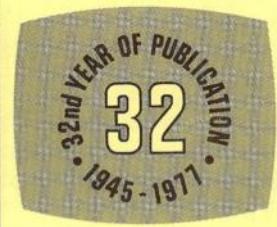


WEEKLY

# Television Digest®

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WITH THIS ISSUE: Up-to-Date Directory of Home Projection-TV Firms

OCTOBER 3, 1977

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**WARNER'S COLUMBUS QUBIC MILESTONE:** Plans, program lineup & prices for Dec. 1 start. Multi-million-dollar service to be available to 105,000 homes by year's end. (Pp. 1 & 5)

**WHITE HOUSE PLANS FOR PUBLIC** broadcasting intended to stop 'bickering' among CPB, PBS, NPR. Corp. would get \$180-\$200 million annually starting in 1981. 'Strong journalistic role' seen for public TV. (P. 2)

**NAB EXEC. COMMITTEE** rejects RAB pres. attendance at board meetings, finds TV dues running light, increases convention fees, radio fall registrations down, other actions. (P. 3)

**WILEY MOVES; FERRIS WAITS:** Kirkland, Ellis & Rowe law firm gets FCC chmn., who leaves Commission Oct. 7. Ferris Senate hearing turns into 'mutual admiration society'; confirmation probable this week. (P. 4)

**5-YEAR CABLE EXPERIMENT** pressed at Communications Subcommittee sessions. Valenti jibes at low cable copyright fee payments. (P. 5)

**FINGER POINTS TO NETWORKS & 'OTHERS'** in violence report adopted by House Communications Subcommittee in tight vote after contentious meeting drops stronger anti-network language. (P. 6)

**NBC WON'T EXPAND** prime-time spots to boost depleted inventory; plans weekend 'Sportsworld.' Wussler says ABC wins with 'junk.' (P. 6)

**WARNER CABLE'S COLUMBUS GAMBLE:** In most expensive & elaborate cable experiment to date, Warner Cable last week kicked off selling campaign for its Columbus, O. "Qube" 2-way system. We went through plant last week (following Rep. Van Deerlin [D-Cal.] by 2 weeks), discussed plans with Chmn. Gustave Hauser & other officials, found them deadly serious in their \$10-million-plus project. Details:

(1) Service starts Dec. 1, with at least 10,000 homes expected to be equipped. Warner is only one of 4 cable franchisees in area, has 105,000 homes in its territory, expects cable to pass all of them by year's end, will offer Qube to all. Right now, 27,000 homes get conventional cable.

(2) System is single-cable (mostly Theta-Com gear), is video only one way—30 video channels downstream, data 2 ways. There are no voice channels ("We can use the phone if we want voice").

### Consumer Electronics

**PHILIPS & MCA** developing longer-playing 2-sided videodisc, postpone optical system marketing introduction until fall 1978. (P. 8)

**ZENITH SHIFT** to low-wage foreign feeder plants dictated by U.S. competitors, not Japanese. Lansdale plant to be written off, 5,600 jobs eliminated. (Pp. 8 & 11)

**JAPAN COLOR EXPORTS** to U.S. dropped 28.6% in Aug., CB shipments taking nosedive. Sears plea, new judge, seen causing further delays in Zenith antitrust suit. (P. 10)

**PROJECTION TV—GE** seen about to jump with new, low-cost system next year as first U.S. TV maker in field. Directory shows 59 entities in manufacture-assembly or planning to enter. (P. 10)

**VTR PRICE SLIDE** continues as Sanyo cuts list price of V-Cord II to \$1,050, is silent about upcoming Beta-cord; JVC keeps Vidstar list price unchanged, but wholesale cost is 'competitive.' (P. 12)

**FRANCE'S THOMSON** buying major interest in Germany's Nordmende. Ampex expands in Latin America. E. F. Johnson buys mobile radio firm in California. (P. 12)

**CHRISTMAS CATALOGS** highlight games as season's hot gift item—Sears' programmable Tele-Game, Ward's Bally system, Penney's Fairchild & RCA units (P. 14). GE-made VIR introduced by Ward; Sears & Penney cut TV prices. (P. 13)

(3) System was tested for hardware operations in 200 homes in June, is now being tested in 80 homes for a month to educate producers. Said Hauser: "Producers have never done anything like this before. They have to know, minute by minute, how the viewer is reacting." Ronald Castell, marketing vp: "It's really not a test; it's a workshop for our people." Neither test was an attempt to gauge basic demand. The 80 families in current test are described as "friendly"—half of them employes, rest of them their friends.

(4) Warner will offer 3 basic services: Conventional cable, called "TV channel" at \$7.50 monthly; Qube "community channel" (TV channel plus special material), \$10.95; "premium channel" (TV channel, community channel, plus per-program material), \$10.95-plus. For details of these, see p. 5.

(5) Movie release pattern "probably will come closer to the theatrical pattern than pay cable, because of the per-program feature," according to Exec. Vp Spencer Harrison. Are theaters complaining? Said Harrison: "I think that boat has sailed. I don't think it will impact the theater business one iota."

(6) System will carry commercials. Including a studio in shopping mall, Warner will originate "Columbus Alive," carry ads. Hauser: "In effect, it will be another station." Rates aren't ready yet, he said, but "it's a complicated rate card." Restaurant Jai Lai has signed up already.

(7) System has 3 big studios, will add more. Hauser: "It will have more studios than any independent TV station in the U.S. One studio has 5 of RCA's expensive color cameras. We counted at least 40 Sony 3/4" VTRs. There are 4 Data General Eclipse computer systems. Employes total about 260, will reach 300.

(8) In first half of 1978, additional services will be offered—burglar & fire alarm, "emergency services" for people ill, etc. Prices haven't been set.

(9) Two of 3 commercial stations have accepted Warner commercials. Outlet's WCMH-TV declined, saying it isn't in station's "best interests," according to Warner officials.

(10) There's no projection of profitability, said Hauser: "It's an exercise in futility. We intend to make this a permanent business."

(11) Why was Columbus chosen? Hauser: "One, we were here. Two, Columbus is a good test market—that's been known for years. Three, it's a hospitable environment; the city hasn't made unrealistic demands."

(12) Home unit is 2-part—hand-held remote control with 18 buttons plus black-box converter. Warner's Japanese affiliate Pioneer is sole manufacturer, makes all units in Japan. Warner won't disclose price.

(13) Computers can poll every home in seconds, provide immediate readout. It's an instant, total-universe Arbitron-Nielsen. We watched readout show exactly how many homes—of 80 hooked up—were tuned to each station at any given minute. Warner is besieged by researchers of all kinds. Hauser: "If we accommodated all of them, we'd do nothing but talk; we'd never get the project started."

(14) Monthly bill, with per-program charges, will look like long-distance phone bill. Subscribers will be given 40-page program magazine. It won't duplicate station logs of newspapers, TV Guide, etc., will carry Qube material only. Ads will be solicited "eventually."

**WHITE HOUSE PUBLIC BCSTG. PLANS:** Administration will send 5-year public broadcasting funding bill (starting fiscal 1981) to Congress late this week. A major goal of legislation—also of accompanying presidential message—is closer cooperation among CBP, PBS & NPR. "They've got too many important things to do to spend so much time bickering," White House official told us.

Also spelled out in message will be Carter's position that public broadcasting should play "a strong journalistic role" and increase its public affairs programming. To help accomplish this, President will propose that ban on editorializing be rescinded for non-govt.-owned stations, covering about half of public TV outlets, including nearly all in largest markets. Additionally, legislation would reduce CPB role in program selection (such as pilots, etc.), but

leaves with Corp. authority to select types of programming to be funded.

Bill provides \$180 million for CPB in 1981, \$200 million for each of next 4 years, with stipulation that figures be reviewed in 1979 after 2nd Carnegie Commission report (Vol. 17:25 p2). Among other key provisions: (1) Facilities grants (\$30 million in 1979 & 1980) program would be shifted from HEW to CPB with priority going to ownership by minorities. Grants could be made to "non-broadcast technologies"—such as cable. White House said at present only 50% get good public TV signal, only 60% public radio, and "we want to know how much it will cost to reach the rest of the public and what technologies will be needed to do that." (2) Public stations will be required to comply with same EEO rules that apply to federal agencies.

(3) Reduces required matching ratio of public funds to federal money from 2.5-to-1 to 2.25-to-1. (4) Requires CPB to allocate 25% of program dollars (now 17%) to national programming, urges station co-op to allocate another 25% (now 19%). (5) CPB will be required to make "block grants" to production entities and to encourage program grants to companies owned by minorities, women & independent producers. (6) CPB, in cooperation with PBS & NPR, must come up with 5-year development plan, updated annually, for Congress. White House view: "This is a function which hasn't been undertaken and is why a second Carnegie Commission had to be created."

(7) Require all public stations to open board meetings and financial statements to public.  
 (8) Require CPB to compile annual inventory of all federal grants and to serve as clearing house for such grants from other agencies. This is intended to cure complaints of producers that they often can't find out what money is available and from whom.

To help end bickering, President will propose that CPB board be expanded by 4 (to 19)—with PBS naming 2, NPR 2. Board would revert to 15 as terms of public dirs. (appointed by President) expire. Also, White House believes, such a move would help insulate CPB against any attempt by future President to attain control and exert improper influence.

Specific dollar amount for NPR isn't included in bill, but President will "say some nice things about public radio in his message to Congress," we're told.

**NAB Exec. Committee** vetoed proposal that RAB pres. be permitted to attend NAB board meetings. Committee said there's already "extensive cross-pollination" between NAB & RAB and that it isn't necessary to formalize relationship. In other actions, Exec. Committee: (1) Was told that TV dues are running \$32,549 below budget (through July)—2/3 of it because network contributions to Free TV Committee (since abolished) were included in projections; 1/3 because of TV station reclassifications. (2) Raised convention registration fee to \$95 (from \$85); staff had recommended \$105. Exhibitors fee remains at \$7 sq. ft. (3) Heard that radio registration is down for first 3 fall conferences. (4) Directed staff to go to "highest level necessary" to get IRS waiver on expenses for planned June joint board meeting in Ottawa or Toronto with Canadian Assn. of Broadcasters. (which invited Americans). (5) Approved filing of Supreme Court brief supporting right to televise executions.

Network TV up 20%, spot TV up 6%, local TV up 11%; radio generally up 12% for all of 1977; for 1978, national & spot TV & radio will be in 9-14% range. Those are forecasts by Robert Coen, McCann-Erickson vp, who noted that total advertising expenditures in 1976 were \$33.6 billion, up 19%. He predicted that magazine advertising would be up 20% this year because some advertisers were seeking alternative to high-priced network TV time.

Sunshine law has brought mostly overcast weather as far as open meetings of govt. agencies are concerned, according to Common Cause, Washington citizens lobby. CC said that in first 3 months of operation (Jan.-March 1977) survey of 47 agencies disclosed that 39% of total 591 meetings were totally closed, 24% partially closed. Of 23 FCC meetings, CC reported, 9 were completely open, 6 closed, 8 partially open. FTC held 33 meetings, with 11 open, 15 closed and 7 partially open. Formal agency adjudication was principal reason given for closing FCC & FTC meetings; law enforcement was 2nd major reason for FTC closings.

Public look at floor activities of House via TV has been recommended to House leadership, with reports that House members may be asked to vote soon on continuous, live and uninterrupted televising of House floor on closed-circuit basis, with patch-ins for live coverage by commercial networks. Recommendation made by special House committee following 90-day closed-circuit test emphasized that operation of cameras will be by House employees, and that coverage will be on those members participating in debate—no panning of drowsy members.

Network TV advertising climbed 21.5% in Aug. to \$229.1 million, according to TvB-BAR. During Jan.-Aug., advertisers spent \$2.2 billion (up 22.1%) on networks, ABC garnering \$733.6 million, CBS \$732.9 million, NBC \$727.2 million.

**WILEY MOVES; FERRIS WAITS:** Richard Wiley ends 3-1/2 years as FCC chmn. Oct. 7 and shortly thereafter joins Chicago-based (Wiley's home town) law firm Kirkland, Ellis & Rowe as head of 40-lawyer Washington office. He'll also be member of firm's 5-man exec. committee. Going with Wiley to firm as associate member will be Lawrence Secret, acting FCC gen. counsel and former administrative asst. to Wiley.

Meanwhile, Wiley's successor Charles Ferris had brief confirmation hearing before Senate Commerce Committee last week. Sen. Cannon (D-Nev.) set tone of hearing: "I want to join in the mutual admiration society for Charles Ferris." Added Sen. Inouye (D-Hawaii): "This nation is very fortunate to have Charlie Ferris as chairman of the FCC because it's about time we had someone represent the people, not just private interests." Chmn. Hollings (D-S.C.) called Ferris "an outstanding appointment."

Committee was expected to report Ferris favorably to Senate floor Sept. 29 but action was put off until Oct. 4, and confirmation should come day or 2 after that. However, new chmn. isn't expected to join Commission until Congress adjourns later in month. He's gen. counsel to House Speaker O'Neill (D-Mass.)—who was at hearing (along with Sen. Kennedy [D-Mass.]), to praise Ferris.

Nominee came across as strong defender of First Amendment, also told Hollings that stalled network inquiry would get "high priority" when he becomes chmn. Ferris said he'd recommend staffers (to other commissioners) for inquiry within 30 days after being sworn in. Inquiry was halted when Hollings refused to reallocate money to bring in consultants Wiley intended to use. "All I know is that I held up the transfer of funds...so the new chairman could pick his own staff...I think it's politics, and it's good politics," Hollings told Ferris.

"Split jurisdiction" (federal-state) in regulation of cable is "wise," Ferris said. He expressed "sympathy" with plight of small TV station when cable is brought to town, concern over possible sports siphoning. He didn't offer solutions except to say that small TV stations (and radio) should be treated differently than major-market stations, but added: "I don't think you should be wedded to any mechanical system."

Ferris also was concerned about plight of minorities seeking to enter broadcast ownership. On fees, he said "I find it unsettling that nothing has been done and no fees are being collected" since Supreme Court ruled existing FCC system unconstitutional.

Ferris' financial statement showed assets of \$358,700 (\$167,000 of it in real estate), net worth of \$243,200. He has agreed to sell 23 IBM shares (valued at \$6,200) and 232 AT&T shares (\$13,500) before joining Commission. His 1976 salary, as gen. counsel to Senate Democratic Policy Committee, was \$40,369. At FCC, he'll get \$52,500.

Black & Hispanic groups didn't oppose Ferris but used hearing to decry their treatment—in programming, ownership & employment—by TV & radio.

In answer to written questions, Ferris made these points: (1) "I have no preconceived doctrines that I believe must be imposed or preserved." (2) "I am concerned with broadcast programming but I am equally concerned that the Commission not tread on First Amendment rights." (3) "I pledge to keep an open log—open to public inspection—of my meetings with representatives of interests and interest groups."

(4) He'll upgrade Office of Plans & Policy so Commission "can do a better job of forecasting trends, rather than reacting to them." He said new OPP will play "a major role in FCC operations." (5) He hopes to upgrade regional offices, use them "for better dissemination" of information to public. (6) Concept of localism "remains valid [but] the means of achieving local service must constantly be re-evaluated in light of new technology such as satellite communications, cable TV, etc."

(7) Increasing access to TV for groups & individuals is "a desirable objective" but goal must be considered "in light of the limited broadcast spectrum and time available." FCC should study "a variety of means of assuring fairness & access." (8) In regard to fairness doctrine, "FCC intrusion into areas of journalistic discretion must be exercised, if at all, with utmost respect for First Amendment principles."

(9) No position on longer licenses. (10) He'll reopen inquiry into children's TV "to explore whether broadcasters are meeting [their] obligations." Will give support to proposals that networks "rotate" quality children's programming. Will look to court decisions for guidance on violence. (11) "One of my top priorities" will be upgrading of UHF reception, including "more stringent standards...if appropriate & necessary."

**Home Theater Network Inc.** is new program supplier for cable via satellite, planning to offer 2 hours daily of "best family oriented movies & specials, exclusively in a limited engagement format." Outfit is affiliated with New England Cablevision (Peter Kendrick, pres.), says it will lease space of Southern Satellite System, filling in during early evening when KTVU San Francisco is blacked out by exclusivity rules. Kendrick says service can be offered profitably to subscribers for \$3.95 a month. Details: 465 Congress St., Portland, Me. 04101, 207-774-6334.

**Annual advertising** law conference, co-sponsored by Federal Bar Assn. & AAF, Oct. 20, Shoreham-Americana, Washington, includes speakers: Albert Kramer, FTC; Jerry Thain, U. of Wis.; Nancy Buc, N. Y. attorney. Fee for FBA & AAF members, \$120; non-members, \$140.

**Home Box Office** signs for original programs to be produced by Michael Brandman Productions, headed by former HBO program development dir. Brandman had worked on HBO's "Bette Midler Show," "This Was Burlesque," "Standing Room Only," "HBO Magic Show," "On Location," etc.

**Optical fiber** is subject of panel discussion & demonstration by House Communications Subcommittee Oct. 3, 2:30 p.m., room not yet designated.

**CABLE PRESSES 5-YEAR EXPERIMENT:** Free cable of all but minor regulations for 5 years and see how it works, urged CATV participants in House Communications Subcommittee panel discussions last week, as anticipated (Vol. 17:37 p2). Two days of discussions ranged from signal carriage policy to question of whether local charges should be regulated, and if so by whom.

Cable participants called for test of NCTA plan that would repeal all rules governing signal carriage, syndication exclusivity and network non-duplication rules for 5 years. FCC would monitor and report annually to Congress. Where TV stations demonstrate adverse impact, FCC would provide special relief. Other elements of NCTA proposal urged deregulation of pay cable completely, except for major national sporting events such as Super Bowl and World Series; and encouragement of commercial use of unused channels with cable operator authorized to establish financial, legal, technical, character and program criteria.

Cable forces urged: Where necessary, impose federal role in signal carriage, channel use, technical standards, services and rates; give state and/or local jurisdiction on line extensions, technical standards and subscriber rates only where cable system is monopoly (carries 3 or fewer stations), and authorize local authority over "reasonable and non-discriminatory" franchise fees and taxes.

Subcommittee members and staff, directed by Karen Possner, paid special heed to Henry Geller of Aspen Institute and Hyman Goldin, Boston U. prof. and former FCC economist. Both urged Congress not to freeze policy as it is today; it may be different industry in few years. Goldin said states should have principal role in rate setting.

Carrying flag for local authority were municipal participants Lou Kash, Rochester, N.Y., and S.J. Dullany, Spokane, who insisted communities had right to grant franchises and regulate rates. James Hobson, FCC Cable Bureau chief, quoted Oakland city official who said city had to have right to regulate rates since it was sole "handle" city had to require cable operator to live up to promise.

Vigorous defense of federal regulation came from Motion Picture Assn. chief Jack Valenti, who charged that small copyright fee paid for programs by cable TV operators under new copyright law distorted marketplace and threatened present TV broadcast structure. As to latter, he noted growth of WTCG Atlanta satellite service which, he said, probably would serve 1 million people by end of year.

Access adherent David Hoke, National Federation of Local Cable Programmers, urged federal guarantee of access channels and some sort of underwriting, such as percentage of income collected from cable operators by municipality.

**Theme of NCTA convention:** "Cable TV '78—30 Years of Innovation & Service," New Orleans April 30-May 3. First meeting of Convention Committee (Rex Bradley, chmn.) is Oct. 5. Generally accepted date for start of cable has been Dec. 1949, in Astoria, Ore.

**COLUMBUS QUBE FARE:** Warner's Qube operation in Columbus, O. (see p. 1) will have 3 levels of service starting Dec. 1:

(1) Conventional cable, called "TV Channel," now furnished to 27,000 subscribers at \$7.50 monthly. This includes 4 local stations, 5 imports, program guide, access channel, wire service, weather.

(2) "Community Channel." This requires Qube black boxes, installed at \$9.95 for existing cable subscribers, \$19.95 for new subscribers. It provides following on separate channels: "Columbus Alive" remotes, consumer information, "Pinwheel" for preschoolers, local news, sports news, stocks & business, religion, local weather, "Selected Audience Programs," live & learn instruction including captioning for deaf, etc. Monthly charge: \$10.95, including "TV Channel."

(3) "Premium Channel"—per-program service. This includes separate channels for: Previews (free); "First-Run Movies" (\$3-\$3.50 each); "Movie Greats" (famous oldies, \$1); "Performance" (opera, ballet, symphony, \$2-\$2.50); "Better Living" (instruction, etc., not yet priced); sports events (prices varying); "Special Events" such as "Spice on Ice," \$2-\$3; games with home participation, unpriced; college credit courses, unpriced.

Dec. premiere includes these "First-Run Movies": Star is Born, Silent Movie, Demon Seed, Amarcord, Enforcer, Raggedy Ann & Andy, Midway. "Movie Greats": Maltese Falcon, Frankenstein, Streetcar Named Desire, Seven-Year Itch, High Noon, Marriage Italian Style, Jim Thorpe, Pajama Game, Sahara, Mouse That Roared.

"Performance" has these classics on tape: Madame Butterfly, Marriage of Figaro, Sleeping Beauty, Swan Lake, Bach Christmas Oratorio, Brahms 2nd & 4th Symphonies. Popular performances: Frank Zappa, Beatles, Johnny Mathis & Roberta Flack, Deaf School group.

Sports: High school basketball, all games of Cleveland Cavaliers basketball & Barons hockey, some UA-Columbia Madison Sq. Garden events, other MSG events.

Special events: Scapino (play), Spice on Ice, Cafe Manhattan ("Ed Sullivan type show"), David Hoy (psychic, ESP live, involving participants at home). "Better Living": Courses on performing arts, guitar, "Being a Woman," "Classics Dark & Dangerous," backgammon, speed-reading, "The Business of Writing"—unpriced. College credit courses have been arranged with many schools, including Ohio State, aren't yet priced.

**Cable-maker Comm/Scope** will merge into Valtec Corp., fiber optics & laser producer, giving 467,000 shares for 1,402,000 Valtec valued at \$12.1 million. Comm/Scope earned \$1.9 million on sales of \$14.3 million in 10 months ended June 30. Valtec earned \$261,000 on \$10.1 million sales in fiscal 1976. Among joint projects is major trunk in fiber optics for Central Telephone, Las Vegas, due for operation Dec. 5. Project is in "several hundred thousand dollar" range, according to spokesman.

**VIOLENCE BLAME:** Full responsibility for TV violence was taken off backs of networks in surprise move by House Communications Subcommittee that saw stiff staff report shunted aside in favor of substitute adopted on 8-7 vote after sometimes bitter exchange between members.

New version, submitted by Reps. Russo (D-Ill.) and Frey (R-Fla.) in place of staff report pushed by Rep. Waxman (D-Cal.), states that networks must bear principal burden for violence on TV, but networks aren't alone. Others blamed are affiliates, producers, advertisers, public.

Most significantly, new document doesn't talk about examining structure of broadcasting, although amendment offered by Chmn. Van Deerlin (D-Cal.) and accepted by most Committee members expressed hope that growth of new communication technologies will bring resolution to violence problem. Amendment states: "In an environment of programming abundance we may find that violent content represents only a small fraction of the total material available and its impact may diminish accordingly." This section also promised to continue review of existing statutes and regulations that might hinder development of new technologies and increasing channels.

It was Van Deerlin's vote that put Russo-Frey substitute across. Vote came after almost 2 hours of wrangling—some bitter—between Waxman and his adherents pushing for adoption of staff-written document, and Russo and allies urging adoption of substitute circulated among members only 48 hours before meeting. Among words used in several heated exchanges were "whitewash", by Waxman referring to Russo-Frey version, and "insane" and "illiterate" by Russo and Frey about opponents to their bill.

Network officials, out in force for event, acknowledged their relief that Russo-Frey substitute passed, rather than more accusatory staff document "It's a more balanced report of the hearings," one network executive commented, "and tends to correct the distortions in the staff report. But," he added, "it still puts most of the blame [for violence] on the networks."

Some elements of staff thinking remain in adopted version, including such recommendations as requiring pre-screening period for affiliates to review, more self-regulation, parental control of viewing by children.

Subcommittee became active in TV violence early this year, with hearings in Denver, L.A. & Washington. Early staff report was circulated this summer, culminating in decision last July to hold off vote pending more input from members.

