. **James Quello**, education comr.; Comr. **Abbott Washburn**, alternate to federal-state joint board on rate integration; **White**, alternate to federal-state joint board on jurisdictional separations.

FCC employee should be required to leave Commission immediately after accepting employment with regulated firm, Citizens Communications Center asks in petition for rulemaking. CCC says such requirement has been unwritten rule, but recently "there has been a gradual erosion..." "We didn't want to get into particular individuals' situations," CCC's Candy Miles told us. "With the change in administration and the great increase in job changes, we just thought that if there were a written policy, it would be helpful."

First meeting of new Carnegie Commission on the Future of Public Bcstg.—chaired by Columbia U. Pres. **William McGill** (Vol. 17:25 p2)—will be Sept. 19 in N.Y. **James Killian**, head of original Commission which led to establishment of CPB, will participate.

"Radio: Get the Message" is now available from NAB Radio Information Office. Booklet—published by National School Boards Assn. and updated by NAB—is "a complete guide on how radio works and how it can work for you," according to RIO Dir. **Jonathan Hall**.

Gainesville, Fla. CATV system (24,000 subscribers) is being acquired by Cox Cable for \$3.5 million, plus 150,000 Cox Bcstg. shares worth about \$4 million.

TIO has net gain of 23 sponsoring stations this year, raising total to about 200. Among new members are GE, Fisher's Blend & WGN Continental stations.

Hughes repeats satellite seminar in Washington area Oct. 5-7, Stouffer Hotel, Arlington, Va.; first was held in Cal. in July, with 75 attending.

"How do children see [TV] commercials physiologically, psychologically and intellectually?" is subject of Georgetown U. Law Center seminar Sept. 19.

RCA increases prices average 8.3% on broadcast equipment Sept. 15.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Aug. 12 (32nd week of 1977):

	Aug. 6-12	1976 week	% change	July 30- Aug. 5	1977 to date	1976 to date	% change
Total TV.	206,401	215,160	-4.1	241,945	7,706,186	6,723,579	+14.6
color	133,874	129,739	+3.2	155,116	4,740,396	3,951,190	+20.0
monochrome . . .	72,527	85,421	-15.1	86,829	2,965,790	2,772,389	+7.0
Total radio	800,314	537,720	+48.8	2,154,462	29,196,722	21,496,168	+35.8
home, portable .	601,272	297,997	+101.8	1,958,251	21,608,471	14,113,253	+53.1
AM-only	128,209	96,906	+32.3	616,741	5,070,258	3,272,119	+55.0
FM & FM-AM .	473,063	201,091	+135.2	1,341,510	16,538,213	10,841,134	+52.6
auto	199,042	239,723	-17.0	196,211	7,588,251	7,382,915	+2.8

Color TV 5-week moving average: 1977-153,103; 1976-131,624 (up 16.3%).

BASF PROMISES LOW COST PORTABLE VTR: RCA's \$1,000 price might not seem so cheap in 1979. Portable video recorder, weighing less than 10 lbs. including battery, using shirt-pocket-sized 2-hour cartridge designed as companion to cheap light-weight color cameras of future—is quietly being demonstrated to invited guests by BASF in back room of its display at International TV-Radio Exhibition which opened in Berlin last week end.

We saw one of first demonstrations of BASF's bi-directional longitudinal video recorder (LVR), to be manufactured by Bell & Howell, with Blaupunkt as possible 2nd licensee (Vol. 17:14 p13). Developed largely in U.S. at what is now BASF's Wyandotte Video Div. in Newport Beach, Cal., LVR produced sharp, clear color playback on 21" NTSC receiver (recording capability also was demonstrated). Current version lays down 48 combined audio-video tracks on tape 8-mm wide (just under 1/2") which speeds past single fixed head at 160 in. per sec., changing direction (and switching tracks) every 2-1/2 min.

Single reel cartridge measures about 4.7" by 4.3" by 0.6", half size of Betamax cassette, uses 6-micrometer chromium dioxide tape, is expected to sell for about \$15. First recorders are slated to hit market in 1979 in battery version at price "corresponding to that of a TV set." A BASF official explained that low cost was made possible by simple cartridge containing only one precision part, uncomplicated drive mechanism which doesn't have head drum assembly used by helical scan VTRs. They see system as ideal for pre-recorded tape since it can be replicated at 24 or 48 times real time by laying down half or all tracks in single pass.