Newsman cooperator with CIA was Merrill Panitt, editorial dir., TV Guide. Writing in Oct. 1 issue, he said he went to Russia to learn about TV in 1958, and CIA agent asked him to report later. Panitt said he told agent "the same things we'd tell any cocktail-party acquaintance who bothered to ask."

**Impact of common-carrier tariffs** on cable systems is analyzed by Gary A. Dent & Assoc., Oak Cliff Bank Tower, Dallas, Tex. 75208, 214-941-2666.

**NBC WON'T EXPAND SPOTS:** There has been much speculation that networks planned to add minute of commercials in prime-time in order to expand nearly sold-out inventory. Not so at NBC, according to Exec. Vp Mike Weinblatt, who told affiliates at Sept. 26 mini-conference in San Francisco that network has no such plans. Among other developments, NBC:

(1) Plans prime-time news magazine show. (2) Starts "Sportsworld" in Jan. to compete with CBS & ABC weekend sports shows. New program will stress "Olympic-related" events. (3) Believes, in next 2 years, program emphasis will shift back to series, particularly comedy. (4) Has strong line-up of specials for Nov. sweeps and "we just won't stop" after that. (5) Has strong programming ready for Jan. replacements.

\* \* \* \*

CBS-TV Pres. Robert Wussler told N.Y. Times that ABC is winning current prime-time battle "because it has taken the Saturday-morning cartoon shows and moved them into prime time as live-action shows. This is comic-book stuff...and I say it is junk." Now running poor 3rd in prime time, Wussler said that CBS will stick to its game plan and wouldn't "panic," that first schedule changes will come about Oct. 15.

ABC proclaimed it won week ending Sept. 25 "by a landslide" with Nielsen national rating of 22, 37.2 share; NBC had 16.6 & 28.1, CBS 16.5 & 28. ABC won 6 of 7 nights (losing Mon. to NBC), had 8 of top 10 shows, 15 of top 20. NBC becalmed ABC's prime-time sails in N.Y. Sept. 29, however, with 54.4 rating & 77 share for Ali-Shavers fight.

Localism is catalyst to assure that TV-radio won't be made obsolete by new technology, according to FCC Comr. Lee. "Satellites [and other new technology] cannot duplicate the kind of community-oriented service you are capable of providing," he told Nev. Bcstrs. Assn. "Indeed, these new services may be the key to your future. As more of our personal affairs are conducted by means of computer terminals, we may all look to the local broadcaster to provide a human touch and a sense of community to our daily lives."

NAB has objected to Census Reform Act now before Congress which would require TV-radio stations to provide free time during each decennial census. NAB Pres. Vincent Wasilewski has written House Subcommittee on Census & Population that it is "erroneous" to assume industry won't cooperate without "this mandatory language...that would limit the statutory & constitutional right of broadcasters."

New reports by Commerce Dept. Office of Telecommunications: "Urban CATV Distribution Plant," \$4; "Techniques for the Evaluation of Proposed VHF TV Drop-ins," including analysis of Ch. 8, Knoxville, \$6; "Laser & Electro-Optical Interference Considerations at RF," \$4.50.

Arbitron radio study covering all counties in continental U.S.—plus Honolulu & Anchorage—will be released next spring. Data will be compiled from 400,000 diaries during four 1977 studies.

## Personals

**Thomas Leahy**, ex-WCBS-TV N.Y., promoted to pres., CBS TV Stations Div.; he succeeds **D. Thomas Miller**, moved to vp-planning, CBS Bcast. Group; **John Agoglia** advanced to business affairs dir., CBS TV N.Y.; **James Joyella**, ex-CBS, named dir. of sales, WBBM-TV Chicago.

**Martin Robinson** promoted to pres.-chief exec. officer, United Artists TV, succeeding **Erwin Ezzes**, retired; **Barton Farber** named exec. vp-chief operating officer.

**Matt Pouls** promoted to Columbia Pictures TV vp, feature marketing for syndication... **Howard Burkat**, ex-NBC, appointed Home Box Office promotion dir... **Richard Colino**, Comsat vp, adds duties of gen. mgr., International Operations Div. (formerly Intelsat Div.); **William Carroll**, **Irving Goldstein** & **Robert Kinzie** named asst. gen. mgrs... **George Crowther** promoted to TeleMation product mgr.

FCC Secy. **Vincent Mullins** retires after 21 years at Commission, **William Tricarico** named acting secy... **Robert Boulware** retires Jan. 1 after 10 years as IRTS exec. dir.

**Robert S. Murch**, ex-Armed Forces Network, appointed chief engineer, WPIX N.Y... **William Meister**, ex-Haskins & Sells, joins Cox Data Services as vp-gen. mgr.; he succeeds **James Landon**, who returns to Cox Bcstg... **Dick Williams**, ex-Top Market TV, joins Katz as dir. of sales projects... **James Gimbel** advanced at RCA Bcst. Systems from sales mgr. for Europe, Africa & Middle East to mktg. dir... **Ted Slopey**, Williamsport, Pa., named technical sales rep, western Pa. & W. Va., for Magnavox CATV.

TV shouldn't be 'frightened by organized pressure groups that do not reflect the independent views of the general public,' NAB TV Vp **Jane Cohen** said. Addressing community affairs group in Columbus, O., she said industry must reflect changing standards of taste and that 'because TV has a mass audience does not mean it must produce programs of so-called universal taste... We must jealously guard our independence against the divisive critics who would attempt to create understanding & tolerance by legislation.'

Two representatives of Govt. Accounting Office, conducting "comprehensive" study of FCC regulation (Vol. 17:34 p1), attended NAB renewal seminar in Harrisburg Sept. 26. Purpose: To better understand the problems of broadcasters. GAO investigators have interviewed TV networks, several group owners, expect to report to Congress in March.

Month's delay has been granted by FCC for comments on inquiry requiring that 45 days notice must be given before station can be sold. "Intense client interest" was cited by Washington law firm Haley, Bader & Potts in seeking delay. New deadline is Nov. 3, replies due Dec. 1.

Striking ABC employees were scheduled to return to work Oct. 1 following ratification of new 4-year contract with NABET ending 4-1/2-month strike.

## WEEKLY Television Digest

with

Consumer Electronics...

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NAB TV Code Board has adopted guidelines for personal product advertising to assist advertisers & agencies in preparing spots. Generally, they codify existing policies. In other actions, Board: (1) Re-interpreted Code to permit doctors to appear in commercials promoting their own services. (2) Proposed that advertising be accepted for legal lotteries and legalized betting on sports events, subject to approval of parent TV Board in Jan. (3) Retained ban against live models (unless fully clothed) in undergarment spots. (4) Ruled advertising by lawyers is acceptable, subject to state canons.

"It is obvious to us that women are making progress in the broadcast industry," AWRT Pres. Audrey Hunt wrote FCC to counter Civil Rights Commission charges that industry employment of women & minorities amounts to "window dressing" (Vol. 17:34 p2). She said great strides were shown by AWRT's own survey, charged CRC recommendations "open the door to excessive government control."

Commercial radio is a "mindless medium" that offers public nothing different, according to NPR Pres. Frank Mankiewicz. Speaking to IEEE in Washington, he said public radio "will be expanding as others are contracting... getting better as others are getting worse." Public radio will be offering 4 channels of programming via satellite within 18 months, he said.

Office of Communications—patterned after similar office at United Church of Christ—is planned by NAACP, according to Exec. Dir. Benjamin Hooks, ex-FCC comr. "The office will be monitoring TV & radio stations," he said. "We will have dialogue & communications... we will even file petitions."

Hot subject at Oct. 4 NAB Radio Board meeting in Washington will be proposal that NAB staff lobby Congress for radio-only renewal bill granting 5-year licenses.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 16 (37th week of 1977):

	Sept. 10-16	1976 week	% change	Sept. 3-9	1977 to date	1976 to date	% change
Total TV . . . . .	303,235	264,317	+14.7	217,170	9,102,296	7,981,935	+14.0
color . . . . .	204,916	166,888	+22.8	140,093	5,657,403	4,738,534	+19.4
monochrome . . .	98,319	97,429	+0.9	77,077	3,444,893	3,243,401	+6.2
Total radio . . . . .	1,035,831	745,518	+38.9	710,530	35,447,804	26,360,167	+34.5
home, portable .	799,320	437,739	+82.6	477,911	26,685,106	17,541,168	+52.1
AM-only . . . . .	149,653	192,134	-22.1	95,481	6,291,879	4,625,123	+36.0
FM & FM-AM .	649,667	245,605	+164.5	382,430	20,393,227	12,916,045	+57.9
auto . . . . .	236,511	307,779	-23.2	232,619	8,762,698	8,818,999	-0.6

Color TV 5-week moving average: 1977—183,401; 1976—157,469 (up 16.5%).

**OPTICAL V-DISC 'IMPROVED' & POSTPONED:** Terse release from Philips & MCA last weekend announced development of 2-sided optical videodisc which will at least double current 30-min. playing time—and postponement of target date for initial marketing of Magnavox players & MCA discs to fall 1978 from previously scheduled "late 1977."

Announcement had familiar ring, coming 2 months after disclosure that RCA had reoriented its capacitance videodisc program to double playing time (to 2 hours), developed new player and stretched out time frame for possible introduction (Vol. 17:31 p7, 17:32 p12). New Philips/MCA 2-sided disc is about 2-mm thick—twice thickness of single-sided product—will play "at least" one hour per side and has "improved environmental capability," according to announcement. Disc will require modification of player and extension of current field & user tests, thereby postponing introduction date. Last week's release referred to "regional marketing" of system—new terminology for Philips group, which in past has used phrase "test marketing."

Encoding system & most parameters remain unchanged, we were told by Philips Vp Robert Cavanagh, who saw no change in pricing, except that 2-sided disc should make possible some material savings. He indicated that neither stretchouts in playing time or marketing date resulted from introduction of videocassette recorders on U.S. market. Officials of MCA Disco-Vision were unavailable at week's end—all on way to Japan to sign contract setting up Universal-Pioneer videodisc recorder joint venture (Vol. 17:25 p7).

**BEHIND ZENITH'S STUNNING POLICY CHANGE:** It wasn't Japanese, but U.S. competition which was directly responsible for Zenith's complete reversal of its 5-year all-American policy, revealed in last week's announcement that it would ship much of TV module & chassis assembly plus all audio operations to foreign low-wage areas, eliminating 5,000 jobs or about 25% of hourly workers.

TV price competition "has been substantially more severe" than anticipated, forcing Zenith to cut prices, Chmn.-Pres. John Nevin explained in letter to employees outlining severe cost-reduction program. During 1978, TV module & chassis work will be shifted to plants in Mexico & Taiwan, and late in year all stereo electronics will come from abroad. Nevin said moves were dictated by "increasingly significant cost advantages" gained by other manufacturers from production in low-labor-cost areas.

U.S. color manufacturers which import chassis & boards from Mexico & Orient provide most significant price competition faced by Zenith today. While contending that Japanese TV

importers and their business practices are at root of current profit problem, Zenith spokesman conceded there's been no significant change in that aspect of competition over last several years, and that Zenith had operated profitably in spite of it. What is new is flood of imports from RCA & Sylvania color chassis plants in Mexico, Admiral's in Taiwan, GE's board plant in Singapore.

Production job losses will affect plants in Chicago & Paris, Ill., Springfield, Mo., Sioux City, Ia., & Watsontown, Pa. (details on p. 11). Some 600 salaried positions also will be eliminated, and Zenith will write off investment in Lansdale, Pa. color tube plant, take 3rd-quarter charge of \$11-\$12 million, bringing period's results into red.

Zenith bought Lansdale from Philco-Ford in 1973 for about \$10 million in plan to expand into OEM tube business (Vol. 13:26 p13), invested \$20 million more to modernize & equip it for Chromacolor tube output. Zenith got purchase pact from Philco estimated at 200,000 tubes annually—but Ford bought contract out in 1974 when it sold Philco brand & inventory to GTE. Zenith shut Lansdale at end of 1974, never reopened it. Watsontown plant was acquired from Ford in Dec. 1974. Lansdale plant will be put up for sale, and it's understood company is seeking buyer for discontinued research dept. (Vol. 17:38 p2). Zenith declined comment on whether it's also trying to sell Zenith Hearing Instrument Corp., whose sales have been declining in recent years.

Many details of restructuring are yet to be resolved. Zenith has b&w TV plant in Taiwan, but it's not clear whether it has capacity to handle color work. It has 2 plants in Matamoros, Mex. (tube guns, deflection components)—neither suitable for color chassis assembly, so additional facility will have to be built or bought. Thomas International (Warwick), Sarkes Tarzian & Transitron plants in area are understood to be available. Zenith's audio chassis will be purchased from outside vendors in Far East.

Zenith's 1978 color line, and possibly part of 1979, will be produced in present facilities. Company intends to continue making 16" & 19" b&w in Chicago, keep production of multiband Transoceanic radio in U.S., stay in stereo console business (with imported chassis).

Bullet-biting was particularly hard for Nevin, who has been leader for years in fight against what he felt was Japan's unfair encroachment in U.S. TV market, and was at helm in 1972 when Zenith decided way to compete against imports was to expand & automate U.S. plants rather than build export-assembly operations elsewhere.

Zenith's directors supported Nevin's import-fighting policies in past, back his retrenchment program now. "He fought the good fight until he couldn't fight it any more—he had to do what everybody else is doing," we were told by John Hanigan, Genesco chmn. and Zenith board member since 1972. "I'm 100% behind him and I know of nobody who is not." Nevin called special board meeting to get formal approval for new program.

While retrenchment itself wasn't surprise—Nevin told us week earlier something was about to pop (Vol. 17:39 p7)—scope & manner in which total package was revealed was unexpected. Full disclosure of still-hazy 15-month cost-reduction program is viewed as designed to satisfy financial community that end to its profit problems is in sight. Giving all bad news at once may also improve Zenith's union bargaining position. At hastily called news conference Sept. 28, Nevin indicated cooperative attitude by labor might result in reconsideration of some job reductions. He indicated Zenith's color sales continued strong (p. 12).

Even though Nevin didn't mention Japan in his statement, Japanese got full share of blame from outsiders. Chicago City Council passed resolution calling on U.S. to overhaul foreign trade policies, crack down on unfair import competition. COMPACT, whose petition to International Trade Commission (ITC) resulted in Japan's quota on color exports to U.S., charged "unrealistic U.S. govt. policy and Japanese trade barriers both contributed" to elimination of jobs at Zenith, said it hoped quota "would enable Zenith to keep its remaining 16,000 jobs in the U.S. and save some 45,000 other jobs left in the domestic color TV industry." Statement by group of unions called Zenith decision "bitter shock" which "demonstrates again how poorly our govt. has performed in maintaining the integrity of our economy, our industries & our jobs." Even White House apparently failed to grasp reasons for Zenith move. At Sept. 29 news conference, President Carter responded to query on plans for protecting TV jobs by saying he

thought Japan quota "will alleviate the increasing imports of color TVs which were causing a problem."

Some industry observers regretted Zenith didn't hold off decision until full impact of Japan quota was felt in market. Others noted that Zenith probably wouldn't have present headache if President had followed majority ITC recommendations and hiked duty from present 5% to 25% on all color set & chassis imports, or even accepted minority view and slapped quota on imports from all countries (Vol. 17:12 p7).

Zenith switch to imported chassis & boards will leave only one U.S.-based color maker which doesn't rely on imports of major subassemblies—Dutch-owned Magnavox. However, its parent Philips has embarked on sizeable expansion of color operations in Taiwan, so it's uncertain how long Magnavox will continue to carry the flag.

**JAPAN COLOR EXPORTS DOWN IN AUG.:** Impact of export quota on Japan's color shipments to U.S. is reflected in sharp decline in Aug. results from year earlier, shown in Finance Ministry totals. CB exports took spectacular nosedive; b&w posted increase.

Japanese exported 336,100 TVs to U.S. in Aug., down just 9.3% as impact of 28.6% drop in color to 173,700 was offset by 27.6% gain for b&w to 162,400, only 11,300 less than June total which set 5-year monthly high. Over full 8 months, Japan exported 2.61 million TVs to U.S., up 4.7%, with color at 1.54 million, down 11.4%, b&w at 1.07 million, up 21.3%. CB exports for month sank 74.9% to 324,300, a 2-year low, bringing full-period total to 4.85 million, off 47.7%.

No major immediate effect on imports of consumer electronics is expected if last-minute negotiations failed to prevent eastern & Gulf Coast dock strikes set for Oct. 1. Main issue is job preservation, and union said work stoppage would only prevent unloading of container ships.

Trial stage of Zenith's \$1-billion antitrust suit against Japanese color TV companies is still year or more away. Major cause of further delay in case, brought in Philadelphia Federal Court 3 years ago, is expected approval of Sears' request for extension of discovery period. Sears was added to list of defendants last Feb. after Sanyo bought Whirlpool's controlling interest in Warwick's TV business, putting Sears, 25% owner of Warwick, in partnership with Sanyo (Vol. 17:9 p7). Additional delay may result from pending advancement of Judge Leon Higginbotham to Federal Appeals Court. His nomination by President is due for quick Senate approval.

**PROJECTION TV—GE ABOUT TO JUMP?** Enclosed as special White Paper herewith is up-to-date directory of companies manufacturing & assembling "consumer" projection TV—only directory of its type in existence, to best of our knowledge.

Based on questionnaires, directory shows 59 entities either in projection TV manufacture-assembly, planning to be in or claiming to be in field, offering well over 160 identifiable models. For most part, it's little-known group of entrepreneurs with little technical expertise or originality, assembling available parts into packages—most of which look similar or identical to others.

How long can these assemblers hold on to what business they have when major high-technology firms enter field with quality products? We may get answer next year, when first major U.S. company unveils projection set and 2 or 3 Japanese firms bring 3-tube units into country.

All evidence indicates GE will introduce innovative home projection TV set, probably in under-\$2,000 range. Although GE declines comment on subject, company has long experience in projection through its Visual Display & Equipment Operation, and has consistently indicated faith in eventual move of projection TV into home. Company is understood to have spent \$176,-000 on consumer survey which indicated good demand for product. It's not believed that GE home unit will use principles of its bright & costly commercial Lightvalve system.

At same time, Matsushita & Mitsubishi have tentative plans to introduce 3-tube projection sets here next year (Vol. 17:24 p10), and it's believed Sony is readying 3-Trinitron set to replace its current single-tube unit (Vol. 17:9 p10). Suppliers of sophisticated 3-tube projectors—currently Advent & Projection Systems Inc.—quite possibly will be joined by 3 more firms within year or so—Marv Hodges Inc., which currently supplies washable projection screens; Electronic

Systems Products, headed by theater projection TV pioneer A. R. Tucker, and at least one other undisclosed company.

Among U.S. TV manufacturers, projection-TV interest appears to be alive only at GE, Admiral & Curtis Mathes. Zenith once sponsored lens-development project, then got turned off. Magnavox conducted feasibility studies on projection TV last year, presumably decided not to enter field, disbanded development team working on it. Admiral has been working on several approaches, had optioned Lessman patent, involving system of embedding beam-splitting system in liquid or clear plastic for low-cost fast lens system. Rockwell Consumer Electronics Pres. Charles Urban told us Admiral recently dropped option after completing prototype and deciding it wasn't "right direction for us to go." He said Admiral is still high on projection, working on other approaches, but won't have product in 1978. Meanwhile, both Hodges & Tucker are believed to be adapting Lessman approach.

How big is projection-TV market? Don't believe what you hear. In compiling our directory, we asked manufacturers & assemblers to tell us their current monthly production. Some did, some didn't—but adding up figures of those who did gives us total of 328,000-units-per-year rate, which we figure to be about a 10-1 exaggeration. Major suppliers to projection-TV industry estimate sales are currently running at about 30,000-36,000 annual rate.

Our last projection TV directory, in July 1976 (Vol. 16:28 p9) showed 25 entities. Although current one shows 59, we can't say this includes everybody in the business, or that some haven't dropped out or flopped in the few weeks after filling out questionnaire—that's nature of the business.

Among trends shown in new directory: (1) Product generally is being upgraded through use of washable screens and faster lenses. (2) Almost universal availability of ceiling-mounted units indicates that bar-tavern business is at least as big as consumer market. (3) Two-piece units are far more common than one-piece, and many of the 2-piece projectors are taking on "Advent look." (4) Sony remains most popular TV-set projection source (18 mentions), followed by Toshiba (9), Zenith (4), GE, Quasar, RCA (2 each), Hitachi, JVC, private-label Rumanian-made set (one each). (5) Most popular size is 50" diagonal, also known as 4-ft. or 32-x-40-in. selling for \$695-\$1,995 in 2-piece, \$1,625-\$3,000 in one-piece.

**ZENITH'S PLANNED LAYOFFS:** Impact of Zenith's 5,000-job cutback (see p. 8) will be hardest on plants specializing in audio equipment & color TV subassemblies, least severe in facilities where color TV final assembly operations are conducted. Zenith spokesman said company is considering some inter-plant work transfers, also may create some new work, so while 5,000 figure represents number of current jobs expected to be eliminated, actual personnel layoffs may be somewhat less.

Current job loss schedule by plant: Chicago, TV assembly, 1,500 of 11,000; Springfield, TV assembly, 1,000 of 2,600; Sioux City, audio electronics & TV components, 800 of 1,400; Watsontown, Pa., TV & stereo cabinets, audio assembly, 1,000 of 1,900; Paris, Ill., TV subassemblies, all 700. In addition, Zenith plans to lay off 600 salaried workers.

**TI Computer?** TI won't comment, but it's known to be shopping in Korea for producer capable of supplying up to 5,000 monochrome TV chassis monthly, plus 5" & 9" monitors, beginning summer 1979. Industry sources indicate shopping trip may be first step into home computer field.

White Radio Ltd., Burlington, Ont., named exclusive Canadian cable TV rep for Oak Industries CATV Div. Oak plans complete repair facility in Canada next year.

Bottom line on Motorola's 1974 sale of TV business (Quasar) to Matsushita is \$2.47-million loss. As finalized through negotiations that ended last Jan., Motorola had \$3.82-million gain on deal, including proceeds from sale of assets not bought by Matsushita. However, Motorola lost \$6.29 million from TV operation during period between announcement of sale and actual closing. Loss includes provision for cost of defending itself in Zenith's \$1-billion antitrust suit against Japanese TV makers, excludes maximum \$20 million Motorola has agreed to pay Matsushita if Zenith wins and Matsushita is forced to resell Quasar. Data is contained in prospectus for planned Motorola bond offering (Vol. 17:39 p11) which also shows sales of automotive products in first half were up 19.5% to \$98 million, semiconductor operation sales up 23.3% to \$265 million, sales of communications products up 16.1% to \$390 million.

**Hazeltine acquires** exclusive patent rights to AM stereo broadcasting & reception system developed by Leonard Kahn, price undisclosed. While not among those tested for FCC by NAMSRC, Kahn system has been subject of extensive experiments at stations in U.S. & Mex.

**Watch watch:** Timex launched promotion campaign for low-end Marathon LCD watches Oct. 1. Suggested retails start at \$17... Texas Instruments plans 2-model "Star Wars" watch line for kids, \$15.

**THOMSON BUYING NORDMENDE:** Major consolidation in European consumer electronics industry will result from plan of Thomson-Brandt of France to purchase 48-51% interest in Germany's family-owned Nordmende. T-B spokesman said firms will establish holding company in Paris to control consumer electronics activities of both.

Both companies market complete consumer electronics lines in Europe. Nordmende, through importer Nordmende-Sterling Hi-Fidelity, markets audio products in U.S., has never made serious attempt to offer TV here. German company has export assembly operation in Far East. T-B's U.S. activities are restricted to professional & commercial equipment, though it worked with Zenith on development of optical video disc.

Immediate benefit to T-B will be new major customer for Videocolor, color tube manufacturing venture it operates in Italy with RCA; Nordmende has been buying tubes from Philips & Japanese. It could also give French socialists 2nd thoughts about their plan to nationalize T-B. Some European observers feel move may spark wave of similar tie-ups by other companies there.

In other merger activities, Ampex acquired 49% of Brazilian magnetic tape producer & duplicator APG Electronica for \$1.5 million. APG will start marketing Ampex brand tape there early next year. This is 2nd new Latin American venture for Ampex within year. Last Nov., it joined with Mexico's Auriga Audiomaticos to form Aurex S.A. Aurex, capitalized at \$1 million, has Mexico City plant producing tape for sale under Ampex brand...American Microsystems, which dropped out of digital watch business earlier this year, is negotiating sale of LCD operation to Motorola. AM has LCD operations in Sunnyvale, Cal. & Taiwan...E. F. Johnson will acquire Rydex, San Rafael, Cal. producer of mobile telephones, terms undisclosed. Firms have operated as affiliates for last 2 years, and Johnson's planned takeover is part of corporate plan to reduce dependency on sluggish CB business.

**SBE Tahoe 40** CB won top rating in Oct. Consumer Reports evaluation of 40-channel units. Other high-rated models, in order of ranking: Realistic (Radio Shack) TRC452, Cobra (Dynascan) 21XLR & Tram D12. At bottom of list is Johnson Messenger 4145. No tests were conducted on out-of-production 23s, but report says any under-\$35 unit "that works" is acceptable for traffic information & emergency use. Though effects of electromagnetic radiation on humans are unknown, report says, "prudence dictates that you avoid transmitting while standing outside a car close to the antenna. We would also recommend against mounting an antenna close to the car's windows."

**Tiny TVs:** Sears will feature new briefcase-styled FM-AM radio/5" b&w TV combination in new Christmas catalog. AC/DC unit weighs 10 lbs. without optional battery pack, will be priced at about \$150... Hitachi plans mass production of new 5" color CRT, will use it in mini TV-radio-recorder combination due in Japan early next year at about \$378...Webcor adds AC/DC radio/4.5" b&w TV combination at \$200.

**VTR PRICE SLIDE (CONT'D.):** Repricing & jockeying for market position continues among videocassette recorder manufacturers, with different approaches exemplified by Sanyo & JVC. Sanyo cut list price of V-Cord II, originally introduced at \$1,300, to \$1,050, Sales & Mktg. Vp William Byron saying step was "realistic as to where the market is today—machines are selling at \$995 & below; this machine is worth the difference." Sanyo has insisted V-Cord is its high-end machine, but hasn't indicated how upcoming 2-hour Betacord will be priced when introduced in Nov.

JVC will hold sales meeting this week, announce shipping, ad & marketing plans for VHS machine and reiterate that list price remains at \$1,280, as we indicated last week (Vol. 17:39 p9). However, it will announce promotional, co-op & markup plans which will make it "competitive with everybody"—obviously meaning RCA. Shipments start Oct. 16. During present state of flux, therefore, there are 3 VTR price levels—starting with Quasar, which can be sold at \$795 or below; moving upwards to RCA, Magnavox, JVC, Sanyo, all presumably finding street-price levels well below \$1,000 in competitive markets, selling closer to list in others; topped by Sony and presumably Zenith with Beta units listing at \$1,300 and selling as low as \$995, sometimes less.

JVC's "multi-million-dollar" ad campaign for Vidstar VHS recorder will start this month, featuring TV star Ted Knight as spokesman in spot TV, newspaper & magazine ads with slogan, "a whole new way of looking at TV."

Meanwhile, it's understood Zenith has entered negotiations with Sony for lower prices on Betamax to meet competition from RCA—as we forecast last Aug. (Vol. 17:34 p6).

**CB Scene:** Manufacturers continue efforts to get CB sales moving, Panasonic with traveling seminar series, Antenna Specialists with new accrual co-op ad plan. Panasonic "Caravan" hits road this fall with 3 factory reps appearing at preselected spots throughout U.S. to discuss recent technological developments, new products & related CB topics...A/S is offering distributors 2% accrual fund on purchases during each quarter, with guarantee to pay 100% of any approved co-op ads up to amount of accrual during following 2 quarters...Acting on petition from Texas Personal Radio Planning Group, FCC extended comment deadline on proposed "plain English" rewrite of CB rules 45 days to Nov. 17, reply deadline to Dec. 16...Public safety CB programs have now been established by 94% of nation's state police forces, Associated Public Safety Communications Officers reports.

**TV leaders report good business:** RCA said sales of its color TV sets to dealers so far this year are 5% ahead of record 1973, with console sales up 13% from last year. Mktg. Vp Jack Sauter forecast industry sales for 1977 at about 8.8 million vs. 7.7 million last year and 9.3 million in 1973. Pres. John Nevin said Zenith TV sales to dealers are up 7.3% from last year and running even with record 1973. He said company still leads industry in market share.

**CATALOG GAMES:** Leading catalog retailers obviously see electronic games as the hot gift item this year. New Christmas books from Sears, Penney & Wards all give prominent space to broad assortment of sharply-priced programmables & dedicated video games, plus electronic handheld & board units. Example of Christmas game efforts is Sears, which devotes first 6 pages of gift book to Tele-Game line (Atari). Penney & Ward both use back page for video games, and Ward highlights new Bally programmable system on p. 3.

**Sears:** Private-brand version of Atari Video Computer System introduced as Video Arcade Cartridge System, priced \$11 below Atari suggested list at \$179, including 27-game Target Fun cartridge. Initial library of 6 other cartridges (\$20-\$35) is offered, plus other Atari arcade-style & ball-&-paddle games, Mattel's handheld car racing (\$17.84) & football units (\$26.84), and Chess Challenger (\$150).

**Penney:** Three programmables are priced below supplier's list—RCA Studio II, down \$10 to \$140, Fairchild VES (called TV Video Center by Penney), down \$20 to \$150, Coleco Arcade down \$5 to \$95. Also featured: Coleco Combat (\$70) & Ranger (\$45, down \$15) arcade games, Unisonic handheld blackjack games (\$35 & \$40), Mattel car racing (\$20) & football (\$30), b&p TV Fun game (\$25, down from \$40).

**Ward:** Bally's Arcade programmable is offered at \$269, \$30 below suggested list, 3 cartridges at \$20-\$25. Coleco Telstar Arcade is shown at full \$100 list, other Coleco arcade games at \$45-\$99. Other games: APF 4-game (\$27, down \$33) & 6-game (\$60, down \$20) b&p units, Video Sports b&p unit at \$20, Chess Challenger at \$190.

**Where's Bally's game?** That's question retailers, Montgomery Ward (which offers Bally Arcade in Christmas catalog) and mail-order specialist JS&A (which is running costly print ad campaign for system) are probably already asking Bally. FCC labs say application has been submitted by parent Midway, but actual test sample still hasn't been delivered. Lead time on game approval has been cut drastically from 6-week logjam of month ago, but spokesman says game submitted now still wouldn't be approved until end of Oct... Labs have received 2 new programmables, but staffer said names won't be released until game approvals are issued.

**Sears is recalling** Sanyo-made microwave ovens found to radiate in excess of federal standard. Sears says about 7,000 ovens are involved, only 504 of which were shipped to stores, with fewer than 50 in consumer hands. Leakage was turned up by Sears quality control inspectors. Modification involves reinforcement of waveguide & cavity seams, can be done in consumer homes. Corrective action plan was approved by Bureau of Radiological Health... Consumer Product Safety Commission has awarded \$48,700 contract to Southwest Research Institute to study need for smoke-detector operating standards.

**Some 250 companies & communities** continue to pollute N. Y.'s Hudson River, 2-year study by environmentalists shows. Among companies cited as discharging harmful industrial wastes into waterway: Channel Master, Fairchild Camera, GE, IBM.

**AID FOR GE WORKERS:** In follow-up on study first done in 1975, Labor Dept. said GE's TV business continues to be injured by imports, ruling 2,050 workers now making color & b&w TV at Portsmouth, Va. will be eligible to receive import adjustment assistance if they're laid off—some press reports erroneously indicated GE laid off that many workers since July 7.

In update of finding that gave aid to 800 at Portsmouth 2 years ago (Vol. 15:30 p10), LD said color production worker employment at plant was trimmed 30% in 1975, 3% last year, was down 7% in first 4 months of 1977, while b&w workforce was cut 44% in 1975, 31% last year, 24% in Jan.-April. GE had layoffs at Portsmouth every month from Jan. 1976 to April this year, has layoffs scheduled for current quarter.

Color TV production at plant was down 32% in 1975, rose 9% in 1976, but was off 39% in Jan.-April 1977. B&w output was down 46% in 1975, rose 6% in 1976 and again this year. However, LD says, GE b&w sales have been declining, and inventories in April were up 24% from same 1976 month. Making needed link between imports & GE's problems, LD said both GE's color & b&w market shares declined in 1975 & 1976, while shares held by imports increased.

Also approved for aid were workers formerly producing color TV convergence circuit boards and coils at Tracor Adams plant in Bangor, Mich. LD said Tracor's largest customer, which purchased more than half of plant output, was increasing its overseas purchases. Tracor itself also increased number of boards & coils sourced in foreign plants.

**New microprocessor microwave ovens:** (1) Toshiba unit has 2-stage memory, can program up to 4 stages of cooking at one time, can be set to any of 99 power levels (65-650 watts), has option of cooking by time and/or temperature; can be programmed to heat and hold predesignated internal temperature for up to 100 min. without cooking. Price \$619. (2) Litton introduced 2 ovens which simultaneously can cook 3 different items which normally require different cooking times. Priced at \$429 & \$629, latter with electronic control & memory, units feed microwaves from sides rather than top, causing foods at different shelf levels to absorb energy at different rates. Litton estimates MW oven sales this year at 2.2 million, up 38%, retail value at \$900 million.

**Dealer sales of TV & appliances** should increase more than 6% annually over next 5 years, GE Major Appliance Sales & Distribution Operations Vp Irving Griffin, told NARDA meeting at Notre Dame recently. He said forecasts were based on expected 1.4 million new households each year, plus significant increase in households representing 35-44 age group who are replacement customers. Negative factors included 6-7% inflation and 6%-or-more unemployment rates.

**Two-year contract** for development of home videodisc & videocassette programming has been signed by EMI Audio Visual Services and William Collins publishers, both of London.

## Trade Personals

**Robert Pierce** resigns as Zenith audio products planning dir. to take another industry post, to be announced; **Carl Michelotti** promoted to color TV engineering dir., succeeding **Robert Hansen**, recently named TV engineering exec. dir... **Frank Fedderman**, Advent R&D vp since company's formation, leaves with elimination of his job; other Advent changes are expected to be announced this week.

**Walter Kottas** appointed purchasing dir., GTE Products Group; **Calvin Churchman** named production & inventory dir., **John Barry** appointed physical distribution coordination mgr... **Gary Draffen**, U.S. Pioneer (hi-fi) OEM Components Div. gen. mgr., & **Marvin Lazansky**, western mgr., named vps; **John Hall**, ex-N.Y. Stock Exchange, joins as corp. planning vp... **J.B. Anger** (Zenith), **Thomas Cashin** (GTE), **Morton Fink** (Sony), **William Hudson** (Corning), **Kertis Kuhlman** (GE), among speakers at Conference Board mktg. seminar, Oct. 26-28, N.Y. Hilton... **Reed McIlroy** appointed Ampex Magnetic Tape Div. consumer product western sales mgr.

**Norman Mears** retires from active Buckbee-Mears management June 30, will continue as chmn., duties being assumed by Pres.-Chief Exec. **Everette Carter**... **Kenneth Blanchard** advanced at Sprague Products from industrial products sales coordinator to mktg. mgr., new post... **Linda Swindell** promoted to JFD national distributor sales mgr... **Ron Pitchford** appointed Switchcraft general line sales mgr., responsible for sales to distributors; **Raymond Beier** named ad & sales promotion mgr.

**Allan Mitchell** shifts from Hertz to parent RCA as real estate staff vp... **Ernest Meyers**, Laporte & Meyers, appointed ITA legal counsel; **Jolly Robinson** named News Digest editor... **Charles Strauch** advanced at Gould from vp to exec. vp, responsible for battery, electrical & instrument groups; **Robert Pry**, ex-Combustion Engineering, joins as R&D vp... **Donald Beall**, Rockwell Electronics Operations pres., named corp. exec. vp, adds over-all responsibility for aerospace business... **Donald Bell**, ex-Electronic Arrays pres., named American Microsystems exec. vp-chief mktg. officer.

**Robert West**, ex-Fairchild, appointed National Semiconductor small-signal transistor product mktg. mgr... **Gilbert Amelio** promoted at Fairchild MOS/CCD Div. from development & engineering mgr. to vp-gen. mgr., succeeding **Alan Gregory**, resigned... **Allen Hillman** named Sylvania Distributor & Special Mkts. Div. field mktg. engineer for replacement semiconductors... **Quentin Gustin** joins Sharp as microwave oven central sales mgr... **Indravadan Shah**, ex-ABC, joins GTE Products Group Mktg. Services Dept. as senior mktg. analyst, replacing **Pamela Siegel**, on leave.

**FCC** continued crackdown on illegal CB activity, announcing fines totaling \$13,875 against 126 CBers. Most were for single offenses—failing to identify by call sign (\$50). Largest was \$325, levied against 2 CBers, for communicating over 150-mile limit, failing to use call sign, using unauthorized frequency & excessive power.

## 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
AEL Industries			
1977-6 mo. to Aug. 26	21,014,565	440,751	.26
1976-6 mo. to Aug. 28	16,229,183	135,869	.08
1977-qtr. to Aug. 26	10,954,610	333,100	.20
1976-qtr. to Aug. 28	8,226,195	79,899	.05
Filmways			
1977-6 mo. to Aug. 31	66,628,000	1,256,000	.51 <sup>a</sup>
1976-6 mo. to Aug. 31	57,857,000	1,187,000	.49 <sup>a</sup>
1977-qtr. to Aug. 31	35,164,000	808,000	.33
1976-qtr. to Aug. 31	30,735,000	762,000	.32 <sup>a</sup>
National Semiconductor			
1977-16 wk. to Sept. 18	131,118,000	5,380,000	.41
1976-16 wk. to Sept. 19	112,077,000	3,342,000	.25
Telecor			
1977-qtr. to Aug. 31	28,954,000	1,426,000	.34
1976-qtr. to Aug. 31	22,744,000	1,119,000	.27

Note: <sup>a</sup>Adjusted.

**CHRISTMAS TV:** New GE-made VIR 19" color set from Ward, as we forecast last July (Vol. 17:28 p12), and significant price cuts from Ward, Penney & Sears, are highlights of TV offerings in Christmas catalogs. VIR at \$445 is \$80 below price it will carry in upcoming spring book, \$5 below GE's leader 19" VIR. Ward also lopped \$100 off three 25" consoles from fall catalog (now \$550, \$590 & \$690) and one 19" portable (now \$395), sliced \$90 from 2nd 19" set. Other reductions: 21" console, down \$20 to \$430; 15" portable, down \$50 to \$325; GE-made 10" portable, down \$30 to \$245.

Only changes in Sears book are \$70 reduction on electronically tuned 19" (now \$430), \$20 on 9" (\$68) & 12" (\$78) b&w portables. Penney cut \$80 from 19" portable (\$350), \$71 from 15" (\$299), \$30 from 13" (\$279), \$15 from 9" b&w (\$79).

CB is downplayed in Christmas books. Ward shows only toy units, including bike and walkie-talkie models. Penney features 2 models—SSB with LED readout at \$199, down \$80, and mobile at \$99, down \$50. Sears offers 2-piece remote at \$140, telephone-handset unit at \$160, down \$10, and low-end mobile at \$70.

U.K. color TV sales to distributors in first half rose 14.4% to 699,000, BREMA reports. Shipments of U.K.-made sets (reflecting activity of BREMA members only) were up 3.2% to 549,000, with imports up 89.9% to 150,000. In b&w, total shipments dropped 7.7% to 514,000, including 241,000 domestic sets (down 4%), 273,000 imports (down 10.8%). As result, imports increased color market share to 21.5% from 12.9%, slipped back in b&w to 53% from 54.9%. Other market totals for half: Audio systems 218,000 (down 15.5%), phonos 38,000 (down 46.5%), radios 2.44 million (up 31.9%).

N.Y. Gov. Carey has signed request for extradition of RCA Ex-Chmn.-Pres. Anthony Conrad from Md. to face N.Y. state income-tax evasion charges.

WEEKLY

# Television Digest

with  
consumer  
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## A TELEVISION DIGEST WHITE PAPER

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OCTOBER 3, 1977, VOL. 17:40

*Up to date*

## Directory of Home Projection-TV Firms

**ADVENT CORP.**, 195 Albany St., Cambridge, Mass. 02139. Phone: 617-661-9500. Peter J. Sprague, pres. Three-tube projection TV sets, 7- to 10-ft. screen units with Schmidt optical system starting at \$3,995. Refractive optical system units with 5-ft. (\$2,595) & 6-ft. (\$2,995) screens.

**AMERICAN VIDEO CORP.**, 6543 Penn Ave., Pittsburgh, Pa. 15206. Phone: 412-362-3600. David D. Davis, pres. Projection TV sets using 15" Sony at \$1,749 & \$1,949, for use with washable screens at \$146 (50"), \$246 (64") & \$396 (80").

**AMTRON VIDEO CORP.**, 4228 N. Elston Ave., Chicago, Ill. 60630. Phone: 312-736-5335. Ross DiGiacinto, pres. Two-piece units with Hitachi receivers, 51" screens, \$1,995; commercial ceiling-mount version, \$1,495.

**AUTOMAZING CORP. OF AMERICA**, 403 Elm St., North Wales, Pa. 19454. Phone: 215-646-3800 & 800-523-5763. Jesse C. Levine, pres. Magna-Vision projection sets, 2-piece, front projection with Toshiba receivers, at \$1,695 (53"), \$1,895 (68") & \$2,195 (80" remote), available in ceiling or floor cabinets with furniture accessory pieces.

**AVANTI VIDEO PROJECTION CORP.**, 2951 S. Bayshore Dr., Miami, Fla. 33133. Phone: 305-446-5083 & 800-327-2863. Lawrence Bril, pres. Two-piece units, 4-ft. screen, Sony remote TV, floor or ceiling model, \$1,995; floor model with Toshiba TV, \$1,495. Optional 6- & 8-ft. screens, \$425 & \$1,000.

**BELMONT PROJECTION SYSTEMS**, 525 S. Mercer Ave., Sharpsville, Pa. 16150. Phone: 412-962-2291. Patrick Lally, pres. Two-piece systems with 12" Quasar receiver, 5.5-ft. treated parabolic screen, 8.25" two-element fresnel lens, \$2,195; 7-ft. screen, multi-element lens, 12" Quasar, \$2,795.

**C.B.S. MANAGEMENT** (Future-Vision), 30-14 31st St., Long Island City, N.Y. 11102. Phone: 212-721-4507. Peter Val. Self-contained unit with Sony TV, 60" washable screen, plastic lens, \$1,995; 2-piece floor or ceiling models, Sony or Toshiba, 5- to 8-ft. screens, \$1,395-\$2,250.

**CENTURY PROJECTION SYSTEMS**, 1601 Civic Center Dr., Santa Clara, Cal. 95050. Phone: 408-985-0953. E. Liebich, pres. 5-ft. rear projection TV using Sony set, \$2,495; 6- & 7-ft. commercial overhead projectors \$2,600 & \$2,800; 6-ft. front projection system, \$1,995.

**CINEMA IV**, 3303 Harbor Blvd., Suite F-3, Costa Mesa, Cal. 92626. Phone: 714-549-2900. Peter Mamakos, pres. Overhead 2-piece projectors, 50-inch, \$1,995; 5.5 ft., \$2,195; floor projectors, 60" (\$995), 5.5 ft. (\$1,300); one-piece with 45" screen \$2,195.

**COOPER VIDEO CORP.**, 315 Commonwealth Ave., Boston, Mass. 02115. Phone: 617-266-4229. James Cooper, pres. Two-piece ceiling-mounted units using 12" Sony, fl.6 lens, washable screen, including modular hi-fi amplifier, wall or ceiling baffle speaker, wired remote, \$2,895 (68") & \$3,295 (84").

**CYGNUS VIDEO SYSTEMS**, 5750 Rymark Ct., Indianapolis, Ind. 46250. Phone: 317-849-7103. Gary C. Warzin, pres. Two-piece systems with 15" Sony, \$1,399 (50") & \$1,899 (63").

**ELECTROHOME LTD.**, 809 Wellington St. N., Kitchener, Ont., Canada. Phone: 519-744-7111. John Holmes, chmn. Electrohome/Advent 3-tube refractive optical system (see Advent Corp.), Canadian suggested list price \$3,495.

**ELECTRONICS SYSTEMS PRODUCTS INC.** (Big Picture Inc.), 97 Oak St., Norwood, N.J. 07648. Phone: 201-767-3505. A.R. Tucker, pres. Plans complete line of home & institutional TV projectors, front & rear projection, using new technique providing high brightness & resolution.

**EXTRON LIFESCREEN PROJECTION SYSTEM**, 8831 Sunset Blvd., West Hollywood, Cal. 90069. Phone: 213-657-3409. Michael Rothman. One- and 2-piece front-view units.

**FUTURE-VISION** — See C.B.S. Management.

**FUTUREVISION**, 9200 S. Dadeland Blvd., Suite 500, Miami, Fla. 33156. Phone: 800-327-5807. Robert J. Gavrin, pres. Two-piece systems, washable screen, \$1,695 (4.5-ft.) & \$1,895 (5.7-ft.).

**GEMINI SYSTEMS**, 156 Andover Dr., Valparaiso, Ind. 46383. Phone: 219-464-2060. William Clifford, mktg. dir. One-piece unit with Sony 15" remote, 32-x-40-in. Schudel washable screen, fl.8 lens, \$1,595.

**GENERAL EQUIPMENT CORP.**, Box 6199, Anaheim, Cal. 92806. Phone: 714-557-2022. G. Simpson, pres. Two-piece systems, 3-element glass lens; overhead systems with Zenith receiver, \$1,995 (4-ft.) & \$2,895 (6-ft.); floor systems with Toshiba, \$995 (4-ft.) & \$1,595 (6-ft.).

**GIANT SCREEN TV INC.**, 308 N. Minnesota St., New Ulm, Minn. 56073. Phone: 507-354-3010. Paul Brown, pres. Video-Master projection systems. Front-projection 2-piece units with 50" screen, using Sony 15" remote (\$1,795), JVC 13" (\$1,495), JVC 13" with hi-fi speakers (\$1,795).

**GLOBAL VIDEO INDUSTRIES LTD.**, 1818 Westlake Ave. N., Suite 422, Seattle, Wash. 98109. Phone: 206-329-6300. Rear view, 50" screen, Zenith TV.

**HOLOPHONICS INC.**, Box 24167, Ft. Lauderdale, Fla. 33307. Phone: 305-763-4132. John A. Pascale. Two-piece unit which can be viewed as 6-ft. projection set or as regular 13" color set, \$895.

**KEYSER VIDEO INC.**, 2537 Wilmington Pike, Dayton, O. 45419. Phone: 513-294-2787. R. W. Keyser, pres. Two-piece ceiling-mount, 51" or 67", \$1,495; console with built-in 3/4" VTR, \$3,495; with 1/2" VTR, \$2,995; without VTR, \$1,595.

**MAGNAVISION** — See Automazing Corp. of America

**MAGNA-VU MURAL TV**, 1309 Beechwood Pl., St. Paul, Minn. 55116. Phone: 612-698-5487. Aaron G. Rosenbloom. Conversion kit including 32-x-40-in. screen, lens, housing & table for any small-screen color set, \$499 including conversion labor; same with 13" Toshiba, \$995.

**MELCO SALES INC.** (Mitsubishi), 3030 E. Victoria St., Compton, Cal. 90221. Phone: 213-537-7132 & 800-421-1132. Yoshito Yamaguchi, pres. Three-tube system with 6-ft. screen, scheduled for U.S. delivery late in 1977 or early 1978.

**MIAMI FLOCK EQUIPMENT CO.**, 304 N.E. 79th St., Miami, Fla. 33138. Phone: 305-759-3124. William Spellman, pres. Two-piece unit with Quasar 12" receiver, 8" lenses, 52" screen, \$695.

**M&M VIDEO PRODUCTIONS INC.**, 1029 Franklin Rd., No. 27B, Marietta, Ga. 30067. Phone: 404-422-7723. Monica Jorden, pres. One-piece system with 13" GE set, \$700; with 13" Zenith remote, \$800.

**MPM VIDEO PRODUCTIONS INC.**, 3303 Seven Pines Ct., Atlanta, Ga. 30339. Phone: 404-436-7379. Michael Holder, pres. Projection TV adaptor, screen & stand to accommodate any 13"-19" set, \$280.