For demonstration, BASF used rather bulky AC-powered unit, but displayed drawings of neatly-designed model, resembling portable audio cassette recorder, with shoulder strap. High speed tape drive uses Newell large-capstan principle—tape is always totally in contact with supply or take-up reel or is on capstan, so there is no slack—changes direction and gets tape up to full speed in less than 18 millisec., equivalent to about 3 TV frames. There's noticeable "eye blink" every 2-1/2 min., which probably would be ignored by anyone not looking for it. Results of BASF's development work show up in comparison of LVR with first Newell-type VTR, CVR XXI, demonstrated by Arvin in 1968 (Vol. 8:8 p8). Arvin's unit operated at same 160 ips, but recorded only 10 tracks on 1/2" tape, took just under second for reversing & track change.

Meanwhile, European TV industry is choosing up sides in video cassette standards race, with Philips/Grundig system in early lead. Japanese systems showed surprising strength at

Berlin event, although none will be available in PAL versions before next summer. Beta & VES units in PAL & SECAM formats were each displayed by at least 4 manufacturers, while 5 were actually selling Philips-type units.

RCA DROPS \$1,000 VCR BOMB: RCA sent shockwaves through home VCR industry last week with announcement that its 4-hour Matsushita-built VHS videocassette recorder would carry \$1,000 list—\$300 below VHS & Beta competitors (Vol. 17:34 p6). Though taken by surprise, RCA's competitors shouldn't have been, as RCA was candid about \$1,000 being ceiling mass-market price when it revealed decision to adopt VHS last spring (Vol. 17:14 p12). (For industry reactions see below).

In furor over pricing, RCA's product is almost overlooked. It's first 4-hour machine to be introduced; has 2-4 hours per cassette switching, with speed selected manually during recording, automatically by machine in playback, so consumer need do nothing to play back cassette which has segments recorded at different speeds. RCA says 2-hour speed is needed to provide compatibility with all other VHS machines (including single-speed models) and for pre-recorded tapes. While 4-hour mode is mainly for playing back tapes recorded on same machine, tape can be played on virtually all other 4-hour machines, though some skew control adjustment may be needed; at present, 4-hour tapes aren't duplicable.

Features include built-in LED a.m.-p.m. clock-timer, color-coded keyboard, automatic tape dehumidification & remote pause control on 20-ft. cord as included accessory. Standard equipment actually makes RCA unit cheapest on market, because clock-timer & remote are optional extras on Quasar's \$995 VX-2000. In demonstrations, picture quality of RCA VHS appeared excellent. There's some deterioration in picture (notably increase in noise) in 4-hour mode, but picture is perfectly acceptable. Controls on machine are convenient, easy to operate.

B&w camera pricing also is something of shocker. At \$300 for Matsushita-built unit with top-mounted viewfinder and \$400 for version with through-lens viewing & zoom lens, RCA is some \$100 below competition. Only in blank cassettes is RCA pricing high, listing one-to-2-hour at \$18, 2-to-4-hour at \$25; JVC sells same tapes at \$16 & \$20.

RCA's pricing logic was spelled out by Product Vp David Daly at distributor meeting in Indianapolis: "Quite frankly, there was a temptation to price our VCR up a bit at the outset, for we know full well that the demand is going to exceed the supply. We've resisted that temptation... by taking a longer-term view... The last thing we want to do is price at a level that we're convinced at the outset will have to be reduced in order to sustain constantly escalating sales. Such practices... break faith with early dealer purchasers and early consumer purchasers [and] sow the seeds for continuing price instability. Market research studies have told us quite clearly where the VCR should be priced... We have the ability to achieve that magic price level... We can do it at the outset and we will."

RCA's goal is at least 25% share of U.S. home VCR market, according to Vp-Gen. Mgr. Roy Pollack, who estimated total U.S. sales at 250,000 units this year, 750,000 next year, 1.25 million in 1979. Mktg. Vp Jack Sauter said RCA expects to have 5,000 VCR dealers by Oct. 1, each stocking at least 3 decks. Service dealers will get special SelectaVision VCR franchise after completing 4-1/2-day hands-on training program and buying special test equipment & parts—estimated cost \$2,200-\$2,500—but RCA plans to "help independent service dealers" with this investment. Dealers will see VCR at distributor open houses Aug. 29-Sept. 10.