**MUNTZ ELECTRONICS INC.**, 7700 Densmore Ave., Van Nuys, Cal. 91406. Phone: 213-782-7511. Earl W. Muntz. Two-piece systems: 50" screen, Sharp TV, \$995; same with Sony remote, \$1,295; same with ceiling mount, \$1,295; self-contained unit with Sony, \$1,395; with on-screen time & channel readout, \$1,595; with one-piece cabinet, \$1,695; with 67" screen, \$2,195; 2-piece with 67" screen, \$1,895; same, ceiling mount, \$1,895.

**NEW PRODUCTS CO.**, Div. of NPC Corp., 27 Devon Ct., Maple Shade, N.J. 08052. Phone: 609-665-3492. F. J. D'Imperio, pres. Two-piece units, Sony TV, ceiling-mount 53", \$1,595; remote, \$1,695; floor model, \$1,595; 6-ft. remote ceiling unit, \$2,295.

**PANASONIC CO.**, Div. of Matsushita Electric Corp. of America, 1 Panasonic Way, Secaucus, N.J. 07094. Phone: 201-348-7000. T. Mizutani, pres. One-piece, 3-tube system, 5-ft. screen, about \$3,000. May be offered in U.S. in 1978.

**PHOTO-SCAN INTERNATIONAL**, 1042 Princeton Dr., Marina Del Rey, Cal. 90291. Phone: 213-822-6211. Ronald C. Hibbard. "Satellite" projection TV.

**PROFESSIONAL AUDIO VIDEO SERVICE**, 3117 Gillham Rd., Kansas City, Mo. 64109. Phone: 816-931-5070. Jim Cullison, v.p., international sales mgr. SuperVision 2-piece ceiling-mounted systems, Sony 15" remote, washable screens, \$1,695 (50") & \$1,995 (67").

**PROJECTAPIX LTD.**, Suite 1L, 300 W. 53rd St., New York, N.Y. 10019. Phone: 212-765-7869. Two-piece unit, 4-ft. screen, \$1,495; other models to \$2,790.

**PROJECTA-VISION INC.**, 444 Brickell Ave., Miami, Fla. 33131. Phone: 305-358-8831 & 800-327-7379. One-piece non-mirror systems using RCA 15" sets, \$1,495 (34-x-40-in.), \$1,995 (40-x-54-in.), \$2,495 (60-x-80-in.). PAL & SECAM units also available.

**PROJECTION ELECTRONICS CORP.**, 200 Park Ave., Suite 303E, New York, N.Y. 10017. Phone: 212-986-2515. Michael M. Grayson, sales & mktg. dir. Two-piece unit with 12" Quasar, fresnel lens, 50" pull-up screen, \$795; same with 13" Toshiba or Sharp, cleanable plastic screen, \$995; same, in single cabinet, \$1,296; same with 65" screen, \$1,495; two-piece unit with glass lens, 13" Toshiba or Sharp, 50" screen, \$1,395; with 65" screen, \$1,695; 50" ceiling model, \$1,295; 65", \$1,495; glass-lens version, \$1,395; with 65" screen, \$1,695.

**PROJECTION ELECTRONICS INC.**, 306 N.E. 79th St., Miami, Fla. 33138. Phone: 305-757-2003. Henry Bellezza. Two-piece system, 12" Toshiba, 52" screen, \$1,495.

**PROJECTION SYSTEMS INC.**, 1005 Clifton Ave., Clifton, N.J. 07013. Phone: 201-473-0180. Patrick F. Gambuti, pres. Front or rear view 3-tube Schmidt systems, using any type screen 4.5-x-6-ft. to 6-x-8-ft., \$5,000-\$6,500.

**PROJECTION TELEVISION OF AMERICA**, 2333 Brickell Ave., Suite 807, Miami, Fla. 33131. Phone: 305-856-6142. Leigh Rothschild, sales mgr. Two-piece, \$1,250 (6-ft.) & \$1,150; with VTR, \$2,300 & \$2,200.

**M.B. SCOTT INDUSTRIES**, 8721 Sunset Blvd., Los Angeles, Cal. 90069. Phone: 213-652-1104. M.B. Scott, pres. Plans to produce one-piece front projection system with 32-x-40-in. screen.

**SEGA ENTERPRISES INC.**, 2550 Santa Fe Ave., Redondo Beach, Cal. 90278. Phone: 213-772-0833. David Rosen, chmn.-pres. Two-piece systems, 44" screen, 13" Toshiba, \$995; 66" screen, 15" Sony, \$2,295. One-piece, 44" screen, 13" Toshiba, \$1,595; 50" screen, 15" Sony, \$2,195, \$2,495, \$2,595; same with 13" Toshiba, \$1,995.

**J.C. SIVA INC.**, 1570 N.E. 131st St., North Miami, Fla. 33161. Phone: 305-891-9412. Sam Jacks, pres. Two-piece system with GE receiver, variety of screen sizes.

**SONY CORP. OF AMERICA**, 9 W. 57th St., New York, N.Y. 10019. Phone: 212-371-5800. Harvey Schein, chmn. One-piece unit with 40" screen, special 12" Trinitron picture tube, \$2,295.

**SPECTRA VU**, 395 S. Pitcher St., Kalamazoo, Mich. 49006. Phone: 616-382-5114. Floor & ceiling two-piece systems using Sony sets, \$2,860 (30-x-40-in.), \$3,440 (40-x-54-in.), \$4,590 (54-x-72-in.), \$4,950 (60-x-80-in.).

**STECK MFG. CO.**, 1319 W. Stewart St., Dayton, O. 45408. Phone: 513-222-0062. Mark A. Steck, pres. Sigma systems, glass lenses, washable screen, 2-piece units, 13" Toshiba, 32-x-40-in., \$895; remote, \$964; 40-x-54-in., \$963; remote, \$1,031.

**SUNYET CO.**, 21630 W. McNichols, Detroit, Mich. 48219. Phone: 313-538-4646. Kenneth Stewart. One- & 2-piece units, front & rear view, 36-x-40-in. screens to \$2,349.

**SUPER SCREEN TELEVISION INC.**, 111 Eighth Ave., 9th Fl., New York, N.Y. 10011. Phone: 212-679-2299. Beryl Zyskind. Two-piece 40-x-54-in., \$1,195; remote, \$2,795; remote, ceiling, \$1,350; 32-x-40-in. remote, \$2,295; 54-x-72-in. remote, \$3,395.

**TANDOM ENTERPRISES CORP.**, 2323-H Bluemound Rd., Waukesha, Wis. 53186. Phone: 414-786-6797. Glenn S. Lauren, pres. Two-piece units; f3.5 lens, 50" screen, \$1,395; with 68" screen, \$1,695; f3 lens, 50" screen, remote, \$1,595; with f1.8 lens, \$1,595; f3 lens, 68" screen, remote, \$1,895; with f1.8 lens, \$1,895.

**TAPE HEAD CO.**, 665 S. State St., Salt Lake City, Utah 84111. Phone: 801-521-3838. Teleprosys do-it-yourself kit, projection unit, 56" screen & plans (less TV receiver), \$599.95; 2-piece unit, 56" screen (less TV receiver), \$1,099.95; with Sony TV, \$1,195.

**TELE-THEATRE INC.**, Box 334, Lawrenceburg, Ind. 47025. Phone: 812-537-0880. Ken Davis. Two-piece floor & ceiling units, 50" screens.

**TITAN ELECTRONICS INC.**, 10353 S.W. 114th St., Miami, Fla. 33176. Phone: 305-279-7236. J.H. Goodwin. Two-piece system, 13" Sharp, 4-ft. screen, \$1,645.

**TRADIOVISION INC.**, 80 Park Ave., New York, N.Y. 10016. Phone: 212-986-7565. George Trad, mgr. Systems at \$1,795 (34-x-40-in.), \$2,195 (40-x-54-in.), \$2,495 (60-x-80-in.).

**UNIQUE PROJECTA-SYSTEMS INC.**, Box 415, 5801 Baker Road, Minnetonka, Minn. 55343. Phone: 612-933-2021. Bob Koppang. Two-piece systems, less 13" TV set, \$399 (50" screen) & \$499 (67" screen); less screen & TV, \$299.

**VIDEO CONNECTION**, 650 N. Pulaski Rd., Chicago, Ill. 60624. Phone: 312-722-5800. Michael Cione, pres. Two-piece units with 3-x-4-ft. washable screens using 13" Toshiba, Sony & private-label Rumanian sets at \$1,395; \$1,995 (portable floor or ceiling mount) & \$2,995 (cocktail table-bar unit). National distributor for Projection Systems' 3-tube Schmidt projector.

**VIDEO INDUSTRIES CORP.**, 2571 Hacks Cross Rd., Memphis, Tenn. 38138. Phone: 901-754-8173. T. L. Karr. One-piece systems, Sony remote, \$1,595 (32-x-40-in.) & \$1,995 (40-x-54-in.); two-piece, Sony remote, 52-x-64-in., \$1,995.

**VIDEOPLAY INTERNATIONAL**, 1311 E. Chestnut Ave., Suite F, Santa Ana, Cal. 92701. Phone: 714-543-9338. James D. Tucker. Custom 2-piece systems with varying TV sets, screens & cabinets.

**VIDEORAMA**, 2714 N. Eastside, Santa Ana, Cal. 92701. Phone: 714-633-7359. Marion S. Forston, pres. One- & 2-piece units, front & rear projection, 15" RCA & Sony receivers, 4- 5- & 6-ft. screens. Prices from \$995 two-piece to \$1,200 two-piece, custom single-piece at \$1,295-\$2,500.

**VIEWPOINT INC.**, P.O. Box 5556, Clearwater, Fla. 33518. Phone: 813-576-0613. Jerry Mulkey, mktg. mgr. Universal 2-piece "component system," with 52" screen, designed for any 13-19" TV (not included), \$599; with 15" TV, \$949.

**VOORHIES ENTERPRISES INC.**, 3639 Kent Rd., Stow, O. 44224. Phone: 216-688-5811. Robert C. Voorhies, pres. Starbrite 2-piece systems, 13" Zenith, washable screen, fl.6 lens, \$999 (32-x-40-in.); \$1,395 (40-x-54-in., remote, ceiling mount); \$1,599 (40-x-54-in., remote, hexagonal table cabinet).

**WORLDWIDE ENTERTAINMENT SYSTEMS INC.**, 1148 Taft St., Rockville, Md. 20850. Phone: 301-424-6255, and 964 Third Ave., New York, N.Y. 10022. Phone: 212-486-0010. LeRoy S. Girson & Allan E. Markoff. Megavision 2-piece units, Sony remote TV, floor or ceiling, \$1,995 (32-x-40-in.) & \$2,695 (40-x-54-in.); non-remote, 32-x-40-in., \$1,195; Theatervision one-piece 32-x-40-in., \$1,995.

# FOUR WEEKLY

## Television Digest

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WEEKLY

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OCTOBER 10, 1977

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 41

### Broadcast

**VIOLENCE CRITICS OPEN NEW FRONT** through Congressional Wives' Task Force; see TV placing emphasis on 'destructive aspects of life' and televised violence having 'serious deleterious effects.' (P. 1)

**WRAPS OFF PAY CABLE**, as Supreme Court refuses review. Station-newspaper same-city cross-ownership gets high court scrutiny, with argument in Jan. (P. 2)

**FERRIS TO FCC OCT. 17** after Hathaway 'hold' lifted on confirmation. Wiley delays departure until Oct. 13 for one last meeting. (P. 3)

**Rx FOR PUBLIC BCSTG.** starts next week when House Communications Subcommittee begins hearings on President's recommendations and Carnegie Commission sits in Washington. White House proposals bring joy to PBS & NPR, dismay at CPB. (P. 4)

**HOUSE OFFERS NBC 'PROTECTION'** from Russian pressures for propaganda programs ahead of Olympics. NBC says it'll back off \$72 million investment if network integrity 'threatened.' (P. 4)

**NEW STANDARD VTR:** RCA takes Sony license for 1". Sony & Ampex plan recall to modify existing units to new standards. (P. 5)

**CRYSTAL FOR WALD AT NBC:** 'Differences in operating philosophies' cited as Crystal replaces Wald as News pres., seeks results 'right away.' (P. 5)

**VIOLENCE CRITICS OPEN NEW FRONT:** "Commercial TV puts an excessively disproportionate emphasis on the destructive aspects of life," according to 50-member Congressional Wives' Task Force—and they are urging public to help them do something about it. Task Force was formed last March, and its first effort attacks televised violence, stating there is "substantial evidence" that it has "serious deleterious effects on children and on adults."

Among recommendations of Task Force: (1) Citizens should "demand of the networks that they serve the public interest in better ways than they do now." (2) Networks, themselves, should provide solution but "in the continuing absence of such a solution, it falls to the American people to inform the networks of the importance of this problem through advertiser boycotts, through demands for governmental action, or by other means." (3) Additional childrens' programs on Sat. and 3-6 p.m. weekdays—with limited antitrust waiver to permit networks to alternate airing of children's shows.

(4) More time for pre-screening of network programs by affiliates. (5) Rating system to "allow parents to make responsible decisions about their children's viewing habits." (6) "Considerably less violence throughout the networks' entertainment schedule [because] we are finding that the networks are still relying on the use of violence as a substitute for quality programming."

(7) "Stricter control of advertising directed at children, especially in the area of food advertisements."

(8) Establishment of "Children's TV Network" to be financed by federal funding and/or private grants. (9) Appointment of FCC commissioners "who will represent the interests of viewers rather than those of broadcasters."

Task Force is chaired by "Tipper" Gore—her husband Rep. Gore (D-Tenn.) is on Communications Subcommittee—who said group plans continuing subcommittee to monitor violence and hopes to meet on subject with network execs. She said major emphasis in campaign would be contacts in members' home districts (half-dozen Task Force members are wives of senators). Secy.-Treas. Kathy Murphy's (D-N. Y.) husband also is member of Communications Subcommittee. Women's report comes just behind Subcommittee study of televised violence (Vol. 17:40 p6) and just ahead of dissents due this week saying congressional report wasn't critical enough of networks.

Meanwhile, KCCI-TV Des Moines now is carrying ID spots depicting violence (woman being carried off, etc.), asking parents: "Do you know what your children are watching right now?" KCCI-TV Pres. William Hippee said spots are justified because of pressures being placed on industry, added that "the primary responsibility still rests with parents & guardians and we're doing our best to remind them of that."

**COURT ACTS ON PAY CABLE, CROSS-OWNERSHIP:** U.S. Supreme Court took 2 major actions last week: (1) Removed all wraps off pay cable, by refusing to take appeal in Home Box Office case (Vol. 17:13 p1). (2) Opened possibility of putting more wraps on same-market station-newspaper cross-ownership, by stating it will examine FCC decision which grandfathered most such combinations. In addition, important by-product of Court's HBO action is that there's still uncertainty as to when ex parte (informal, off-the-record) pitches may be made to Commission in rulemaking proceedings.

FCC had accepted Appeal Court's HBO decision up to a point; it had been willing to take all restrictions off carriage of movies on pay cable—but it went to Supreme Court in effort to keep restrictions on sports, prohibit advertising on pay cable, keep rule prohibiting pay cable from carrying movies or sports more than 90% of time. NAB & ABC also went to high court—but they wanted all restrictions kept.

Winners (NCTA, et al.) cheered, of course, and losers (NAB, et al.) were dismayed, of course. But actual impact of decision will be rather minor for visible future. Most over-3-year-old movies are tied up by broadcasters in exclusive contracts, as are most sports. It's thought that there may be some increase in local sports on pay cable, but not much. Curiously, one attorney pointed out, decision might free up some sports for broadcasting. Under FCC rules, generally speaking, the more a team's games were telecast, the fewer they would be able to sell to cable. Thus, looking down the road when cable might be good-sized market, many teams kept sales to telecasters below certain percentage so they'd be free to dicker with cable whenever they chose.

FCC is in transition—with new members coming aboard—so predictions of its next move are risky. However, it had already begun rulemaking to take restrictions off movies on broadcast subscription TV (STV), and it's likely to broaden rulemaking to take wraps off all STV material—giving it parity with pay cable.

That brings up ex parte situation. In HBO decision, Appeals Court had been disturbed by such informal discussions before FCC pay-cable decision—ordered Commission to hold hearing to determine impact of ex parte pitches on pay-cable decision. Now, if FCC starts rulemaking to take all controls off STV, it's expected to ask Appeals Court to cancel requirement for hearing on ex parte issue—saying it's no longer pertinent.

FCC members & staff have been "playing it very, very cautiously" in talking to people informally about rulemaking since HBO decision, in opinion of Daniel (Mac) Armstrong, chief of Commission's Litigation & Enforcement Div. "They've been waiting for the Supreme Court decision." He noted that Appeals Court judges in ACT children's TV case (Vol. 17:27 p1) dis-

agreed with colleagues in HBO case when rulemaking involved something other than "competing claims to a valuable privilege." He said Commission might wish to point out to Court that it disagrees with principle that *ex parte* is wrong when issue before FCC is business vs. business but right when it's business vs. public interest groups.

Meanwhile, Administrative Conference—govt. & private attorney body which recommends govt. procedures—has offered 3 recommendations: (1) Don't prohibit all "private oral & written communications." (2) All written communications should be put in public record after rulemaking starts. (3) Agencies should experiment with "procedures designed to disclose oral communications," such as putting summaries in public file.

In station-newspaper cross-ownership situation, Supreme Court told FCC it expects to hear argument in Jan. Commission had grandfathered all such situations—except for handful where single owner possessed virtually all media in town; in latter, it ordered divestiture. At stake are some 50 co-located combinations involving TV, 120 with radio. Court challenge of FCC had been brought by citizens groups.

There's anxiety not only among station-newspaper cross-owners. Some attorneys fear Supreme Court could go so far as to force split of TV-AM-FM combinations in same city.

**FERRIS TO FCC OCT. 17:** With Senate confirmation expected Oct. 10, Charles Ferris now expects to be sworn in as FCC chmn. Oct. 17. Commerce Committee unanimously reported Ferris Oct. 4, after which a mysterious "hold"—meaning a senator had objected—was placed on his confirmation. It turned out that "hold" was placed by Sen. Hathaway (D-Me.), close friend of Ferris. FCC nominee then, we're told, asked for roll-call vote. "It was just a game they were playing," according to friend of both. Ferris, at request of Speaker O'Neill (D-Mass.), had planned to remain on Hill as O'Neill's gen. counsel until Congress adjourns, originally expected this week. However, adjournment date now is very much in air because of differences in House & Senate energy bills.

Meanwhile, outgoing Chmn. Richard Wiley delayed departure from Oct. 7 to 13 for "personal reasons"—one of which is that Commission jokester Robert Lee will be back for meeting that day and an informal "roasting" of Wiley is planned. In Oct. 5 memo to other commissioners announcing delay, Wiley said: "The last day on which I will be physically at the Commission will be Oct. 13. This will permit me to attend the FCC meeting that day. Thereafter... I would like to ask Bob Lee to serve as acting chairman until Mr. Ferris arrives some time the following week."

NAB radio board has waived Code time standards which limit commercials to 18 min. per hour—"for good cause and when in the public interest." In other actions, board: (1) Asked Code Authority to study "the importance & necessity of monitoring"; about 10% of Code budget goes for that purpose. (2) Ordered restructuring of Code dues to permit subscribers also to pay NAB membership with same check. (3) Told govt. relations dept. to compile report "on the realities of dealing with Congress."

**One of oldest FCC cases**—pending since 1941—may have been settled last week when D.C. Appeals Court upheld Commission decision ordering KOB(AM) Albuquerque to protect WABC (AM) N.Y. on 770 kHz at night. KOB was assigned channel "temporarily" in 1941; case has been in & out of courts since (Vol. 16:17 p5).

Responding to D.C. Appeals Court remand, FCC ordered hearing on renewals of WTVR-TV-AM-FM Richmond on EEO policies and ascertainment methods. Commission had renewed stations without hearing; Court remanded case last spring (Vol. 17:17 p3).

**NBC Pres. Herbert Schlosser** takes strong exception to statement by CBS-TV Pres. Robert Wussler that network ranking 3rd (in audience) could be most profitable by 1980. While this may be possible through cost-cutting in programming, Schlosser told NBC-TV affiliates' mini-conference in Boston, it would be disservice to stations which would be hurt by affiliation with 3rd-place network.

"Personal skills every successful salesman must master" is subject of 6 *TvB* sales seminars in 1978: Dallas-Ft. Worth Jan. 28, Pittsburgh Feb. 9, Atlanta Feb. 12, San Francisco Feb. 21, N.Y. March 2, Chicago March 14. Registration is \$70. *TvB* & Sterling Institute will host sales training programs Jan.-Aug. in Washington, Chicago, L.A. & San Francisco.

Nearly 20 groups are cooperating with TIO and its "Teachers Guides to TV" for "parent participation TV workshops" across country week of Oct. 11.

**FCBA holds dinner meeting** Nov. 2, with Rep. Van Deerlin (D-Cal.) speaker, Capitol Hilton, Washington.

**Rx FOR PUBLIC BCSTG.:** Preparations are under way by House Communications Subcommittee to review President Carter's \$1-billion, 5-year funding plan for public broadcasting, including recommendations for changes in missions of CPB, PBS & NPR (Vol. 17:40 p2). No hearing date has been set, but we're told it probably will be sometime next week and it well may cover more than White House proposed last week.

This is because statement by Subcommittee Chmn. Van Deerlin noted that proposed legislation "appears to go only part way in addressing the problem..." He listed group of questions raised at recent Subcommittee hearings, among them "rising dependence on corporate underwriting" and "continued stepchild status of public radio."

Another unit of House Commerce Committee—Subcommittee on Oversight & Investigations, chaired by Rep. Moss (D-Cal.)—is looking into allegations of waste & duplication between CPB & PBS—noted by President in message to Congress.

In public broadcasting circles, there was elation and depression. PBS Pres. Lawrence Grossman radiated pleasure because President asked for substantial long-range funding; he took "particular satisfaction" from President's insistence that public broadcasting remain independent of politics and "his specific encouragement of our journalistic initiative and integrity." Grossman noted that PBS exec. committee meets this week, with full board scheduled to meet in Washington Nov. 18.

NPR Pres. Frank Mankiewicz also expressed pleasure with President's plans, noted that PBS and NPR are to have same number of directors (2) on CPB board, and expressed hope that equalization might some day extend to funding.

Glum atmosphere was evident at CPB, which under President's proposals stands to be trimmed (it now has 130 employees), and lose some programming & other missions.

CPB Pres. Henry Loomis, in terse statement, said he was happy that long-range funding requirements are "sufficient to protect the independence and vitality" of public broadcasting. CPB board committees are meeting in Washington Oct. 12, and undoubtedly President's message will be discussed. Regular board meeting is in Nov.

President's proposals even drew affirmative statement from William McGill, chmn. of Carnegie Commission studying public broadcasting, who noted that proposed legislation will help "free Carnegie Commission to concentrate on more substantive issues, such as purpose and function of public broadcasting," as well as long-term questions. Carnegie Commission meets in Washington Oct. 21 to hear from CPB, PBS, NPR, NAEB, among others.

**Vanguard Productions** is new organization designed to furnish programs to cable systems free, selling half of ads themselves, leaving half for systems. First programs: "Congressional Profile" and "Entrance" (jazz & rock). Principals: R. Wood Miles & Rod Morgan, Box 44, Herndon, Va. 22070 (703-620-2874).

**HOUSE OFFERS NBC 'PROTECTION':** At start of Oct. 3 hearing by House Communications Subcommittee on TV rights for 1980 summer Olympics in Moscow, Rep. Frey (R-Fla.) said Congress wanted to offer NBC protection from Russian pressure in future. At end of 5-1/2-hour session (all 3 networks testified), Frey & Chmn. Van Deerlin (D-Cal.) felt Subcommittee had achieved its goal.

Both said Russians have been put on notice—and NBC has been given strong backing—that Congress won't stand for pressures against network to program material favorable to Russians ahead of and during Olympics. "We don't want a bunch of propaganda to come in," Frey said. "If we hadn't had the hearings, we would see some things [pressure for favorable programs by Soviets]... Now they can't say they haven't been warned." Added Van Deerlin: "If it happens, all NBC has to do is come to us."