Though freely giving total market forecast & planned sales share, RCA declined comment on how many machines it would receive this year or next from Matsushita. In Japan, Matsushita said it planned to double VCR output to 30,000 monthly by year-end, Sony is building up to 25,000 monthly for fall, hopes to double that by spring. Among other Japanese manufacturers, Sanyo (V-Cord & Beta) says output will be 7,500 monthly by Oct., 12,000 in Feb., 15,000 next summer. Toshiba (Beta) plans for 8,000 monthly by year-end. JVC (VHS) has stated it will produce 10,000 monthly by Sept., 30,000 by spring. Hitachi (VHS) plans 2,000-3,000 monthly by Oct. Japanese home VCR production totaled 270,000 last year, is expected to double this year, exceed 1.25 million in 1978.

RCA says it plans \$4-million VCR ad campaign this year, starting Oct. 21, using news-

papers, ABC-TV & CBS-TV & late movies. Ads feature mimic Frank Gorshin persuading consumers, in words of one RCA official, to cross over "from the Sony side of the street." Sony's fiscal-year Betamax ad spending will exceed \$5 million (Vol. 17:32 p8); last year, Sony spent \$2 million in 30-day campaign.

RCA is branching into all phases of VCR. Tape duplication center has been opened in Des Plaines, Ill. by RCA Service, will concentrate initially on turning out 3/4-in. U-matic tapes for industrial customers, but there are expansion plans. Spokesman told us more centers will follow if this one succeeds, said duplication of consumer VHS tapes and transfer of home movies to VHS cassettes are good possibilities.

JAPAN COLOR EXPORTS SANK IN JULY: Japanese color TV exports to U.S. took record-breaking nosedive in July, compared with same month last year, held about even with shipments of preceeding month, and virtually identical story held true for CB shipments, Finance Ministry data shows.

Total TV exports in July of 325,000 were off 32.2% from same year-earlier month, with all decline absorbed by color, which sank 45.4% to 185,700, while b&w held steady at 139,000. Results brought 7-month total TV figure to 2.22 million, up just 2.1%, with color down 8.7% to 1.37 million, b&w up 24.2% to 902,800.

July color totals aren't drastic drop they appear to be. Month marked start of Japan's policing of 1.75 million voluntary export-to-U.S. quota, and fact that b&w, which has been on rise all year, showed no improvement may indicate some bureaucratic export clearance snafu. Dramatic drop from July 1976 is understandable because that's when all-time monthly export record of 340,400 was set, and current figure gives Japanese 2nd best July in history. Traditionally, July accounts for 8%-11% of annual color exports, so month's exports were right on target.

Quota isn't only problem bothering Japanese color makers now. Justice Dept., as part of preliminary investigation into whether Japan's color TV export check-price agreements of 1966-73 violated U.S. antitrust laws (Vol. 17:23 p10), has asked Philadelphia Federal Court Judge Leon Higginbotham for copies of confidential filings in Zenith's \$1 billion suit against Japanese color TV makers. Japanese are concerned that any documents given Justice could be obtained by members of Congress and made public, have offered to let Justice staffers look at filings, make notes but no copies. Justice is expected to decide whether to accept compromise or push for full access early next month.

Japan's July CB exports to U.S. of 595,700 were off 64.2% from all-time record 1.66 million shipped in same 1976 month. Through 7 months, Japanese exported 4.53 million CBs to U.S., down 43.2%.

Industry support for Sony's defense against VTR copyright suit brought last year by Universal Studios & Walt Disney Productions will get full discussion when EIA Consumer Electronics Group (CEG) meets at annual convention in San Francisco Oct. 10-13. Suit challenges legality of off-air taping of copyrighted TV shows, is set for hearing in Jan. (Vol. 16:46 p7). Issue of CEG backing was brought up at June meeting but was tabled for further study (Vol. 17:24 p11). With exception of fence sitters Admiral, GE and private labeler Wells-Gardner, all members of CEG's Video Div. are committed to VTR market... NBC News anchorman John Chancellor's keynote topic at ITA's conference on home video systems in N.Y., Oct. 26, will be "Speculations on the Future of Information in the Home."