Chief Counsel Harry Shooshan noted that NBC is required to invest \$72 million of over \$100 million total some 16 months before Olympics, asked NBC-TV Pres. Robert Mulholland if network "is prepared to walk away from that investment" if pressures from Soviets become "severe." Answered Mulholland: "If the pressure becomes so unbearable... that the integrity of the National Bcstg. Co. is threatened, the answer is yes." He repeatedly stressed that NBC has complete control of programming, agreed Soviets could "pull the plug" but doubted that would happen because of Soviets' investment and world opinion.

Subcommittee found it intriguing that ABC News & Sports Pres. Roone Arledge said Russians had never asked for favorable programming while negotiations for rights were going on and that Russian programming aired on ABC during that time wasn't intended to curry favor. CBS & NBC said sure, Russians had suggested program ideas and yes, they (networks) hoped to gain advantage by airing programs such as Bolshoi Ballet, Russian sports, Moscow Circus, Clown Festival & Ice Show.

Also intriguing to Subcommittee was CBS & NBC dealings with W. German entrepreneur Lothar Bock and fact ABC didn't approach him. Arledge said he was an "agent," and Olympic rules forbid dealing with agent. Mulholland & CBS-TV Pres. Robert Wussler said they didn't consider him an agent. (Note: Bock represented CBS until that network pulled out of negotiations; he was retained immediately by NBC.)

**TV violence isn't to blame**, ruled Miami jury that found 15-year-old Ronny Zamora guilty of murder during robbery. His attorney had pled him innocent by reason of insanity because of "prolonged, involuntary subliminal intoxication with television," claiming that boy had begun intensive TV viewing at age 5. Dade County judge during trial excluded general testimony dealing with TV and aggressive behavior, although a defense psychiatrist testified that violent TV programs in this specific case apparently conditioned boy to kill without realizing consequences. Defense said it planned to ask for new trial.

FCC has extended deadline for new AM modulation monitors from Nov. 1 to March 1, on petition by NAB.

**NEW STANDARD VTR:** SMPTE-designated "Type C" non-segmented 1" helical VTR (Vol. 17:39 p3) now seems destined to gradually replace 2" quad as U.S. broadcast standard. Last week's announcement that RCA will produce new unit under Sony license seemed to seal official acceptance of new standard even before SMPTE working group delivered final parameters. Both Sony & Ampex last week were developing plans to recall their teleproduction 1" units already in field for modification to new standards.

Pact with Sony provides RCA patent licenses & technology for production & worldwide marketing of Sony-designed unit & related equipment. RCA Recording Equipment Mgr. Jerry Grever said unit would be made in Camden to RCA design but couldn't estimate when production would begin. Is RCA deserting quad? Not at all. "We hope to maintain a major position in the quad market and we have indications that quad sales will hold up very well."

RCA will continue to sell Bosch/Fernseh-built segmented 1" helical BCN recorder in U.S. for "time being," Grever said. He called it "outstanding machine," noting it was selling well in Europe. BCN has been designated "Type B" broadcast standard by SMPTE group.

In designating 1.5-head machine as standard, SMPTE group developed compromised specs which closely favor concept of Sony BVH machine over Ampex's VPR-1, but left room in format for use of Ampex-developed Automatic Scan Tracking (AST), conceded by virtually everyone to be desirable feature. Group changed specs significantly enough to make modification of both Sony & Ampex machines difficult job which must be performed in factory or factory service center.

Sony will modify machines for previously announced \$1,000 each at its U.S. service centers, Sony Bcst. Gen. Mgr. David MacDonald told us, and will help customers transfer their inventories of recorded tapes to new format. MacDonald said 65 BVH machines had been delivered to broadcasters and number will rise to 100 by year's end. Sony will show prototype SMPTE Type C machine at NAB convention next year. To meet universal acclaim for Ampex AST feature, Sony will add own "Dynamic Tracking," permitting broadcastable slow motion & still frame.

Ampex said it hadn't yet arrived at charge for modification of its own machines, but would perform service in factory.

RCA's move seems to pose real problem for BCN format's drive for U.S. acceptance. BCN is being offered in U.S. also by Bosch/Fernseh & Philips. IVC, which had planned to make machine in same format, has ceased operations in bankruptcy. RCA, which shares all of U.S. broadcast quad VTR business with Ampex, will now share 1" non-segmented business with Ampex, Sony, perhaps others, and can't be expected to push Bosch-made BCN over own-make Type C unit. Bosch officials have stated they plan to produce BCN units in own U.S. plant, to be built or acquired. Bosch is expected to answer statements that non-segmented is new U.S. standard at briefing during SMPTE technical conference next week in L.A.

Although Ampex & RCA continue to pay lip service to quad, handwriting is now on wall. New-type machines have lower initial cost, lower maintenance cost, lower tape cost, simpler tape storage, require less space themselves, provide for simpler editing and perform at least as well as—many say better than—quad. As soon as standard machines are offered, big boom is expected to start, with sales of quads tapering off through 1978.

**CRYSTAL FOR WALD AT NBC:** "Differences in operating philosophies" were cited by NBC exec. as reason Richard Wald was replaced as NBC-TV News pres. by Exec. Vp Lester Crystal. "Differences" were between Wald & NBC Pres. Herbert Schlosser, and move came after it had been rumored for several weeks.

Schlosser told UPI that one of Crystal's first assignments would be to develop prime-time news magazine—first announced at affiliates' meeting in San Francisco (Vol. 17:40 p6)—to compete with CBS's "60 Minutes." Neither NBC nor Wald would discuss differences leading to dismissal, although one clearly was Wald's unhappiness with network's hiring of Betty & Jerry Ford and Henry Kissinger—Schlosser's idea.

Crystal's promotion was announced hour before he replaced Wald Oct. 5 at IRTS luncheon featuring TV network news heads. Crystal said NBC News has no timetable for turnaround (catching CBS) but "we're looking for results right away." CBS News Pres. Richard Salant said he is "genuinely sorry to lose [Wald] as a competitor. He was tough & fair; stood for all those things we stand for."

ABC News & Sports Pres. Roone Arledge said TV news "doesn't have to be dull to have integrity. Nobody criticizes the N.Y. Times for making the paper more attractive." All 3 news heads favored hour evening network news; all were perplexed about how to get it in face of affiliate opposition.

Return to full-scale operation will take week or 10 days for WOAY-AM-FM-TV Oak Hill, W. Va., virtually totaled by fire of undetermined origin Sept. 30. Only thing left standing, according to Station Mgr. Robert Brown, was tower & transmission lines. Loss was estimated at more than \$1.5 million. Plans call for temporary resumption of radio Oct. 10 and TV in next day or 2 from auditorium next door to destroyed studios.

**BBC has purchased PBS series "The American Short Story"—first use of American-produced public TV programming by BBC. Series, produced by Learning in Focus, was funded through \$2 million grant from National Endowment for the Humanities. "Short Story" contains 9 episodes; Endowment recently granted \$2.35 million for production of 8 more. BBC paid \$70,000 for single airing; has option for 2nd at \$35,000.**

"Hotel-casting" is new service of WCPO-TV Cincinnati—live & tape coverage of events at Convention Center, fed closed-circuit to Cincinnati Towers, Netherland & Terrace Hilton Hotels.

## Personals

**Sharon Rockefeller & Gillian Sorenson** have been appointed to CPB board, as expected (Vol. 17:39 p2); Senate confirmation hearing for both is Oct. 12.

**Neil Derrough**, WBBM-TV Chicago vp-gen. mgr., moves to WCBS-TV N. Y. in same post; **Ken Hall**, ex-WCAU-TV Philadelphia, named gen. sales mgr., WBBM-TV; **John Caldwell** promoted to WCAU-TV national sales mgr.; **William Self** promoted to vp-programs, motion pictures for TV & mini-series; **Herman Badler** appointed gen. mgr., operations, CBS-TV Washington; he succeeds **Charles Chester**, now technical services dir., N. Y.; **Jean Guest** advanced to dir., talent & casting, CBS-TV.

**ABC Chmn. Leonard Goldenson & Pearl Bailey** receive 1977 Communications Awards (sponsored by 179 major companies) at Oct. 12 dinner, Waldorf-Astoria, N. Y.... **Renville McMann**, Thomson-CSF Labs pres., receives David Sarnoff Gold Medal at SMPTE convention, Oct. 16-21, Century Plaza, L. A.... **Billy Graham** gives keynote address and will receive Distinguished Communications Medal, Abe Lincoln Awards, Feb. 9, Ft. Worth.

**David Begelman**, pres. of movie & TV divs. of Columbia Pictures and exec. vp of parent company, resigns because of "certain unauthorized financial transactions," according to Columbia; **Larry White**, head of TV production, and **Norman Horowitz**, syndication chief, share responsibility for TV div.

**Eugene Dodson**, pres. of Gaylord Bestg. & WTWT Tampa gen. mgr., moves to vice chmn. of Gaylord; **Crawford Rice**, KSTW Seattle-Tacoma, succeeds Dodson at WTWT... **Kenlyn Zschunke**, WTVQ-TV Lexington, Ky. gen. sales mgr., also named national sales mgr.... **Tom Kelly** promoted to sports dir., WLWT Cincinnati.

**Peter Murray**, ex-WAGA-TV Atlanta, moved to vp-gen. sales mgr., Storer TV Sales... **Fred Cuneo** advanced to dir., participating program sales, NBC-TV... **Wendy Grissim**, ex-KTLA & KCET L.A., appointed news dir., KMST Monterey.

**Don Weston** appointed chief, license div., FCC; **Roderick Porter**, legal asst. to FCC chairman, joins Washington law firm Fletcher, Heald, Rowell, Kenehan & Hildreth; special asst. **Willard (Randy) Nichols** shifts to Office of Plans & Policy... **Michael Lemov**, House Investigations Subcommittee chief counsel, joins Washington firm Leighton & Concklin.

**William Grumbles** promoted to mgr., Teleprompter south-central dist., Galveston hq.... **William Petty** joins Cablecom-General as engineering dir.... Consultant **George Benton** joins Jerrold as eastern sales mgr.

**Edmond May** promoted at Petry TV Atlanta office from sales mgr. to vp.... **Kenneth Rice**, ex-Fujinon, joins RCA Bcast. Systems as southern sales rep.

**Barry Jagoda**, media adviser to President Carter, joins Judy Woodruff, NBC White House correspondent, at AWRT forum in N. Y., Waldorf-Astoria, Oct. 13.... **Andrew Szegda**, ex-Automatic Radio, appointed Cerro vp-gen. mgr.

**NATIONAL ADS ON CABLE:** Commercials on Madison Sq. Garden sports has become part of live distribution via satellite to 800,000 cable homes by UA-Columbia. Eight 1-min. spots are available, with 3 already sold: Holiday Inns, Gallo Wines, BMW autos. All are paying \$40,500 for a minute in each of season's 135 events that began Sept. 27.

First 3 buyers came through Young & Rubicam or affiliate, whose William Donnelly said his agency will research effectiveness of cable commercials over next few months to determine viewing patterns, demographics ratings. UA-Columbia Pres. Robert Rosencrans said commercials sales will help in reducing charge to cable systems, which now carry MSG games through payment of sliding fee scale, and that where MSG games are disseminated to homes on pay-TV basis, commercials will be deleted.

Tapped for his biggest job yet—Commerce undersecy. for communications—attorney **Henry Geller** had big & attentive audience at FCBA luncheon Oct. 7. Secy. Kreps recommended his appointment to President last week, and everyone assumes he's in. One-time FCC gen. counsel, recently with Aspen Institute and citizens' groups, Geller talked mostly about ex parte communications. He's the man who urged Appeals Court, in HBO case, to crack down on off-record pitches to FCC (see p. 2). He said 2 Appeals Court panels may disagree on allowing such communications when there's no contest for "valuable privilege" (Sangamon case)—but he's satisfied they agree on ex parte prohibition when there is such contest. He suggested that—in non-Sangamon cases, ex parte might be cut off after oral argument. He said FCC should start inquiry to explore whole issue. Among his other points: (1) Asked if he'll "control" FCC chmn. in new job, he said Commerce Dept. role will be to make proposals and to develop long-range spectrum policy—Dept. "can't control the FCC chairman." (2) FCC should seek funds from Congress to pay public interest lawyers, and FCBA should fight for this "because it's right." (3) If FCC had specific percentages for non-entertainment programming, stations would have guidelines, would know what to do, wouldn't get challenged.

Western Cable Convention Nov. 9-11, Town & Country Hotel, San Diego, firming up program, includes to date speakers: Sens. Hollings (D-S. C.) & Schmitt (R-N. M.), Reps. Van Deerlin (D-Cal.), Frey (R-Fla.), Moss (D-Cal.), Waxman (D-Cal.), Russo (D-Ill.), possibly Sen. Cannon (D-Nev.). FCC members speaking: Quello, White. Panel of western mayors, headed by Lionel Wilson, Oakland, will discuss city regulation & de-regulation. Industry speakers include Ralph Baruch, Viacom, on Communications Act rewrite; Gustave Hauser, Warner, on deregulation. Other sessions include discussion of fiber optics, satellites, poles, pay cable, financial management (including techniques of copyright payment), plant operations & servicing (based on extensive studies by Cox & Viacom).

NAB fall management seminars are sold out in Chicago, Cambridge, Atlanta & Denver. There's still room in San Diego (Nov. 9-10) & Dallas (Nov. 13-14).

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 23 (38th week of 1977):

	Sept. 17-23	1976 week	% change	Sept. 10-16	1977 to date	1976 to date	% change
Total TV.....	351,529	299,576	+17.3	303,235	9,453,825	8,281,511	+14.2
color .....	229,833	178,313	+28.9	204,916	5,887,236	4,916,847	+19.7
monochrome ..	121,696	121,263	+0.4	98,319	3,566,589	3,364,664	+6.0
Total radio .....	1,142,079	1,754,253	-34.9	1,035,831	36,589,883	28,114,420	+30.1
home, portable	885,609	1,518,933	-41.7	799,320	27,570,715	19,060,101	+44.7
AM-only ...	179,986	567,207	-68.3	149,653	6,471,865	5,192,330	+24.6
FM & FM-AM	705,623	951,726	-25.9	649,667	21,098,850	13,867,771	+52.1
auto.....	256,470	235,320	+9.0	236,511	9,019,168	9,054,319	-0.4

Color TV 5-week moving average: 1977-197,670\*; 1976-166,719 (up 18.6%).

\*Highest of any week in 1977.

**RECORD COLOR SALES-321,700 IN ONE WEEK!** Dealers bought more color TV sets in week ended Sept. 30, 1977 than in any other week in history. Sept. sales roared to climax with sales of 321,700 sets in final week, besting previous record of 320,289 established 4 years earlier. Monochrome sales for same week totaled 185,000, making it best single week in 3 years.

Sept. color sales totaled about 1,105,000, 2nd best for any month in history; it was also 2nd best Sept. in history, with sales 2.3% below 1,131,104 in record Sept. 1973.

On seasonally adjusted basis, sales ran at annualized rate of 9.35 million, surpassed this year only by April's 9.97 million. Sales for year's first 9 months came to about 6,209,000, annual rate of 8.98 million.

With dealers & manufacturers reporting excellent business—even spot shortages of some models—sales for year could now easily pass the accepted 8.8-million forecast. Final Sept. week generally provides clue to rest of year; in 7 years out of past 11, its sales to dealers have equaled 9-11% of sales of upcoming final quarter. If this should hold true this year, 1977 color TV sales would total between 9,133,500 & 9,783,400. If you use middle figure of 10%, it comes out to 9,426,000—a record year.

**FCC MOVING ON CB EXTENSION:** FCC recommendation that marketing date for 23-channel CBs made under old standards be extended from Jan. 1 to Aug. 1 will be sent to Commission by Chief Engineer's Office. Change was requested in petition from Pathcom (Vol. 17:36 p10) & Dynascan (Vol. 17:39 p10), supported in informal communications to FCC by NARDA, Royce, Beltek, Arthur Fulmer, Boscov's Dept. Store & Porter Burgess Co.

If approved, waiver of original Jan. 1 cutoff date would apply only to CBs: (1) Manufactured before Aug. 1. (2) Type-accepted before Sept. 10, 1976. (3) In inventory at distributor or retail level by Jan. 1, 1978. Spokesman stressed that imports of CBs made under old specs must cease by Jan. 1. Commission is expected to meet on issue week of Oct. 24 or 31.

**EIA TO JOIN MCA-SONY COPYRIGHT SUIT:** Consumer Electronics Group will be preoccupied with industry's hottest new product when EIA meets in San Francisco this week for fall conference. In precedent-setting action, CEG is expected to heed Sony's plea (Vol. 17:24 p10) and file friend-of-court brief in its behalf in copyright suit brought by MCA & Disney.

CEG has been discussing matter since June and informal poll of its video members showed overwhelming support for intervention, indicating formal vote this week will be positive. CEG hasn't decided whether it will engage special copyright counsel for project. Trial is scheduled to start Jan. 10.

Universal & Disney next week will submit amended complaint, citing names of 4 individual Betamax owners and listing specific acts of taping copyright TV shows & films. Original complaint had named as defendant one William Griffiths. Sony & co-defendants 'have chosen to make an issue' of fact that Griffiths is client of Universal-Disney attorneys, new brief states, and therefore allegations of copyright violation by additional consumers are being added to complaint.

Other VTR activities at EIA meeting: Report on service technician training program will indicate sharp shift in emphasis to almost complete concentration on VTR. Mktg. Services Committee will explore timetable for reports & statistics on VTR sales.

**JAPAN MAY ASK COLOR QUOTA INCREASE:** Need for renegotiation of Orderly Marketing Agreement (OMA) limiting color exports to U.S. is being considered by Japan. There's growing concern over marked drop in Japan's share of U.S. color imports this year because of climbing shipments of complete sets & chassis from other Far East countries and Mexico, plus potential further erosion of Japan's position next year.

Terms of OMA, which went into effect July 1, allow Japan to call for new trade talks if export limits place it "in an inequitable position vis-a-vis 3rd countries." Last year, Japan accounted for 91% of U.S. color set & chassis imports. In first 8 months this year, even before OMA could have full effect, share dropped to 62.5%, and figure should be significantly lower in 1978 when Zenith completes transfer of color board & chassis assembly to plants in Taiwan & Mexico.

Japan's posture is that OMA was intended to guarantee market share for U.S. industry, not create job opportunities in foreign factories. When and if Japan does push for renegotiation, it could seek increase in own quota allocation, now at 1.75 million sets & chassis yearly, or demand U.S. limits on 3rd-country imports.

Commerce Dept. Aug. import totals show general decline for TV from Japan & Taiwan, growth slowdown from other countries, but figures may be misleading. Customs officials tell us that paperwork connected with monitoring OMA caused processing delays in early Aug. Situation cleared up as examiners became familiar with new procedures, and more normal import patterns should be reflected in Sept. results.

Total of 693,400 TVs & nearly complete chassis were imported in Aug., down 17.8% from same 1976 month, with color down 32.9% to 246,200, b&w off 6.1% to 447,200. TV 8-month total of 5.75 million was up 32.3%, color up 55.1% to 2.58 million, b&w up 18.1% to 3.17 million.

Aug. totals by country, with Jan.-Aug. figures in parentheses: Japan total 335,000, down 31.7% (2.62 million, up 11.6%), color 179,200, down 46.4% (1.61 million, up 6.9%), b&w 155,800, unchanged (1.01 million, up 20.2%). Taiwan total 224,800, down 21.2% (1.91 million, up 12.1%), color 24,700, down 2.3% (219,400, up 79.1%), b&w 200,100, down 23.1% (1.69 million, up 6.9%); Korea total 96,200, up 45.6% (490,100, up 76.4%), color 5,800, down 6.2% (43,700, up 83.7%), b&w 90,400, up 50.9% (446,500, up 75.7%). Color imports from countries shipping no significant quantities last year: Singapore 1,300 (9,000); Canada 4,100 (14,900); Mexico, all chassis, 29,200 (667,300). Total of 56,600 nearly complete chassis were imported in month, along with 1.1 million less-complete chassis & main circuit boards.

Slowdown in Japan's color exports to U.S., combined with domestic market slump, is causing inventory buildup there despite production cutbacks. Japanese made 686,000 sets in Aug., down from July's 823,000, added some 15,000 to inventory, raising stockpile to 1.16 million.

**DEALERS REACT TO ZENITH PROBLEMS:** Zenith remains strong factor at retail level, but lackluster approach to ad, sales promotion & dealer support programs—plus absence of dramatic product innovation—had more to do with current problems than low-cost imports. That's general feeling of major Zenith retailers across country, most of whom also firmly believe company will

solve problems and retain top spot in U.S. TV sales.

"They'll come out on top," west coast dept. store buyer said. "I firmly believe that. It's a good company, with a good product and a good name. But it'll be a real dogfight, and they may end up losing a little more share of market to RCA the rest of this year." As did others, he insisted remarks be kept off record, admitted that retail perspective on situation is narrow one. "We only understand what's happening on the sales floor, and they've got other problems we don't even know about." Said another: "We love to bitch, and I could say a lot of bad things about other lines I carry."

Nevertheless, majority of stores told us they saw problems coming, were surprised only that Zenith went public with problems, laid out retrenchment program to press, employes & dealers in such detail. Several cited lengthy letter from Sales Co. Pres. Walter Fisher explaining situation, reaffirming Zenith's determination to stay on top. "I've never, ever had a letter from Fisher about anything," L.A. independent said. "I was completely surprised, and I'm also surprised at how they keep spotlighting this thing. You'd think they'd be a little quieter about it."

In L.A. area, Zenith hasn't been nearly as aggressive as RCA, Magnavox & Quasar, same dealer said—statement which was repeated with variations throughout U.S. "They've taken the wrong ad approach lately," buyer for leading midwest dept. store chain complained. "People often buy Zenith here because their parents or a friend has one. But people are buying RCA because they know about ColorTrak from the ads." He said Zenith American-worker "Bunk!" ads had little relevance for younger customers. "Those ads don't mean a damned thing to young people. For God's sake, they're often looking at other brands only because they can't afford a Sony."

Other ads also came in for knocks. N.Y. dealer said while RCA & Magnavox are doing good job with ColorTrak & Touch Tune, "Zenith needs something new. You can't continuously tell people that independent technicians say Zenith sets need fewer repairs. They've worn that out." Several others griped that Zenith hasn't promoted new feature since Chromacolor. "They had a leader in Chromacolor, but now they're a follower," Chicago area dealer said. "They need new features, and they need to play them up to be a leader again."

Dealer-support efforts drew mixed reviews. In northwest area, for example, retailer complained that coordination of sales-promotion & dealer-support programs between factory, distributor & retailer "is lousy—there's no continuity, and sometimes I don't know what they're doing nationally until they've done it." Lack of continuity was often tied to grievances against local distributor, but that complaint wasn't confined to Zenith. "Zenith is good in my area," N.Y. dealer said, "because they're factory-owned and not consumed with making their own profits. But in other areas they keep prices high so they can make their own margins. That's true of all brands—good distribution in some areas, bad in others."

Recent aggressive program of special promotional allowances (SPAs) helped move some Zenith sets against competing models—particularly RCA—some retailers said, in urging company to offer more if possible. (Zenith said supplemental SPA program launched Aug. 24—which raised total SPAs "substantially above" level of SPAs announced at Aug. 4 distributor convention—expired Oct. 5. New SPAs put into effect Oct. 6 are "somewhat below" original Aug. 4 levels, he said.) But discussion of SPAs & Zenith pricing revealed more of retailer confusion on issue than anything else.

"They're barking up the wrong tree by getting into a pricing fight," southern retailer said. "They need to get back to the quality image, and let the others fight about price." But same dealer later said Zenith portables were suffering against similar RCA models and some Japanese sets "because they're priced too high."

Retailers offered wide number of options to Zenith for solving problems. Examples: "They've got to diversify. Other TV makers have something to fall back on when the market goes soft, but they don't have anything else." "They need to merge with a larger corporation, so they have some financial cushion to work with if they want to lower prices."

Problem was best summed up by Wash. state retailer: "They know what they've got to do. They've got to figure out how to make a great color TV set, with great features at a low production cost and then sell it at an attractive price. I'm glad they have to figure out how to do it, and not me." (Meanwhile, Zenith announced timetable for expansion in Taiwan and opened negotiations to buy Mexico plant; see below).