GE may close microwave imaging devices production section in Syracuse, consolidate it with tube products operation in Owensboro, Ky. Transfer would cost 180 Syracuse jobs.

CB Scene: Mexican govt. is adopting conciliatory stance toward U.S. CB users, will reserve 3 channels for American tourists driving CB-equipped vehicles. Channels can be used by CBers to contact each other or English-speaking Mexican officials who patrol highways offering aid to tourists... **E.F. Johnson** adds 40-channel version of Messenger 92 hand-held transceiver, 5-channel unit which comes with rechargeable battery pack... **Il Young Park**, L.A. man who was first in U.S. to be convicted of selling illegal linear amplifiers for use with CBs (Vol. 17:29 p12), has been placed on 5 years probation, ordered to pay \$3,000 fine and work 200 hours a year for 5 years in community service job. FCC has been publicizing case heavily.

FCC says type approved video games now can be used with unapproved external power supply units, provided they have same terminal voltage and load capacity as units supplied by game manufacturer and can be connected without changes to game itself.

INDUSTRY REACTS TO RCA: Blockbuster pricing on RCA's VCR (see p. 8) left industry shellshocked. Reactions varied from "they can't do this without losing money" (anonymous) to "a significant move that is of benefit to the consumer" (Toshiba Gen. Sales Mgr. Edward Garland). Sifting through mostly non-attributable comments, it's clear RCA is forcing competition to abandon marketing plans, step up timetable for price reductions, product improvements.

Officially, most companies had little or nothing to say. Sony & Zenith insisted they had no price cuts planned for current 2-speed Betamax; Toshiba & Sanyo said they were studying situation, Sanyo adding "we've never yet failed to be competitive." Magnavox, Panasonic & Sylvania, all of which plan to introduce VHS VCRs later this year, and Quasar, which has \$995 VX-2000 on market now, were all known to be involved in pricing meetings.

Sony America Chmn. Harvey Schein told us company expects to sell 7,000-8,000 Betamaxes this month, said sales are still "limited by availability." There's speculation Sony will move to offset impact of RCA announcement. Reaction will come Sept. 8 when Akio Morita, Sony Japan chmn., addresses N.Y. news conference on development "of great interest" which enhances "flexibility" of Betamax. We look for announcement of new lower-cost machine, possibly similar to single-speed (2-hour) model planned by Sanyo and priced at about \$1,000, extension of Betamax playing time. Sony is known to be working on 2 developments, a longer-playing cassette and a VCR with 3-hour speed. There could also be demonstration of low-cost color camera Sony's been working on.

Quasar, promoter of orphan system, is in big bind. It will have hard time maintaining present \$300 price differential when other more standard systems hit market at \$1,000. Odds favor price-cut to \$800, possibly gradual phase-out for VX-2000 system, which has highest per-hour tape cost of all home VCRs, with Quasar slipping on to VHS bandwagon some time next year. Magnavox, which plans to be in both ends of home video business with VHS VCR & optical videodisc player set for test market this year or early next, also has quandary. Disc player introductory price, it's understood, was being edged up to "about \$600" from "about \$500," on understanding player would be priced right at \$700, below VCR. Difference of only \$400 could result in decision to roll player price back to that originally planned.

RCA's VCR pricing means end to dream of major profits from early low-volume VCR sales, and in opinion of one marketer, could also end any plans Pioneer & Akai might have of offering units through audio retailers. Hi-fi dealers, he said, "don't want to get stuck with low-margin, low-profit items," and they will avoid competition with mass-market discounters. Those audio dealers in VCRs now may start to think about getting out, he said. He also questioned RCA's sales projections, saying 1977 home VCR market will hit 150,000 at most, possibly come in at only about 50% of RCA forecasts.

At International TV-Radio Exhibition which opened

in Berlin last week, European TV manufacturers, who still have no trouble getting \$1,000 for 25" color table model sets, said they couldn't understand why RCA would willingly lower prices and cut profit. Sony Japan Pres. Kazuo Iwama, attending event, said RCA price was "too low," told us there was "no chance" Sony would reduce price of present Betamax this year. In article in official press manual for show, Philips for first time says Magnavox test marketing of optical videodisc player won't come this year, puts start of single-market test at "beginning of 1978."