**ZENITH'S TAIWAN EXPANSION:** Timetable for Zenith's program to cut production costs by transferring color TV & audio production jobs to foreign low-wage areas (Vol. 17:40 p8) apparently calls for faster action than expected. Zenith Taiwan Gen. Mgr. James Ryan says expansion of workforce there to handle output of color TV circuit boards should be in full swing by April. Original Zenith announcement referred to year-long relocation of some 5,000 manufacturing jobs.

Ryan said employment at Zenith Taiwan should be up by about 600 next April from present 1,825. He said value of plant's output this year should be \$42 million, up from \$40 million in 1976, jump to \$55 million in 1978. Zenith program calls for setting up color chassis assembly facility in Mexico, purchase of audio electronics from outside foreign sources. Zenith, it's been learned, is discussing acquisition of modern TV facility owned by Thomas International (formerly Warwick) in Reynosa, Mexico. It was opened by Warwick in 1974 to produce & feed color TV subassemblies for main plant in Forrest City, Ark. Reynosa was excluded when Sanyo bought Warwick's TV operation earlier this year.

In Tokyo last week, EIA-Japan issued statement denying any direct responsibility for Zenith's U.S. cutback. "Zenith is turning to Taiwan & Mexico with substantially lower wages in an attempt to remain competitive with its No. 1 U.S. competitor, RCA," said Exec. Vp Toshio Takai. Blame for Zenith action "lies squarely with Zenith's managerial shortcomings," he alleged. Turning to charges by COMPACT that Japan's trade barriers hinder U.S. manufacturer attempts to sell there, Takai said "American firms such as IBM, NCR, TI," are doing so successfully, but Zenith wasn't able to penetrate market because it didn't try "to develop a distribution network in Japan."

**Canada cleared 6 TV manufacturers** for participation in incentive program giving them import duty credits in proportion to value of their Canadian production, extra credits for exporting (Vol. 17:2 p10). Named eligible were Electrohome & Canadian subsidiaries of Admiral, Hitachi, Panasonic, RCA & Sanyo. Credits for companies participating are retroactive to Jan. 1, and program is slated to run for 5 years. GE is only qualified manufacturer there not involved in program. Sylvania halted TV production in Canada earlier this year, and both Philips & Quasar are phasing out. Spokesman for Industry, Trade & Commerce Ministry told us GE isn't involved because it hasn't submitted necessary application, may do so in future. He also said manufacturers there have been warned that TVs exported to U.S. under remission program may be subject to offsetting countervailing duty levies if any uninvolving U.S. companies complain and Treasury determines that remissions are same as illegal rebates.

**IMPORT IMPACT AID:** Labor Dept. has opened 7 new import adjustment assistance eligibility investigations, 6 of them CB-related. It also announced approval of help for some displaced Bunker Ramo workers.

Two new cases are for workers formerly producing CB radios at E. F. Johnson plant in Waseca, Minn. and Clear Lake, Ia. facility of subsidiary Johnson American. Three cases are for workers at Carlisle, Pa. plants of P. R. Hoffman Div. of Aiken Industries where CB & watch quartz crystal blanks and crystal-making machinery are made. Other CB case covers workers formerly making shafts for CB antennas & other products at True Temper, Geneva, O. Non-CB-related is probe for those formerly making phono styli, tone arms, phono cartridges & microphones for Astatic, Conneaut, O.

Divided finding covered workers at Bunker Ramo's Instrument Div. plant in Janesville, Wis., which BR closed last July. LD said workers formerly making counting dials there suffered from increased import competition, but rejected aid request for those who were involved in production of potentiometers, transducers & trimming resistors. LD said none of BR's customers for those components purchased significant quantities from importers.

**Major improvement** in safety record of solid-state TV over that of hybrids is indicated in Consumer Product Safety Commission staff report. Study analyzing accident data covering periods several years apart for 2 TV manufacturers shows significant decline in injuries caused by newer models. Study itself isn't being made public because of injunction on release of manufacturer-submitted TV safety data issued by Wilmington federal court where ruling on Freedom of Information Act request for information is pending (Vol. 17:29 p10). Staff finding lends substantial weight to views of independent CPSC contractors who told agency that mandatory TV safety standard may be impractical, and that voluntary standard would do as good a job of protecting public (Vol. 17:30 p9). CPSC is scheduled to discuss TV standard question Oct. 19-20.

**FCC will warn importers** through public notice that RF devices brought into country illegally will be redelivered to point of origin by Customs. Spokesman said number of RF devices, primarily car stereo & radio systems, have been entering country in violation of three basic rules: (1) Improper identification. (2) Importation not authorized by original import agent. (3) Importation by subcontractors or others not holding original-equipment authorization from FCC.

**Ad notes:** Sanyo will push theme "That's Life—That's Sanyo" in multi-market spot TV campaign... Audiovox will emphasize ruggedness of car stereo line in first national print campaign.

**AUDIO'S MARKET PROBLEMS:** Warning hi-fi manufacturers to start developing sales strategy to meet changing demographics and call for meaningful market statistics highlighted IHF's first annual marketing seminar in N. Y. last week.

U. S. Pioneer Corp. Planning Vp John Hall, Fla. International U. Prof. Willard Salzer & Newspaper Ad Bureau Account Exec. Don Drury cautioned that current industry ad market target, single 18-34-year-old males, will shrink in 1980s, urged development of growing markets—working women, blue-collar workers, senior citizens.

Hall said Pioneer estimated hi-fi business last year was \$1.5-1.6 billion at retail, including accessories and blank tape, predicted \$2-billion volume this year; additional \$1 billion will be added by compact systems. Ziff-Davis Vp Edgar Hopper released study showing average hi-fi component buyer was 25-26-year-old male college graduate earning \$16,000 annually, who spends 19 hours weekly listening to system, owns 150 record albums, 38 recorded tapes. Based on interviews with 998 consumers who returned warranty cards to 30 manufacturers, survey indicates buying decision is most strongly influenced by retail salesmen, opinion of friends, manufacturer literature, magazine ads. Of group surveyed, 75% said they considered 2 or more brands before buying, 77% bought brand they didn't own before, indicating lack of brand loyalty.

Need for market data was emphasized by Koss Chmn. John Koss who said industry was working in dark without knowing who buys hi-fi and why and what new product areas may be open to manufacturers. He called on IHF to assume responsibility for "an extensive & continuous effort in the area of consumer research," pledged his company's cooperation. Data is necessary, he said, if hi-fi industry is to retain existing markets, develop new ones.

During seminar, IHF released list of 60 manufacturers signed for May 19-21 International Hi-Fi Show in Atlanta. Exec. Dir. Robert Gur-Arie said 45% of space has been sold, predicted most major hi-fi & accessory producers who have been holdouts will participate.

"Beam Box" is indoor FM antenna accessory to be marketed by British Industries next month at \$90. Housed in cabinet about size of standard record changer base, device has 4-element X-shaped antenna, controls for directivity, bandwidth & tuning, uses no power.

**Personal Computing Festival** will be featured part of National Computer Conference in Anaheim June 5-8, including exhibits of kits, hobby equipment, disc & cassette systems, sessions on computer games, software design, small-business systems, related topics.

Intentions to buy TV sets slipped sharply in Sept., along with consumer confidence, Conference Board reports. In Sept., 7.5% of families planned to buy color sets in next 6 months, down from 8.1% in Aug., while monochrome buying plans dipped to 1.5% from 2.2%.

**REGENCY DOWNPLAYING CB:** Regency is backing away from volatile CB business, will concentrate on new products. In annual report, Regency says it's adopting "relatively dormant" CB market position for near future while "industry's 'shakeout' runs its course," expresses hope that "more stable & profitable [CB] environment" will evolve.

Buildup of excessive CB inventories had dampening effect on Regency's sales of scanner monitors because of cash-flow problems at distributor & retail levels, company said. It reported monitor sales in year to June 30 at \$13 million (down 42.7%), CB \$7.6 million (down 60.8%), FM transceivers \$7.2 million (up 5.9%), communications test equipment \$6.7 million (up 45.7%), components & other \$2.9 million (down 19.4%). During course of year, Regency said, it devalued 23-channel CB inventories by some \$2.4 million, 40-channel inventories by \$1.1 million, no longer has 23s in inventory.

**National Semiconductor** said it's continuing to lose money in consumer products, but at decreased rate, declined comment on whether it plans to quit watch business.

**Ampex** will introduce new audio tape line this year, plans to enter market for home video cassettes, according to annual report. Ampex said sales of magnetic tape in year to April 30 rose 4% to \$61.4 million, provided 22% of revenue, down from 23% in fiscal 1976, while sales of audio & video equipment rose 13% to \$120.3 million, to account for 42% of volume, unchanged.

**CB Scene:** Aug. transceiver imports dropped 29.3% to 1.69 million, bringing 8-month total to 12.63. Import of base & mobile stations of all types dropped 57% to 665,600 for full-period total of 6.87 million, down 34.7%; hand-holds were up 21.6% in month to 1.02 million, stood at 5.76 million for 8 months, up 111.4%. Aug. imports of 23-channel CBs were 134,100, up about 13,000 from July, first such month-to-month increase since May; imports of 40s totaled 422,900. In 8 months, 3.94 million 40-channel units were imported against 1.58 million 23s... FCC crackdown on illegal operators goes on, latest round involving fines totaling \$500 against 10 CBers in 8 states & P.R. for failure to use call sign, excess power, unauthorized frequency, other abuses... Coast Guard is installing CB equipment at S&R (Search & Rescue) stations across U.S. to improve communications with small boaters.

**Radio Shack** 1978 catalog indicates chain's continuing commitment to CB, despite current market woes. Total of 15 base & mobile 40-channel units are featured (vs. 10 in 1977 book), ranging from stripped-down Mini-40 (\$100) to deluxe base station (\$430) with built-in LED clock. Also included are firm's first radio-CB combination (\$260) & radar detector (\$70), advertised as aid to "better driving." Game line now features 3 ball-&-paddle units (\$40-\$80), including 4-game GI unit with 2 rifle options.

**VIR** wins only Emmy engineering awards this year—presented to EIA Bnst. TV Systems Committee for developing signal, and to GE for first receiver to utilize it.

## Trade Personals

**Roy Pollack**, RCA Consumer Electronics Div. vp-gen. mgr., named to board. Also elected dirs. were Exec. Vp **Julius Koppelman** & **Lehman Bros.** Chmn. **Peter Peterson**; **Howard Hawkins** retires as exec. vp after 31 years with RCA, will continue as consultant; Group Vp **Paul Potashner** assumes Hawkins' responsibility for RCA Records... **George Evanoff**, ex-RCA corp. development vp, joins Norton Simon as corp. planning vp... **Allison Hails**, ex-Sanyo Mfg. Co. mfg. vp, joins Quasar as operations vp, new post.

**William Boss**, RCA distributor & commercial relations vp, now serving as acting vp-gen. mgr. of RCA Consumer Electronics & Appliances (Canada) pending selection of successor to **Robert Mollerstuen**, resigned... **William Beebe**, ex-Cramer Electronics, named Advent exec. vp, finance; **Alan Robertson**, ex-treas., appointed asst. to Pres. **Peter Sprague**; **Donald Kramer**, Gould vp & onetime KLH exec. vp, elected to board... **Ralph Campbell**, GE TV Div. PR mgr., adds duties as retail trade ad mgr... **Madeline Taylor** advanced at Antenna Specialists to co-op ad coordinator.

**Mel Koenig**, ex-Daytron, named pres. of United Electronics International, recently formed to market color & b&w TV produced by Taiwan's United Electronics... **S. Yokoyama**, machinery dept. vp of Japanese trading company Kanematsu-Gosho, named pres. of U.S. subsidiary Electra Radio, succeeding **Edward Roach**, retiring... **William McFadden** promoted at Breaker from national sales mgr. to mktg. dir... **Andrew Szegda**, ex-Automatic Radio, appointed Cerro Communication Products vp-gen. mgr... **Robert McColloch**, ex-Hamlin, appointed mktg. & sales chief, Antenna Specialists.

**C. Lester Hogan**, Fairchild Camera vice chmn., adds responsibility for new corp. planning & technology office created in realignment; **George Wells**, ex-Components Group vp-gen. mgr., named senior vp in charge of new Semiconductor Group; similar post for new Systems & Equipment Group is unfilled; **John Duffy**, ex-International Div. vp-gen. mgr., appointed worldwide semiconductor mktg. vp... **John Donatoni**, ex-Fairchild Semiconductor consumer products national sales mgr., named mktg. dir. for recently formed Video Games Div., replacing **Charles Jacoby**, now Time Products Div. mktg. dir... **John Finch**, National Semiconductor semiconductor components gen. mgr., named vp. Also named vps: **David Martin**, computer products gen. mgr.; **F. Joseph Van Poppel**, semiconductor mktg. dir... **Howard Lester**, GE, named task coordinator of Personal Use Radio Advisory Committee (PURAC) to FCC.

**Peter Levin**, GE, chmn. of EIA International Business Council, wins EIA Distinguished Service Award for 1977; **David McCarty**, RCA, gets Mktg. Service Award... **H.J. Jackson** advanced at Capitol Magnetics from consumer products mktg. mgr. to international sales mgr., succeeding **Jayme De Barros**, resigned... **Gary Conway**, ex-BASF, named Fuji magnetic tape west sales mgr... **Norman Triplett**, Triplett mktg. exec. vp, retires in Dec... **Harold Anagnos** advanced at Chicago Miniature Lamp Works

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with  
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to mktg. mgr., succeeding **Everett Meserve**, transferred to project mgr. staff post in Electro-Optical Components Group of parent General Instrument.

**Mergers & acquisitions:** General Signal completed acquisition of Sola Basic for shares valued at about \$98.5 million. Deal is being challenged in Chicago federal court by Sola founder Joseph Sola, who claims terms discriminate against holders of preferred Sola shares and asserts he was denied voting rights... **Superscope** is negotiating acquisition of Grand Piano, Morgantown, N.C. Earlier talks to buy piano maker Aeolian fell through (Vol. 17:37 p11). Superscope wants piano company so it can offer models with its Pianocorder electronic play-record system built in. Device is expected to be offered soon as attachment for existing pianos... **Litronix** has signed agreement for its acquisition by Germany's Siemens, which will buy 80% interest in Litronix for \$7.5 million, most of which will be used to pay off Litronix creditors. Shares will be of new issue, sharply diluting interest of current holders. Siemens has also acquired 17% interest in Advanced Micro Devices for \$22.5 million, will establish joint venture with AMD to produce microcomputers both in U.S. & Germany... **McDonnell Douglas** is selling control of Nitron semiconductor operation for about \$4 million to Nanon Electronics. Nanon was formed recently by Electronic Arrays Chmn. **Sam Nissim**.

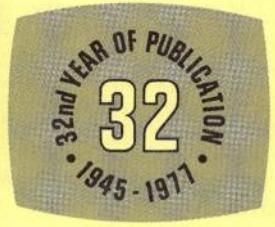
New **videodisc** being developed by Philips & MCA (Vol. 17:40 p8) will play at least one hour—30 min. or more per side—obviously not the "one hour per side" we erroneously cited in our report last week. We regret the error.

RCA Records' Indianapolis manufacturing facilities will be expanded & modernized in \$13-million program to be completed in 1978.

WEEKLY

# Television Digest®

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OCTOBER 17, 1977

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 42

### Broadcast

**MIXED TOPICS AT NAB CHICAGO:** Fall tour drops concentration on FCC & govt. regulation for panels on sales, news, programming, etc. Rep. Russo says cable won't be considered ancillary to broadcasting in Act rewrite. TV sales boom seen continuing through 1980. (P. 1)

**PUBLIC BCSTG. GRILL-WEEK** upcoming in Washington as Senate looks at CPB nominees Rockefeller & Sorenson. House Communications Subcommittee sets hearings on President's proposals; Carnegie Commission opens hearings. (P. 3)

**ABC & TECHNOLOGY:** Goldenson warns it's 'easy to be seduced' by promise of new developments. Erlick blasts cable for copyright fee, hits MPAA on TV production position. (P. 4)

**CBS-NEW RECORDS** in earnings & sales for 3rd quarter & 9 months. All 4 groups' sales up, but Bcst. Group hurt by Sept. program costs. (P. 4)

**FTC TO PROTECT KIDS** from deceptive & unfair spots with emphasis on 'highly-sugared' products, Pertschuk tells AAAA. (P. 5)

### Consumer Electronics

**LESSON OF ZENITH**—go multination or die. Realities of marketplace show all U.S. & Japanese TV

& audio manufacturers are multinationals. Even middle ground—purchasing from others—has never worked out. (P. 7)

**COLOR TV INVENTORIES** drop with soaring Sept. sales, now at less than 10-week supply. Sales in Sept. top production plus imports for 2nd consecutive month. (P. 8)

**ANTENNA SAFETY** labeling rules for TV & CB masts cleared by CPSC. Decision on mandatory TV safety standard due this week. (P. 9)

**DEJA VU IN GAMES** as industry watches replay of last year's supply pinch. Unit forecasts drop as suppliers wait for chip & MPU deliveries. (P. 10)

**ZENITH CONTINUES FIGHT** against imports, appeals countervailing duty reversal to Supreme Court, huddles with Justice to prevent end of Japan antitrust probe. COMPACT chief urges new govt. agency to save import-threatened jobs & businesses. (P. 10)

**HOME ENTERTAINMENT** programming for VTR spotlighted at N. Y. Video Expo, led by Magnetic Video's 20th Century feature package. (P. 11)

**PANASONIC'S HOME VTR** list-priced at \$1,095, dealer cost competitive with RCA & Magnavox, deliveries starting in Nov. (P. 11)

**RCA SETS RECORD** in sales & income for 3rd quarter, sparked by color TV. Sanyo Mfg. reports nearly \$500,000 profit for 9 months. (P. 11)

**MIXED TOPICS AT NAB CHICAGO:** Departing from long-standing custom, NAB's annual fall conference tour of 6 cities this year has dropped stress on govt. regulatory problems—particularly FCC—in favor of sales, news, programming, promotion & engineering sessions normally more prominent at other industry meetings. Govt. involvement in Chicago last week was limited to Rep. Russo (D-Ill.) on Communications Act rewrite (member of House Communications Subcommittee will appear at each conference) and FCC engineer (Wilson LaFollette). There were no commissioners and no panels on renewals, ascertainment, EEO, etc.

"This probably will be a one-time thing," NAB Exec. Vp John Summers said. "It's an attempt to cater more to the day-to-day needs of the stations...We'll get a reaction from the members." He and Govt. Affairs Senior Vp Donald Zeifang said only de-emphasis really was on FCC participation, said major factor in that decision was pending Wiley-Ferris chairmanship transition. Ferris has been invited to appear at later conference, they said.

Russo said "comprehensive" rewrite of Act is necessary because all phases of telecommunications are so intertwined that it's impossible to focus just on broadcasting. Cable will be considered "as its own medium, he said, and not considered just ancillary to broadcasting.

"Cable should be allowed to grow and exist on its own," he added.

Answering statement from audience that assurances should be written in Act that over-the-air TV wouldn't be destroyed, congressman said Subcommittee is very much aware of problems brought on by siphoning, distant signal importation & duplication, but warned there's over-all "sympathetic view" toward cable on Subcommittee. He said Subcommittee is not out "basically to help cable" but to provide diversity & choice to public.

"Where in hell is all the pressure coming from for a rewrite?" someone asked. From new technology, cable and telephone company, Russo responded. Neil Derrough, WCBS-TV N.Y. vp-gen. mgr., disputed new technology statement, said that doesn't bring on need to rewrite Act. Both agreed localism—it'll be "a cornerstone" of new legislation, said Russo—is important issue and that broadcasters haven't done good job of informing Congress & public of extent of local programming that's done. Russo said "I have a problem" in that about all he sees that is locally-produced is news.

Russo, in TV luncheon speech, told TV delegates generally what they wanted to hear: "The broadcast industry must always be free from any & all governmental action which, in any way, influences program content... You must be more responsible when considering the inclusion of violence or violent material which may not be essential to the presentation of a particular plot. And you must continue to work closely with citizens' groups in an effort to reduce violence on TV to an acceptable level... There may be a heavy filtering of what gets on the air through the activity of networks, sponsors, affiliates and other licensees but once that product is on the air, it must and should be the public that is the final arbiter of what it will see."

Opening TV session heard predictions of bright future for TV through 1980, with spot TV being only soft area. Blair TV's Walter Schwartz saw "ominous, uncharted hazards" for spot—particularly network rate increases of 20-24% which, he said, are siphoning ad expenditures intended for national spot. Another major spot problem Schwartz sees is increasing regional buys on networks—doubled since 1973, he said.

All panelists commented on record 1976 percentage increase, doubted figures would be duplicated soon. Group W's Marvin Shapiro said industry picked up bad selling habits last year because "things just came too easy... Some of us have lost sales as a result."

Securities analyst Ellen Sachar said TV billings should increase 13% this year—network 20%, spot 5%, local 11%; in 1978, network will go up 15-18%, spot 6-8%, local 12-14%; in 1979, total TV expenditures will increase 9-11% if there's no recession, 7-9% if recession hits, as some predict. She said 1980 will be "another boom year for TV spending"—up 18-20%—primarily because of Olympics & presidential elections.

"They are unbelievably aggressive," Chicago Deputy Police Chief Walter Vallee said of broadcast newsmen at separate TV & radio sessions on coverage of terrorists. He cited examples of where reporters have done "ridiculous things," such as getting in way of police, said he gives newsmen great freedom because "if you want to risk your life, that's your business." He noted lack of communication between media & police, said he'd never been invited to TV station—much less asked to tour newsroom—in 23 years of police work. "The only time I ever get called is when the press needs something," he said.

NAB Pres. Vincent Wasilewski told radio workshop that "we are a highly effective organization... Much better than we were 10 years ago." He gave staff credit—mentioning by name Summers, Zeifang, Gen. Counsel Erwin Krasnow & Govt. Affairs Vp William Carlisle. He said Charles Ferris will bring strong leadership to FCC, be reasonable and "I think he'll probably be a good chairman." Asked about expected nominee Tyrone Brown, Wasilewski said "I don't know this man very well [but] I don't have any negative feelings at all."

NAB attracted 336 to Chicago. Tour continues in Boston Oct. 17-18—where public meeting is featured 2nd night—and Atlanta Oct. 20-21.

**PUBLIC BCSTG. GRILL-WEEK:** It's public broadcasting this week in Washington: Senate is expected to confirm nominations of Sharon Rockefeller & Gillian Sorensen to board of CPB; House Communications Subcommittee holds hearing on President Carter's proposals Oct. 19, and Carnegie Commission II has scheduled opening meeting Oct. 21-22 to hear from CPB, PBS & NPR.

Confirmation of 2 new CPB board members is seen virtually certain following 2-1/2-hour hearing before Senate Communications Subcommittee that heard no objections.

Both nominees urged more public affairs programming support by CPB. However, Soren-  
sen said public affairs programs must have point of view, otherwise are "pabulum," while Rock-  
efeller urged "in depth" treatment of issues, letting audience draw own conclusions. Both  
agreed public affairs programs must be balanced & fair. Rockefeller urged more support for  
"superior" children's programs.

Rockefeller, wife of W. Va. Gov. Jay Rockefeller and daughter of Ill. Sen. Percy (R), said  
she would put her assets into blind trust if committee felt she should; she also said that she  
would resign from board of Washington's public station WETA-TV. Sorensen, wife of Ted  
Sorensen, close aide to late President Kennedy and nominee by President Carter to be CIA di-  
rector (later withdrawn because of heavy opposition), said she would require that none of her  
writing or other creative activities be offered to public broadcasting. She has been active in  
TV production (CBS & WNET N. Y.). Each reported net worth over \$700,000.

Both were admonished several times by Chmn. Hollings (D-N.C.) to "look into top heavy  
administrative costs" of CPB. Only other subcommittee members present were Sens. Pack-  
wood (R-Ore.) & Schmitt (R-N.M.).

Rockefeller & Sorensen will succeed Robert Benjamin, United Artists, and Thomas Moore,  
Tomorrow Entertainment. Prospective 3rd nominee, said to be Miss. lawyer Irby Turner,  
may be sent to Senate soon. He would succeed Virginia Duncan, San Francisco independent TV  
producer. New CPB board members would serve remainder of regular 6-year terms that be-  
gan March 1976.

Although no objections were filed to Rockefeller-Sorensen nominations, earlier criticism  
came from Nicholas Johnson, NCCB, and Albert Zack, AFL-CIO. Johnson questioned whether  
appointments to CPB board should go to "culturally overprivileged and wealthy." Zack noted  
that there is no labor representative on CPB board.