WATCH IMPORT AID: Labor Dept. approved import adjustment assistance for workers formerly producing electronic digital watches & quartz watch crystals at U.S. plants, opened new eligibility investigations for those formerly making DC motors at Springfield Specialty Motors, Springfield, Mass. & printed circuits at Techron, Randolph, Mass.

Cleared for aid was group losing jobs when Optel discontinued LCD watch production in 3 Princeton, N.J. plants. LD study shows imports of "non-conventional" watches increased from 29,000 in 1973 to 134,000 in 1974, jumped to 1.56 million in 1975, soared to 5.16 million last year. Despite increase, LD said, ratio of imports to domestic production dropped to 55.7% in 1976 from 60.4% in 1975. LD said Optel's production & sales of LD display devices haven't declined, so it limited aid only to those former workers directly involved in watch production & sales.

Also getting help are those who produced crystals at Dynamics Corp. of America's Reeves Hoffman Div. plant at McConnellsburg, Pa., which closed last March, and Carlisle, Pa., which discontinued crystal operations last May. LD said imports of watch crystals have been rising, and former Reeves customers said they've been switching to foreign supply sources.

Coleco Telstar Arcade became 3rd program-mable to hit retail sales floor (after Fairchild & RCA), showing up in Korvettes & Alexander's (N.Y.), at full \$99.99 list. Triangular game (Vol. 17:8 p11) comes with single cartridge (tennis, quick draw & road race). Ads promise more will be available. Both stores are selling game from TV departments... **Atari** will pre-pay freight for all major direct accounts & distributors, arrange air shipments for quick deliveries, with customer paying difference between air & surface rates.

Sony paid \$340,000 fine to Federal Maritime Commission for allegedly violating regulations prohibiting acceptance of kickbacks from ocean freight carriers. Sony accepted penalty without admitting wrong doing, as settlement covering 1972-76. FMC has similar complaints pending against number of other shippers. Sony is first to settle. Most of other cases, it's understood, will be referred to Justice Dept.

Ghost-canceling IC for TV sets is being developed jointly by NHK & Toshiba. Using CCD delay lines, chip is expected to be offered to TV manufacturers in about 2 years.

ADMIRAL'S HOT PRICING: Although line as whole contains price increase of up to 2%, according to company officials, leaders in Admiral's color & monochrome portable lines reflect hot prices—and carry-in labor warranty on all color portables except leader 13" has been extended to full year. Thus Admiral serves notice that it hopes to beat Japanese at pricing game via its Taiwan-built chassis, while its high-end Era II models continue to compete with U.S.-made product.

Color introductions include 13" leader at \$310, down \$30 from last year's predecessor; 19" at \$360 list, down about \$50 and expected to sell at street price of \$309-\$319, with 19" step-ups at \$400, \$430 & \$590, latter designed to accommodate \$100 consumer-installable remote control. Monochrome introductions: Two 9" at \$85 & \$87 (down from \$90 last year), 12" at \$90, \$95 & \$100 (vs. former \$100 leader).

Mktg. Vp Frank DiLeo said 13" sets are only color models completely built in Admiral's Taiwan plant, deluxe 25" chassis being built in Harvard, Ill., while some 19" & 25" sets are assembled in Harvard from Taiwan subassemblies. The 500-sq.-ft. Harvard plant can be changed over to complete manufacture in event of restrictions against imports from Taiwan, he indicated. Admiral will spend \$1.8 million in fall-winter promotion & advertising campaign, up from \$1.2 million a year ago, he said, most of increase resulting from hike in media costs. He said he expected Japanese set makers to change approach as result of quotas—shipping more deluxe sets and fewer leader-priced units, which should help U.S. manufacturers.

Although Admiral's business slipped before last Christmas, DiLeo said, company has been gaining since Jan., is now going "according to plan," which calls for significant improvement in position. He said 1979 line has already been "put to bed," will be introduced next spring in Las Vegas.

TV will be sole national ad medium Admiral will use this fall. Company plans network ads in Oct., Dec. & Jan. featuring Solarcolor & Super Solarcolor models, consumer add-on remote control option. Company will use power tools, made by parent Rockwell, as promotions for "Real Sale" now being launched.

Emerson Radio plans to raise \$7.5 million through unit offering, each unit to consist of \$1,000 debenture, 5 common shares. Funds are for new capital and retirement of \$5 million short-term debt... **Memorex** shares regain NYSE listing Sept. 7. Stock was delisted in Aug. 1973 when Memorex suffered heavy losses... **Solitron** said it arranged financing needed to pay off some \$3.8 million in debentures due Sept. 1. Company said it also settled "for an insignificant sum" trademark infringement suit brought against it by Audiovox last year.

"10-4 Uncle Charlie" is title of 10-min. slide-&-sound show produced by FCC to explain CB rules. Program of 72 slides, 10-min. audio cassette and Q-&-A sheet is available for \$15 from National Audiovisual Center, GSA Order Section, Washington 20409.

NEW MAGGIE GAME SUIT: Magnavox broadened defense of its video game patents last week, filing infringement suits against 12 manufacturers, distributors & retailers in Chicago Federal Court. Among firms named: APF, Unisonic, Jewel Companies (including Osco Drug & Turn-Style discount divs.), Bennett Bros. (wholesale mail-order house), Jay-Kay Distributors & Taito America, U.S. subsidiary of Japanese coin-op game maker & distributor. Also named was Venture Electronics International, which markets games under Video Sports label and in past, has been major supplier for Penney's.

Jay-Kay spokesman told us firm is actually out of distribution business, sold "6 or 7 Unisonics" from Chicago retail outlet in past year. Bennett said 1978 catalog—now being mailed—carries Coleco, APF, Hanimelex, Unisonic & Wonder Wizard games. Suit also named Executive Games, Universal Research (now in Chapter XI) & Control Sales, Universal's marketing arm. Similar suit against Allied Leisure (also in Chapter XI) & Tandy's Radio Shack Div. is still pending.

Ad notes: **Sylvania** will launch multi-million-dollar TV campaign featuring "\$100,000 Challenge" theme it has used in trade ads. Ads offer donation of \$100,000 to scholarships if any brand has better picture than Sylvania's (Vol. 17:22 p9). Trade campaign ran from June 1 to July 31, drew no challenge... **NARDA** is creating five 30-sec. TV spots for use by servicing members... **Atari** has scheduled 9-week, 34-market network TV campaign for video game line. Ads run in Sept., again in Nov.-Dec... **GE** buys full sponsorship of CBS Radio's Sept. 18 50th anniversary show... **Craig** has signed rock stars Dave Mason and Emerson, Lake & Palmer for print & radio campaigns featuring car stereo & cassette recorder lines... **BASF** plans fall series of print ads in hi-fi magazines for audio cassette line stressing its tapes deliver pure sound, don't hype high frequencies.

TI confirmed delay in submitting new selective-call CB (Vol. 17:19 p10) to FCC for type-acceptance, wouldn't elaborate beyond statement that delay will permit "minor redesign to improve manufacturability." New unit will go to FCC in time for shipments later in 1977, spokesman said, adding that original prices will hold (\$325 for mobile, \$375 for base). Delay has triggered speculation, however, that TI is shooting for lower price point due to current low-ball pricing structure of CB market in general.

July CB applications plunged to lowest level in nearly 2 years, dipping to 293,662 compared with 396,080 last year. Through first 7 months, total was 3.5 million, meaning applications would have to run at monthly rate of around 700,000 during remainder of year to meet conservative goal of 7 million. In past, however, several manufacturers have insisted license applications aren't accurate guide to retail movement, since many purchasers apparently don't bother to apply for license.

Jensen is No. 1 in car stereo speaker aftermarket, booked double its year-earlier orders at last Summer CES, parent Pemcor says in quarterly report to holders.