Meanwhile, CPB board got 90-min. briefing from Administration officials last week—from  
Richard Neustadt, White House, and Frank Lloyd, Robert Sachs & Walda Roseman, OTP—on  
Carter public broadcasting legislative proposals (Vol. 17:41 p4). Consensus among board mem-  
bers seemed to be that long-range funding proposals, as well as annual authorizations, are good.  
Members were even amenable, it's said, to White House proposal to trimming CPB activities,  
although there's feeling that reduction may not be so severe following congressional hearings.  
CPB board has official bi-monthly meeting Nov. 9. PBS exec. committee, meanwhile, will ap-  
point subcommittees to study White House proposals, report to full PBS board, scheduled to  
meet Nov. 18 in Washington.

Excerpts from "roast" of FCC Chmn. Wiley by Comr. Lee Oct. 13, as colleagues gathered to say  
goodbye: "Dick also earned a well-deserved recog-  
nition for efficiency. In fact, the only backlog left  
is Dick's own departure which is now 10 months in  
arrears... One of Dick's real achievements, I thought  
(while it lasted) was the ill-fated 'family viewing  
hour.' As a result of that, evening TV is now ideal  
entertainment for the entire family—if it happens to  
be a family of kinky, illiterate axe murderers who  
enjoy divorce, homosexuality or a little action on  
the side."

Unattended FM translator operation has been ap-  
proved by FCC in finalization of rulemaking, making  
rules comparable to those covering TV translators.

Airlines would be prohibited from passing on  
costs of institutional ads—over 90% of airline ads,  
according to NAB—to ticket buyers under proposal  
pending at CAB. Rulemaking was sought by Aviation  
Consumer Action Project; comments are due Nov.  
14. CAB has separate rulemaking underway (Doc.  
31333) dealing with treatment of ad expenses in rate  
making.

MPAA's "anti-superstation" campaign (Vol. 17:35  
p4) adds WGN-TV Chicago as target, filing petition to  
deny Southern Satellite's application to distribute sta-  
tion's signal. MPAA states that 560 systems with  
1,033,207 subscribers are authorized to carry WTCG  
Atlanta, and another 257 with 397,713 subscribers  
have applications pending, thus undermining principle  
of localism.

**ABC & TECHNOLOGY:** His network leading opposition to cable, ABC Chmn. Leonard Goldenson warned: "We should be extremely wary of dismantling or curtailing a system that functions as well as our present one before we have a very clear idea of the social, political, economic & human consequences of whatever we choose to replace it."

Speaking at dinner of ICD Rehabilitation & Research Center, N.Y., where he received 1977 Communications Award, he said that future "home communications center... sounds impressive. And perhaps it will be. But... it is very easy to be seduced by the promise of technology and to forget the basic nature of communications equipment. Whether we are speaking of a megaphone or a satellite, it is only valuable if there is a message to be passed through it, and an audience with some use for the message."

ABC Vp-Gen. Counsel Everett Erlick, speaking at N.Y. ATAS, attacked cable copyright fee, terming it "ridiculous." Said he: "It would be like ABC saying 25 years ago that we needed NBC & CBS programs free—to get started—and eventually a 7 cent per home copyright license for our entire schedule." He called on Congress to "address all of the cable issues with comprehensive legislation that sets national policy." Erlick also attacked MPAA, saying: "They want the networks out of TV production entirely. They apparently calculate that such an exclusion would end up giving them virtually the entire market."

Approved in 85-0 Senate vote, Charles Ferris becomes FCC chmn. after ceremonies at White House Oct. 17, Vice President Mondale swearing him in. Some 60 senators accepted invitations to attend. Ferris takes over at Commission next day. No agenda meeting has been scheduled next week; one is set for following week. Ferris hasn't indicated his choices for top staffers yet, has been seeking advice of friends. Meanwhile, name of Tyrone Brown is expected to go to Senate this week, as nominee for other FCC vacancy. It's assumed his hearing will be scheduled quickly, to permit vote on nomination before Congress adjourns—some time in Nov.

Optical fibers will go into full-scale production next year at Corning Glass, which announced last week it is starting conversion of about half of its 77,-000-sq.-ft. Wilmington, N.C. plant to optical waveguides. New facilities will have 10 times capacity of current pilot plant near Corning, which had doubled previous fiber optic production. Expansion under way at Corning will redouble production there.

Next pay-cable system going satellite probably will be Viacom's Showtime, according to Showtime Pres. Jeffrey Reiss. Satellite distribution of programs to current 70,000-odd subscribers is "actively being considered," he said. Home Box Office began distributing via satellite 2 years ago.

Seminar on cable for lenders, 6th annual, is scheduled by Metz & Jarvis Nov. 1-2, Harvard Club, 27 W. 4th St., N.Y., at \$175 for one day, \$300 for 2. Details: One Newton Professional Park, Newtown, Pa. 18940, 215-355-9900.

**CBS—NEW RECORDS:** Both sales & earnings for both 3rd quarter & 9 months achieved records at CBS—though Bcstg. Group's traditional strong performance was diluted in 3rd quarter by high Sept. program costs.

CBS said 3rd quarter earnings were up 10% to \$1.57 per share, running \$43.9 million on sales of \$655.4 million vs. \$40.8 million & \$524.7 million in same 1976 period. For 9 months, earnings were up 15% to \$4.68 per share, totaling \$131.7 million on sales of \$1.94 billion vs. \$116.1 million on sales of \$1.57 billion last year.

All 4 groups increase sales in 3rd quarter, and Records Group showed greatest earnings increase. Bcstg. Group sales were up 13%, Records 23%, Columbia 21%, Publishing 53%; earnings breakdown of each wasn't given.

House pole-attachment bill, approved by Communications Subcommittee last week, is to be considered by full House Commerce Committee Oct. 18, with good chance it will be approved for full House vote later this week or early next. Only changes in HR-7442 was "sunset" clause, advocated by Chmn. Van Deerlin (D-Cal.), that repeals after 5 years standards applying to "reasonable & just" pricing; and clarification of provision that permits states to assert jurisdiction if they desire. Meanwhile, Senate pole bill S-1547 has been approved by full Commerce Committee, is expected to go to floor in week or 2. Senate bill empowers FCC to impose fines on cable systems as well as CB licensees; House bill doesn't.

RAB Pres. Miles David, speaking to NRBA in New Orleans last week, pleaded for unity within industry on continuing basis. It shouldn't take emergency—such as threatened ban on saccharin ads—to bring broadcasters together, he said. Among areas where continuing cooperation is needed, he stressed, are research, sales & promotion.

Pole-attachment bill has been signed into law by Cal. Gov. Brown—giving PUC power to set terms if parties can't agree and specifying that rates "be no less than incremental cost but no more than fully allocated historical cost." It's first such state law.

**WXNE-TV (Ch. 25) Boston**, owned by Christian Bcstg. Network, received FCC authorization to start programming Oct. 10. This brings total operating stations to 975 (614 VHF, 361 UHF, 711 commercial, 264 non-commercial).

Group of UHF network affiliates will hold 2nd meeting Nov. 14 in Washington in effort—led by Cy Bahakel (Bahakel Bcstg.)—to form new assn. Over 20 stations, most from South, attended first session Sept. 29 in Charlotte.

**Excessive permissiveness**—specifically Laugh In & David Pryor Show—was major concern of affiliates at NBC-TV affiliates' conferences in Atlanta (Oct. 7) & Chicago (Oct. 12).

**Capital Cities Communications** completes move to 485 Madison Ave., N.Y. 10022 (212-421-9595).

**FTC TO PROTECT KIDS:** "I'm pretty damned well convinced" that TV advertisers shouldn't be permitted to direct commercials toward 3-year-olds," FTC Chmn. Michael Pertschuk told AAAA directors at Washington session last week. Basic question, he said, is whether such selling "is something our society ought to sanction"—with focus on unfairness.

Staff will present restrictions on kid advertising within month, with spots for "highly-sugared products" at top of agenda. It'll also cover toy commercials, where "the problem is not only unfairness but deception," Pertschuk said in U. S. News & World Report interview. On other hand, he told advertisers, "we have to worry about the First Amendment [because] there's no question but that the First Amendment applies to advertising."

(Note: Pertschuk recently started monthly in-house "policy session." In Nov., it'll be devoted to advertising & marketing to children—questioning to what extent agency can or should protect children from media violence, pornography, products which present health and/or safety risks.)

Pertschuk made these other points with 4-A: (1) Business "absolutely" will have equal access to Trade Commission & staff. "I don't propose to cut the Commission off from business groups at any stage in the game." He said biggest concern is access for consumer groups since he's had several more meetings with business community.

(2) "We're not as unbalanced [toward consumers] as it might seem," Pertschuk said of staff appointments he has made; he pointed out many lawyers brought in formerly represented big corporations.

(3) When asked if he's concerned about setting standards for personal behavior, responded: "I do not intend to propose that the Commission substitute its judgment for that of the marketplace."

(4) FTC has been granted "mostly enough" power from Congress, doesn't need new legislation except in class-action suits. He said Commission now has injunction power to get questioned ads off air immediately. "That means we can act as fast as our lawyers can write."

(5) Most regulation in future will be handled through trade regulation rules rather than case-by-case basis. "It's a trend before I got here and one that I support."



**Dial-A-Program**, Rediffusion's pilot project in Arnhem, Holland, is near completion, will be tested by Post Office shortly. Project is expected to include experiment with fiber optics between 2 exchanges and to home of subscriber.

**Home Box Office** is in black for first time since 1972 start. Parent Time Inc. announced that HBO was profitable in both 3rd-quarter and 9-month periods—didn't give figures.

**Next round** of sports hearings by House Communications Subcommittee probably will be in week of Oct. 31-Nov. 4. It's expected witnesses will be network sports executives.

**RTNDA** has adopted following resolution regarding cooperation with govt. agencies, sent copies to heads of CIA & FBI: "We are citizens first, then journalists. As citizens we have some obligations to co-operate with government agencies. As journalists, our obligations are a good deal more sensitive, and difficult to define. But definition of those obligations is needed because of recent revelations involving journalists, journalism organizations and various governmental agencies, especially those in the investigation and intelligence fields. Guidelines are needed in advance of approaches by governmental agencies for our help. The basis on which such help should be granted, if at all, needs to be studied and debated. The RTNDA Board is directed to study this area and formulate guidelines for member consideration. An RTNDA policy statement in this field may be needed. At the same time, RTNDA should make the strongest possible objections to all governmental agencies who use journalists and journalist groups as 'cover' for their activities."

**Public service spot rulemaking** has been rejected by FCC because "we believe that even if the First Amendment & Sec. 326 of the Communications Act are not an absolute barrier, [it] would be an inappropriate intrusion into the sensitive area of programming." Public Media Group, 65 citizens groups & 5 members of Congress had petitioned for inquiry & rulemaking, asking Commission to require more spots in better time periods, spots for more citizens groups, etc. Comr. Fogarty dissented, would require stations to "devote a significant proportion of PSAs to the ascertained problems, needs and interests of the local service area."

**Violence report**, adopted by House Communications Subcommittee (Vol. 17:40 p6), fails to put finger on networks and especially skirts significance of industry's structure. That's gist of draft of dissenting views circulated among 7 Subcommittee members who opposed revised report sponsored by Reps. Russo (D-Ill.) & Frey (R-Fla.). Draft calls committee report "disservice," "meaningless," "biased in favor of the networks." It says there's causal relationship between TV violence and aggressive behavior.

"Commercial TV is the most conservative of the mass media on matters of sex... TV is not and does not want to be a trendsetter of the sexual revolution... There is no evidence that TV viewing affects sexual behavior & attitudes... It is the responsibility of broadcasters not to allow a minority of conservative critics to act as censors for the majority of viewers"—William Rubens, NBC research & corp. planning vp, in panel discussion of Assn. of Consumer Research, Chicago.

**New U.S. overseas** information agency, combining present USIA including Voice of America, and State Dept.'s Bureau of Educational & Cultural Affairs, has been proposed by President Carter. Congress was asked to approve new agency, with President stating that VOA should keep operations "independent & objective." He also said that Voice will be "solely responsible for content of news broadcast." As for agency as whole, Carter said it "must not act in a covert, manipulative or propagandistic way."

## Personals

**Bob Fish**, ex-WRKO(AM) Boston, designated eastern sales mgr., RKO... **Paul Syracuse**, ex-WIS-TV Columbia, named national sales mgr., KHOU-TV Houston... **Jerry Fox** promoted to operations mgr., WTVQ-TV Lexington... **Robert Doerr**, ex-NBC, appointed dir. of information & community affairs, WCPO-TV Cincinnati.

**Barry Lowen**, ex-MGM, joins Columbia Pictures TV as vp of program development; **Christine Foster**, ex-NBC, moves to Columbia as dir. of movies & long form development... **Nick Durrie** advanced to vp for finance & administration, Time-Life Films... **Murray Gross**, Tvb vp for communications, resigns because of health.

**Ralph Gabriel** retires at end of Oct. as chmn. of Rediffusion Engineering Ltd., London, succeeded by **Ron Denny** from parent Rediffusion Ltd... **Herman Schkolnick**, ex-Philips, named vp-sales of bcst. TV products, Ikegami... **Homer Babbidge** elected chmn., Conn. Public TV Board of Trustees... **George Gardner**, Carlisle, Pa., elected pres., Pa. CATV Assn... **Leo Slutsky** advanced to finance vp, RCA Commercial Communications Systems Div.

**Jack Valenti**, MPAA pres., gains 7-year extension on contract... **John Kluge**, Metromedia chmn., receives Distinguished Public Service Award from B'nai B'rith's Anti-Defamation League... **Robert Goodwin**, ex-special asst. to President Ford, named dir. of governmental affairs, Meredith Corp., new post.

**Mark Bench**, Bonneville International, elected first vp of Inter-American Assn. of Bcstrs. at 13th General Assembly in Quito, Ecuador; Bonneville's **Walter Canals** elected to IAAB board; both represent NAB at IAAB... **William Cecil**, ex-BBDO, appointed dir., sales planning, CBS-TV Network Sales... **Morton Pollack**, ex-Washington Post, named dir. of promotion, Hollywood, CBS-TV... **Stu Samuels**, ex-Warner Bros. TV program development dir., joins ABC Entertainment as executive assigned to Motion Pictures for TV, with hq in L.A.

**Lois Bonfiglio** appointed dir. of literary acquisitions, Time-Life TV; **Diana Kerew**, dir. of creative affairs; **Freyda Rothstein**, dir. of network program development; all are ex-Talent Assoc... **Fred Johnson** & **Alfred Larson** named Avery-Knodel TV vps.

**Mark Evans** returns to Metromedia as public affairs vp after 1975-77 service as Ambassador to Finland... **Edward Boyd** named video systems engineer, Anixter-Pruzan.

**Review of cross-ownership** between stations & newspapers by U.S. Supreme Court (Vol. 17:41 p2) was welcomed by some owners affected. Several said there's chance Court will hold that FCC has no authority to regulate in this area at all. But guessing among attorneys is that Court will send case back to Commission with orders that it come up with some kind of guidelines as to what's considered too much concentration. One benchmark mentioned: Break up combinations if they have more than 30% of local ad business.

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**Opening House to TV coverage**, recommended by House committee (Vol. 17:40 p3), may be in trouble—for this session at least. Rep. Brooks (D-Tex.), leader of TV coverage advocates, was punished for blocking House leader O'Neil (D-Mass.) on latter's efforts to reform House administration and procedures. O'Neil, who first hailed Brooks's recommendations, said time apparently isn't ripe for TV move. Meanwhile, Senate Rules & Administration Committee discussed S. Res. 268, introduced by leadership plus co-sponsors, that would authorize TV coverage of Senate chamber during debate on Panama Canal treaties, but voted to defer consideration after Sen. Hatfield (R-Ore.) expressed reservations. Hatfield noted that some parliamentary Senate procedures might be misinterpreted by public (e.g., quorum calls when chamber obviously is full; maneuver is used frequently to permit negotiations leading to compromises). Senate committee meets again Oct. 19, and TV resolution may again be on agenda.

Communications & antitrust law will be covered in Oct. 31 seminar of Federal Bar Assn., National Lawyers Club, Washington. Keynote speaker is John Shenefield, Justice Dept.; luncheon speaker, ex-FCC Chmn. Wiley. Other speakers: Howard Shapiro, JD; Joseph Marino, FCC. Panels on broadcasting, cable & common carrier include Henry Geller, Werner Hartenberger, Barry Grossman, Daniel Polsby & Philip Permut. Co-chairmen are Michael Senkowski & Salvatore Romano.

New regulatory agency members, including incoming FCC Chmn. Ferris & FTC Chmn. Pertschuk, were participants in new "Regulatory Agency Management Seminar" sponsored by Administrative Conference Oct. 13-15, Charlottesville, Va. Departing FCC Chmn. Wiley was among discussion leaders. Sixteen agency members participated.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 30 (39th week of 1977):

	Sept. 24-30	1976 week	% change	Sept. 17-23	9 mo. 1977	9 mo. 1976	% change
Total TV . . . . .	506,982	372,556	+36.1	351,529	9,960,807	8,654,067	+15.1
color . . . . .	321,686*	237,488	+35.5	229,833	6,208,922	5,154,335	+20.5
monochrome . . .	185,296**	135,068	+37.2	121,696	3,751,885	3,499,732	+7.2
Total radio . . . . .	2,856,477	969,197	+194.7	1,142,079	39,446,360	29,083,617	+35.6
home, portable . . .	2,577,989	732,815	+251.8	885,609	30,148,704	19,792,916	+52.3
AM-only . . . . .	678,950	329,864	+105.8	179,986	7,150,815	5,522,194	+29.5
FM & FM-AM . . . . .	1,899,039	402,951	+371.3	705,623	22,997,889	14,270,722	+61.2
auto . . . . .	278,488	236,382	+17.8	256,470	9,297,656	9,290,701	+0.1

Color TV 5-week moving average: 1977—220,988\*\*; 1976—172,213 (up 28.3%).

\*Highest week in history. \*\*Highest week of 1977.

**LESSON OF ZENITH—GO MULTINATIONAL OR DIE:** You can blame the Japanese for "predatory" market invasion, the U. S. govt. for short-sighted & politically-motivated trade policies, or greedy U. S. companies for seeking quick buck—it really doesn't matter any more. It's too late to reverse situation that has forced consumer electronics manufacturers to make choice of going multinational or going under.

Difficulty of making that choice at this stage of industry evolution was spotlighted dramatically by Zenith's plan to move color TV board & chassis assembly plus audio electronics to foreign plants. Zenith, as holdout from multinationalization, was forced to announce a 5,000-job displacement all at once, touching off national headlines. Its American competitors which have been going down that path over last decade have exported many times that number of jobs—but gradually.

Multinational phenomenon isn't new. It started in early 1960 when components companies set up overseas plants so they could match importer pricing. Among first American consumer electronics multinationals were audio firms which mated imported electronics & record changers to turn out stereo compacts & consoles. Coming later were b&w TV manufacturers which set up shop in Taiwan & Mexico.

In audio today virtually every U. S. marketer is multinational in its manufacturing or buying policies. Most majors do at least some assembly here; many manufacture speakers or cabinets in U. S., or buy them from U. S. companies.

In TV, every U. S.-owned company is multinational. Admiral makes both color & b&w sets in Taiwan; most of GE's circuit boards are from Singapore; Magnavox imports from Taiwan plant of parent Dutch Philips; Curtis Mathes has feeder plant in Netherlands Antilles, also imports chassis from Japan; RCA makes b&w TV sets & color parts in Taiwan, imports color sets from RCA Canada, makes TV parts in Mexico; Sylvania & Philco make TV in Taiwan, color chassis & parts in Mexico; even Zenith already makes b&w TV & some color circuit boards in Taiwan, picture-tube guns & deflection parts in Mexico.

It's not just U. S. firms which have found multinational operations necessary for survival. Sony color sets & tubes are from San Diego & Japan, some b&w from Korea, tape from Ala.

Matsushita's Quasar imports TV & boards from Japan, manufactures consoles here for Panasonic. Panasonic also gets TV from Japan & Korea, is switching console business to Canadian plant, makes audio gear in P. R. & Tex. Sanyo makes color sets in Ark., produces Fisher & OEM speakers in Pa., has imported TV from Korea & Taiwan. And so on.

Lack of stable domestically-based industry, combined with new quota on Japanese color exports to U. S., is opening door to even more import competition. In color field, U. S. market footholds are being sought by such companies as Tatung & United Electronics of Taiwan as well as Korea's Daewoo, Gold Star & Sampo. In addition to manufacturers in more obvious locations, b&w producers in such countries as Singapore, Romania, Hungary, Yugoslavia and even Russia are eyeing opportunities here.

Manufacturing isn't only aspect of consumer electronics business that's gone multinational. Today's producer gets his technology where he finds it. While American R&D labs are contributing, much of next generation of products may stem from foreign efforts. Our videocassette recorders are all coming from Japan; Magnavox's upcoming optical videodisc is joint offspring of MCA & Dutch Philips.

Against this massive multinational array a domestic company has little choice but to join in or drop out. Middle ground has never worked. When RCA switched from producing to importing compact stereo in early 1970s, it soon found it couldn't compete with import specialists and maintain quality, so it quit whole audio field in 1974. Following year, GE, which was still making stereo from scratch in U. S., faced similar competitive problem. In light of RCA's unhappy experience as import-marketer, GE opted to leave audio business without attempting interim importing effort even though it was No. 1 in U. S. phono market. With possible exception of GE, we doubt that single major U. S. manufacturer has ever made significant long-term profit importing complete product from unaffiliated foreign manufacturer; all are now hoping videocassette recorder will prove exception.

Total commitment to multinational operation, meaning serving any given market from whatever plant location provides most efficient & lowest cost production relative to market conditions, is obvious key to corporate survival in consumer electronics today. For Zenith, that decision is coming late—possibly too late with respect to audio—but it's likely that move is only thing that could guarantee Zenith's survival as major factor in U. S. TV business.

Historically U. S. govt. aids multinationalization. Administration has successfully fought all attempts to repeal Tariff Schedule Secs. 806-7 which give duty exemption to U. S. content of imported products finished or assembled in foreign plants and make it practical for American companies to operate in low-wage areas. Voluntary color export quota pact agreement with Japan is, by law, supposed to protect "domestic" plants & workers from import injury. While it calls for Japanese to set up color plants here, it has no provision for encouraging U. S. manufacturers to expand operations in U. S. rather than their assembly facilities in Mexico & Far East, nor does it place any barriers to color sets imported from Japanese plants located in 3rd countries.

**INVENTORIES DROP AS SALES SOAR:** Superheated color TV sales to dealers exceeded production plus imports for 2nd consecutive month in Sept., reducing factory-plus-distributor inventories to less than 10-week supply, down from 12-14-week rate at which they had held most of year.

Individual manufacturers continued to report sales increases during Sept., which was 2nd-best color TV month in history and was climaxed by best single week in history (see State of the Industry). In announcing financial results, RCA said 9-month color sales set record, with consoles now back-ordered (see p. 11). Zenith reported earlier that 1977 sales were equaling record 1973 rate. And Magnavox says its color TV unit sales currently are running 35.7% ahead of last year, were up 27.2% in 3rd quarter; Senior Vp Kenneth Ingram cited successful trade-in promotion, dealer acceptance of merchandise and ambitious local retail promotions.

Production plus imports totaled about 1,049,000 color sets in Sept., slightly below the 1,104,941 sold to dealers. Factory-plus-distributor inventories at end of month were 2,522,000 sets, down 3.3% during month (and up 6.6% from year earlier); factory inventories were 1,423,-

000, down 9.4% in month (up 6.9% in year); distributor stocks 1,099,000, down 1.1% in 30 days (up 6.2% from 1976).

Unless there's 4th-quarter letdown, color set sales of 9 million or more seem to be indicated for 1977. Annualized sales rate for first 9 months came to 8.98 million, with Sept. at 9.35 million. Third-quarter sales totaled 2,340,625, up 38.1% from 1976 pace, representing highest quarterly percentage increase over last year, but 3rd-quarter sales rate was 8.91 million, lowest of the 3 quarters as result of slow July & Aug. sales. (First quarter sales rate was 8.96 million, 2nd quarter 9.11 million.)