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with
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Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Ampex			
1977-qtr. to July 30	70,774,000	4,522,000 ^a	.41
1976-qtr. to July 31	65,449,000	1,812,000 ^a	.17
Communications Properties ^b			
1977-9 mo. to July 31	20,074,000	1,783,000	.37
1976-9 mo. to July 31	16,662,200	1,224,000	.26
1977-qtr. to July 31	7,037,000	781,000	.16
1976-qtr. to July 31	5,824,000	1,414,000	.30
Tandy			
1977-year to June 30	949,267,000	69,042,000 ^c	4.17
1976-year to June 30	741,722,000	67,524,000 ^c	3.73
1977-qtr. to June 30	216,709,000	12,836,000 ^c	.84
1976-qtr. to June 30	184,708,000	18,215,000	1.01

Notes: ^aIncludes special credit. ^bIncludes loss & gain on sale of subsidiaries. ^cIncludes discontinued & spun-off operations.

Trade Personals

Robert Bergen promoted at Admiral to gen. mktg. mgr.; **J.Q. Reynolds** appointed product planning dir.; **T.A. Borski**, ex-Taiwan plant mfg. engineering mgr., succeeds Reynolds as product program mgr.; **Robert Stevens** advanced from region mgr. to mdsg. electronic products mgr.; **Edward Orth** advanced from sales mgr. to Houston zone mgr.; **Jerry Leerstang** appointed SW mgr.; **John Cashwell** resigns as Hy-Gain communications dir., now Grey Adv. acct. supervisor.

Victor Amador, BSR (U.S.) International New Products Div. pres., adds duties as Consumer Products Div. pres., succeeding **William McDaid**, resigned... **Alfred Menozzi**, ex-J.L. Hudson, appointed Magnavox Eastern audio sales mgr... **Gene Schilling**, ex-Beta Krypton, rejoins Sanyo Seiki as mktg. & sales asst. to Vp **Y. Takeda**, with full responsibility for sales organization... **Don Hudson**, ex-engineering administration mgr., promoted to Altec Lansing Sound Products Div. operational planning dir.

Bruce Carlson resigns as Mostek finance vp & treas. because of desire to leave Tex., return to East Coast... **Douglas Bosomworth** resigns as National Semiconductor watch mktg. dir. to join Motorola Semiconductor as Opto-Ceram Dept. gen. mgr... **David Donovan**, DuMont Electronics treas.-controller, named finance vp... **Sharon Raposa**, ex-Digital Equipment Corp., joins Sylvania Components Group as ad mgr.

John Sweeney advanced at Celanese Plastics from vp to pres., succeeding **Robert Schroeder**, now with Celanese Fibers... **John Cox** promoted at duPont Electronic Materials Div. from semiconductor packaging operation mgr. to product mktg. mgr., succeeding **David Anisfeld**, now product mgmt. & plan-

ning mgr. for Berg Electronics.

Peter Hofmann shifts at RCA from staff vp-financial analysis to staff vp-auditing... **Tom Hinkelman**, ex-Monsanto, appointed Semiconductor Industry Assn. exec. dir... **Michael Frandzel**, ex-National Home Furnishings Assn., appointed NARDA west coast dir.; **Len Gelser** signed as retail management consultant... **James Hillier**, RCA exec. vp-senior scientist, cited by Electron Microscopy Society of America for development of first electron microscope in Western Hemisphere.

Mergers & acquisitions: **Maremont** says it will ask FTC for exemption from order barring acquisitions in auto equipment field to permit planned takeover of Pemcor, says it's suspending \$16.75-per-share offer for Pemcor pending FTC reply. Pemcor, which makes car stereo as well as hi-fi speakers, seeks Chicago Federal Court injunction against acquisition (Vol. 17:31 p14)... **Siliconix** says it has received \$10-per-share offer from unidentified company. Board considers proposal this week... **Hy-Gain** said merger talks with Omaha-based development company, Darco Inc., have broken off... **Seeburg** has agreed to sell coin-op phono business and certain assets to group of independent Seeburg distributors for \$7.3 million. Seeburg will keep ownership of plant & equipment, lease them to group.

Anti-theft device—wide-band swept RF generator activating resonant tag on merchandise—has been approved by FCC. It will use 2, 4.5 & 8 MHz, with 100 uv/m at 30 meters, with emissions outside band kept 40 dB below fundamental frequency.

Obituary

Charles Odorizzi, 68, retired RCA exec. vp, died Aug. 23 of heart attack in Labrador. He had been with RCA 24 years, retired in 1974. As senior exec. vp-services, he supervised RCA GlobCom, Service Corp., Parts & Accessories Div. & Hertz Corp. He's survived by wife, 3 daughters.