Here are EIA Sept. sales figures (5 weeks), showing that month was best of 1977 in all consumer electronics categories and bested Sept. 1976 & 1975 in all categories except auto radio. (For 9-month figures, see State of the Industry.)

Product	Sept. 1977	Sept. 1976	% change	Sept. 1975
Total TV.....	1,686,859	1,389,916	+21.4	1,262,749
color.....	1,104,941	861,063	+28.3	745,119
monochrome.....	581,918	528,853	+10.0	517,630
Total radio.....	7,765,263	4,837,132	+60.5	3,262,760
home, portable.....	6,524,584	3,487,868	+87.1	2,235,435
AM-only.....	1,559,217	1,462,353	+6.6	535,272
FM & FM-AM.....	4,965,367	2,025,515	+145.1	1,700,163
auto.....	1,240,679	1,349,264	-8.1	1,027,325

**ANTENNA SAFETY:** Safety labeling rule for outdoor TV & CB base-station antennas as well as support structures has been cleared for proposal by Consumer Product Safety Commission. Rule will require that antennas & masts have labels capable of withstanding weather elements for 3 years, cautioning consumers to avoid contacting overhead power lines during antenna installation.

Instruction literature will have to carry explanation of electrocution hazard, discuss proper support to use if mast isn't packaged with antenna, provide installation information. Manufacturers will be required to submit samples of labels & instructions for CPSC approval within 30 days after effective date of rule.

Commission is slated for staff briefing on TV safety standard situation Oct. 19, is expected to decide whether mandatory federal or voluntary standard is needed Oct. 20.

Radio Shack opens first Tandy Computers store, pilot outlet at firm's Ft. Worth, Tex. hq featuring new TRS-80 computer (Vol. 17:33 p11) and range of peripherals. Store will be followed by other around country in near future, spokesman said... **Personal Computing Expo**, comprising lecture series, daily tutorials & product displays, will be held Oct. 28-30 at N.Y. Coliseum.

**Labor Dept.** is investigating request for import adjustment assistance from Advent workers, as result of foreign competition in projection TV, table-model radios and tape recorders.

**Extension of time** for filing comments in FCC's AM stereophonic proceeding: From Oct. 15 to Dec. 21, replies from Nov. 21 to Jan. 23.

"Picture-in-picture" concept is coming to Japan, which means it shouldn't be long before Americans, too, are offered opportunity to watch 2 TV shows at same time on same screen. Feature is available in Europe, is being eyed skeptically (Vol. 17:37 p9). At Japan Electronics Show, which opened at last week's end, Sharp showed: (1) Prototype of 21" color TV with 6" b&w picture in upper or lower right-hand corner for simultaneous viewing, along with automatic instant switching between the 2 channels; premium over conventional set in Japan will be about \$190-\$230. (2) Color TV projector using 3 tubes as light source, with 7-ft. screen, claimed to be 10 times brighter than previous units, for sale in 2nd half of next year at about \$3,850 (1 million yen). (3) Microprocessor color TV which can pre-program up to 8 TV shows, for marketing in Japan next year. (4) First 3-gun consumer VTR color camera, for sale some time next year at about \$2,300 (600,000 yen).

**Mergers & acquisitions:** Zenith has agreed to sell hearing aid business to Zonetron, new company formed by James Johnson, former Zenith Hearing Instrument Div. gen. mgr. and F. William Carr, Texas businessman. Price wasn't disclosed, but Zenith said it would be about book value... **Soundesign** said 475,000 shares were tendered in response to offer to exchange \$16 worth of new 15-year 10% debentures per share; it had sought up to 550,000 shares.

Sony is establishing video technology center in San Francisco area as base for systems & peripheral equipment development & production for institutional & special professional video. Sony cited its new investment in Cal. as possible influence on state to drop system whereby it taxes subsidiaries of international companies on basis of worldwide business, rather than business done in state.

**GAMES—DEJA VU SETS IN:** Inevitable replay of last year's pre-Christmas supply pinch—again caused by slow semiconductor deliveries—has most suppliers scaling down 1977 forecasts as they scramble to meet mounting retail orders. Industry now generally projects 5-7 million total for year (down from 7-10 million earlier), with MPU-based programmables accounting for 10-15% or 500,000-700,000 (down from 1-1.5 million).

Several suppliers blame problem on seasonality of game market, with retailers holding off until last moment on orders, forcing holdup in production schedules. But majority said biggest headache remains lagging chip & MPU deliveries, problem which won't be solved until some time next year. Shortage covers dedicated and MPU games, according to Coleco Pres. Arnold Greenberg, who says company will ship 2 million games in 1977. "We could sell at least 500,000 more we can't even deliver."

Supply problems in MPU field are caused partly by Bally's failure so far to get game through FCC tests and late deliveries by Atari, Greenberg said. But Atari Product Mgr. Patrick Kearney said 90,000 of its Video Computer System MPU games have been shipped to all major market areas in past 2-1/2 months and that total shipments in 1977 will exceed 250,000. In addition to single Combat game cartridge included with system, Kearney said shipments of first 8 game cartridges began 3 weeks ago.

Bally will still ship Professional Arcade MPU game in time for Christmas market, Consumer Products Div. Mktg. Dir. Robert Wiles told us, but only "a very limited amount." Game will finally go to FCC this week, Wiles said, with shipments scheduled to begin around Nov. 1. Industry won't be able to supply 10-15% of total MPU demand for Christmas, according to Wiles, with total in 300,000-500,000 range.

Christmas market may also see another programmable. Microelectronics Sales Mgr. Jeff Brown says plans for Interact I & III introduced at June CES (Vol. 17:24 p11) have been scrapped, that Interact II with built-in cassette input has been dropped to \$194 from original \$244 and will be offered in limited quantities through remainder of year. Game is now waiting approval at FCC labs. Brown says Microelectronics Riccochet line of dedicated games (\$20-\$80) is "bailing out lots of guys who can't get their original orders." Brown & others in field pointed out that many dealers placed orders with would-be suppliers roaming halls of June CES who now can't deliver. "A lot of suppliers were just trying to see if they could get the tonnage to justify importing them. When they didn't get enough, they just dropped their plans and went on to something else," Brown said.

Retail business is already picking up, APF Pres. Sy Lipper told us, with dealers now begging for step-up in deliveries. "They got and sold their Sept. & Oct. orders, and now they want stuff originally ordered for Nov." Shortages will be severe across board, Lipper believes, with "anything more advanced than a ball-&-paddle game in very, very short supply." NPU unit sales will hit less than 500,000, Lipper said, adding that APF won't make it to market with new programmable until next year.

Another new programmable will also hit market next year. RCA Distributor & Special Products Div. Vp Joseph Haimes told us color programmable will be introduced next year, probably at June CES. New game may have separate control consoles, joystick controls for some games—neither included in monochrome Studio II game—and increased memory. Pricing will be in same \$150 range as Studio II, Haimes said, unless price structure in industry changes significantly over next year. Haimes denied rumors Studio II is being dropped, said Christmas shipments are now being stepped up.

**ZENITH CONTINUES FIGHT:** Don't mistake Zenith's new moves toward overseas production as indication it's giving up fight against Japanese imports—far from it. As if to underscore its determination, Zenith took 2 new actions last week: (1) Asked for Supreme Court review of Customs Appeals Court's decision overturning countervailing duties on Japanese consumer electronics. (2) Met with Justice Dept. (JD) antitrust officials to reach compromise to prevent end of probe into Japan's check-price agreement.

Appeal to Supreme Court had been widely expected (Vol. 17:31 p9). Appeals Court had reversed Customs Court ruling that Japanese commodity tax rebates on exports of consumer electronics constituted subsidy. Administration officials have indicated they'll go to Congress for new law to circumvent any Supreme Court ruling upholding countervailing duties.

Meeting between Zenith & JD officials was attempt to reach compromise to keep JD's inquiry going. Dept. had threatened to drop it, accusing Zenith of blocking agreement which would give it access to confidential documents filed in antitrust suit against Japanese manufacturers in Philadelphia federal court (Vol. 17:39 p7). Zenith Chmn.—Pres. John Nevin told us last week that meeting was "very constructive—I think we have a basis to permit the Dept. of Justice to proceed." JD presumably met with attorneys for Japanese manufacturers, too. Though neither side would reveal nature of any agreement reached, Nevin stated: "I think we have a constructive basis to proceed with the case."

Meanwhile, Corning Glass Exec. Vp Allen Dawson, co-chmn. of COMPACT, labor-industry group which filed petition leading to Japanese export quotas, proposed independent govt. agency to preserve American jobs & industries threatened by imports. Addressing Conference Board assembly in N.Y., he said: "The procedures available to American firms for redressing grievances in international trade matters are in need of drastic overhaul. The Dept. of the Treasury has shown no stomach for enforcing the law of the land..." He said Treasury was 3-4 years behind in assessing dumping duties. New agency's actions, he said should be "subject to judicial review, not review by the Secretaries of State & Treasury."

— Akai cut prices at retail & wholesale levels on entire hi-fi line. Retail reductions average 5% on receivers, 7% on amplifiers, 17% on tuners. Akai said stocking dealers can get credit on current inventory by placing new orders. Cuts are first by major Japanese manufacturer since last spring.

**VTR SOFTWARE MART:** Almost all of what was new at Video Expo in N.Y. last week involved consumer-oriented videocassette programming, mostly in Beta format, but some starting to show up on 2-hour VHS.

Biggest program debut was inauguration of catalog of 20th Century feature pictures from Magnetic Video Corp., Industrial Park, Farmington Hills, Mich. 48024 (Vol. 17:31 p8). Illustrated catalog lists 50 of the 100 features to which MVC has non-exclusive rights. Now being duplicated on Sony & 3M cassettes, they go on sale starting next month by mail and through retailers in both 2-hour Beta & VHS formats. Feature films running 2 hours or less are \$49.95, longer \$69.95—somewhat over double the list price of blank cassette, and lowest-priced copyright features we've seen. Titles include "Hello Dolly," "Grapes of Wrath," "King & I," "Hustler," "Valley of the Dolls," "Patton."

Sony-Paramount software venture appears about ready for launching, and there are hints that its feature films may undersell MVC's.

Another library featuring movies was offered by Cinema Concepts, 91 Main St., Chester, Conn. Titles are principally old features, many apparently in public domain, listing at \$59.95-\$79.95 on 2-hour Beta or VHS cassettes. Also offered is selection of sports, comedy & cartoon cassettes in one-hour format at \$49.95.

Video Tape Network, 115 E. 62nd St., N.Y. 10021, which has extensive catalog of information & entertainment tapes for sale & rent, principally to college groups, plans to offer its wares in home formats through hardware dealers, but says it hasn't worked out prices yet.

Quality X Video Cassette Co., 356 W. 44th St., N.Y. 10036, claiming "the most exciting titles in porn," offered choice of 42 X-rated features at \$110 each in Beta format. And Vidpic, 2009 Baltimore, Kansas City 64108, offered dealers 4 packages of 4 public-domain movies each (Laurel & Hardy, W.C. Fields, "Reefer Madness," etc.) at \$100 per package, with note that they "may be sold, rented & duplicated legally."

RCA Service Co.'s Video Tape Duplicating Service, Des Plaines, Ill. (1263A Rand Rd.) exhibited for first time. Officials said initial business—duplicating U-Matic cassettes—has been good. Company hasn't yet moved into home formats. One of problems in duplicating VHS is that no professional equipment is yet available, and all duplication must be done with modified consumer units.

Software sale, rental & swapping obviously is going to become more & more important with proliferation of home VTRs. For some time, there's been enthusiastic subculture of videocassette collectors—first on U-Matic, now moving to new 1/2" formats. Many of them communicate through The Videophile's Newsletter, published by James Lowe, 2014 S. Magnolia Dr., Tallahassee, Fla. 32301. He has published 9 issues (\$1.50 each), now has nearly 300 subscribers. In highly interesting newsletter, readers discuss equipment, list movies or TV episodes they want to swap, etc.

**PANASONIC VTR AT \$1,095:** Panasonic priced "Omnivision IV" 4-hour VHS home VTR at \$1,095 last week's end. In Japan, new Beta units were introduced by Sony & Toshiba designed to sell at lower price than existing models.

Panasonic VTR thus is list-priced about same as Magnavox and \$95 more than RCA. Except for cosmetics, all 3 are identical—and it's indicated dealer costs are about same. Accessories are also priced same as for other Matsushita-made VHS equipment: 4-hour cassettes \$25, 2-hour \$18, b&w camera with mike \$300, external mike \$15, wide-angle camera lens \$40, 25-ft. camera extension cable \$55. Deliveries are scheduled to start Nov. 10-15. Exec. Vp Ray Gates told us supplies would be limited, and he expects decks to be in short supply for rest of year.

Sony & Toshiba introduced single-speed 2-hour Beta machines, at lower prices, as we forecast last month (Vol. 17:36 p9, 17:37 p9). Units appear identical except for trim, both being smaller & lighter than 2-speed models, with built-in timers, both priced at about \$876 (228,000 yen). Last Aug., Sanyo introduced single-speed 2-hour Betacord at about \$954 (248,000 yen). Sony Chmn. Morita indicated new lower-priced model would be marketed in U.S. some time next year. He said price of new SL-8500 was achieved through improved production techniques at Koda plant, which is producing 30,000 monthly, to be increased to 40,000 by year's end, of which 25,000 will be single-speed units, mainly for Japanese market. Toshiba plans to produce 2,500 monthly next spring, of which some 1,500 may be exported to U.S. & Canada. Toshiba has started marketing 2-speed Sony-made units here at \$1,300 list price.

Toshiba also announced lower-priced version of its color camera around \$1,000 (250,000-298,000 yen) in Japan next spring. Toshiba camera sells here for \$1,700 (Vol. 17:33 p8).

**RCA SETS RECORD:** RCA set sales & income records for 3rd quarter & 9 months (see financial table), said July-Sept. net was highest of any quarter in history. It said new 9-month color unit sales set record, reported major sales increase & order backlog for color consoles. It reported improved performance for consumer electronics, picture tubes, semiconductor, records & service operations.

Sanyo Mfg., U.S. TV production venture owned by Japan's Sanyo & Sears, reported 3rd-quarter of \$196,000 on \$22.9 million sales, bringing respective 9-month totals to \$437,000 & \$45.5 million for period ended Aug. 1. As venture was acquired from Warwick Jan. 1, no comparable 1976 results are available, but for 9 months to Sept. 30, 1976 Warwick reported TV operation lost \$1.9 million on sales of \$59.3 million.

**General Instrument** arranged \$30-million 9-1/8% 15-year loan from Prudential Insurance. Funds will be used to repay revolving credit debt, other general purposes.

**GE**, reporting increased sales & earnings for 3rd quarter & 9 months, cited air conditioning & major appliances as strong points among consumer goods in 3rd quarter, didn't mention TV or audio.

## Trade Personals

**Donald Kronenwetter**, Sylvania Electronic Components Group vp, named to head new Distributor & Special Mkts. Div. . . **William Dickinson**, Sylvania Tube Div., receives EIA Engineering Award of Excellence. . . **Jason Stewart**, NEC America Electron Devices Div. gen. mgr., named vp. . . **Livio Dalto** promoted at RCA from Canadian & Latin American licensing dir. to staff vp & international senior counsel. . . **Edward Goldstein**, ex-Sylvania Entertainment Products, named general counsel, GTE Consumer Electronics Business.

**John Walsh**, Mirco chmn.-pres., assumes responsibility for video game operation, replacing **Vernon Leas** who resigns as domestic operations vp; **Thomas Connors**, one-time Mirco pres., succeeds Leas as Semiconductor Test Systems Group gen. mgr. . . **Lewis Coronis**, Buckbee-Mears precision parts & components gen. mgr., named vp with responsibility for worldwide production & mktg.; **Jerry Friedmann** advanced from personnel dir. to human resources vp. . . **Herbert Cadel**, ex-Morse & Panasonnic, named Magnavox N.Y. Div. mgr., succeeding **Richard Clearwater**, resigned.

**William Gregory** advanced at Dow Corning from corp. purchasing dir. to Hemlock, Mich. semiconductor materials plant mgr., succeeding **Truman Bishop**, now facilities engineering mgr. . . **Jerry Huffman**, ex-General Aviation Electronics, rejoins RCA as Sales Corp. Central region vp.

Support for Sony in copyright suit brought by MCA & Disney was voted by EIA Consumer Electronics Group at last week's San Francisco conference, as we forecast (Vol. 17:41 p7). Special Counsel J. Edward Day is preparing amicus brief, which will be circulated to all CEG members for approval. Marketing Services Committee, meanwhile, decided to start home videocassette recorder import & sales statistical program on monthly basis beginning with Jan. figures; EIA spokesman said all companies marketing VTRs have agreed to participate. CEG also took first steps with Record Industry Assn. of America (RIAA) & National Assn. of Record Merchandisers (NARM) toward joint hardware-software hi-fi promotions with agreement of CEG to participate in NARM convention and NARM to appear on audio panel at Winter CES.

**Ad notes:** Sony launches "multi-million-dollar" fall ad campaign for Betamax, using 57 network TV programs, magazines & large-space newspaper ads. Company previously had described new ad-promotion program as budgeted at more than \$5 million. . . Sharp will use network TV & consumer magazines to promote "Sharp Eye" microprocessor audio cassette system (Vol. 17:38 p10). . . Philips (Netherlands) appoints Henry J. Kaufman & Assoc. Washington (adv.) and Irving L. Straus Assoc., N.Y. (PR), for test equipment. . . GM's Delco launches print campaign urging new-car buyers to insist on factory-installed radios, tape players & CB's. Delco says FM now accounts for about 60% of new-car radio installations, should rise to 80% by 1980; CB is ordered for about 6% of new cars. . . Motorola appoints Young & Rubicam for new corporate ad account.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>CBS</b>			
1977-9 mo. to Sept. 30 <sup>a</sup>	1,943,700,000	131,700,000 <sup>b</sup>	4.68
1976-9 mo. to Sept. 30	1,570,400,000	116,100,000	4.07
1977-qtr. to Sept. 30 <sup>a</sup>	655,400,000	43,800,000 <sup>b</sup>	1.57
1976-qtr. to Sept. 30	524,700,000	40,800,000	1.43
<b>GE</b>			
1977-9 mo. to Sept. 30	12,795,000,000	755,800,000 <sup>b</sup>	3.33
1976-9 mo. to Sept. 30 <sup>c</sup>	11,174,800,000	638,400,000	2.83
1977-qtr. to Sept. 30	4,348,700,000	268,500,000 <sup>b</sup>	1.18
1976-qtr. to Sept. 30 <sup>c</sup>	3,774,300,000	227,300,000	1.01
<b>Gray Communications Systems</b>			
1977-year to June 30	14,606,462	1,115,031	2.35
1976-year to June 30	12,785,883	1,021,399	2.15
<b>Harte-Hanks Communications</b>			
1977-9 mo. to Sept. 30	104,917,000	8,716,000	1.95
1976-9 mo. to Sept. 30	83,585,000	7,165,000	1.63
1977-qtr. to Sept. 30	36,429,000	2,895,000	.65
1976-qtr. to Sept. 30	30,011,000	2,370,000	.54
<b>North American Philips</b>			
1977-9 mo. to Sept. 30	1,382,820,000	41,491,000 <sup>d</sup>	3.22
1976-9 mo. to Sept. 30	1,234,695,000	39,423,000 <sup>d</sup>	3.08
1977-qtr. to Sept. 30	487,262,000	13,738,000 <sup>d</sup>	1.07
1976-qtr. to Sept. 30	427,664,000	14,129,000 <sup>d</sup>	1.10
<b>Owens-Illinois</b>			
1977-9 mo. to Sept. 30	2,093,263,000	74,409,000	2.53
1976-9 mo. to Sept. 30	1,938,926,000	91,726,000	2.96
1977-qtr. to Sept. 30	726,094,000	23,798,000	.81
1976-qtr. to Sept. 30	668,236,000	28,005,000	.88
<b>Raytheon</b>			
1977-9 mo. to Oct. 2	2,071,253,000	82,588,000	2.68
1976-9 mo. to Sept. 26	1,775,365,000	64,001,000	2.10 <sup>e</sup>
1977-qtr. to Oct. 2	696,874,000	30,067,000	.97 <sup>e</sup>
1976-qtr. to Sept. 26	604,198,000	23,093,000	.76 <sup>e</sup>
<b>RCA</b>			
1977-9 mo. to Sept. 30	4,267,500,000	181,500,000	2.37
1976-9 mo. to Sept. 30	3,906,000,000	121,400,000	1.57
1977-qtr. to Sept. 30	1,464,600,000	62,900,000	.82
1976-qtr. to Sept. 30	1,329,100,000	33,400,000	.43
<b>Sanyo Mfg.</b>			
1977-9 mo. to Aug. 31 <sup>f</sup>	45,456,000	437,000	.10
1977-qtr. to Aug. 31 <sup>f</sup>	22,922,000	196,000	.04
<b>Scripps-Howard Bcstg.</b>			
1977-9 mo. to Sept. 30	34,474,000	7,447,000	2.88
1976-9 mo. to Sept. 30	33,541,000	7,609,000	2.94
1977-qtr. to Sept. 30	10,658,000	2,139,000	.83
1976-qtr. to Sept. 30	10,510,000	2,297,000	.88
<b>Sega Enterprises</b>			
1977-year to June 30	29,997,000	347,000	.18
1976-year to June 30	24,229,000	1,916,000	1.00
1977-qtr. to June 30	7,811,000	273,000	.14
1976-qtr. to June 30	6,408,000	534,000	.27
<b>Wometco Enterprises</b>			
1977-9 mo. to Sept. 10	154,068,000	9,557,000	1.12
1976-9 mo. to Sept. 11	140,177,000	10,093,000	1.17
1977-qtr. to Sept. 10	56,983,000	3,470,000	.41
1976-qtr. to Sept. 11	49,987,000	3,333,000	.39

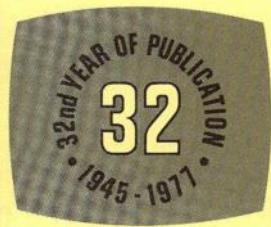
Notes: <sup>a</sup>Estimate. <sup>b</sup>Record. <sup>c</sup>Restated. <sup>d</sup>Includes special credit. <sup>e</sup>Adjusted. <sup>f</sup>No comparable figures available.

**CB Scene:** FCC levied total of \$9,150 in fines against 77 CB operators for violations ranging from failure to use call sign to excess power as part of continuing crackdown on abuses. . . Reply deadline on FCC proposal to tighten CB transmitter spurious & harmonic radiation specs is Nov. 1. Comment deadline was Oct. 17. . . Public hearing on Sec. 201 injury complaint brought before ITC.

WEEKLY

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OCTOBER 24, 1977

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**FERRIS-STAFF FIRST, PRIORITIES 2ND:** Chooses Bruce for gen. counsel, wants Lloyd as top admin. asst., may get Jansky as chief engineer. Isn't lining up issues yet, but is obviously strong for network inquiry, fees, children's programs. (P. 1)

**FALLOUT FROM CBS SHAKE-UP:** Schneider, Wussler moved to make room for Jankowski, Rosenfield. Daly heads new Entertainment Div. (P. 2)

**GOOD TURNOUT FOR NAB TOUR** continues in Boston & Atlanta, where police chief appears hours after plane hijacking. Rewrite continues major issue; anti-broadcast options reportedly dead. (P. 4)

**PUBLIC-NAB MIXED REVIEWS:** Wasilewski says Boston town meeting was 'worthwhile' despite small attendance, lack of substantive questions. (P. 4)

**ADVERTISING & CHILDREN:** Disputes, discussion, studies, prescriptions—at Washington sessions. (P. 5)

**TV-1984, IN BOSTON:** New England TV Academy features 3 network presidents who predict change is only safe prediction. (P. 5)

**QUAD VTR 'REPLACED'** by new 1" standard, says member of SMPTE working group. Ampex to update VPR-1 for new standard at \$3,500 each. (P. 6)

**'TINKERING' WITH PUBLIC BCSTG.?** Carnegie Commission & House Subcommittee explore Carter's proposals, question White House and public broadcasting brass. (P. 6)

**FERRIS-STAFF FIRST, PRIORITIES 2ND:** New FCC Chmn. Charles Ferris tells us his first priority is to build staff, and he expects to begin identifying them this week. He wouldn't confirm it, but it's known that Robert Bruce, of Hogan & Hartson law firm, will be gen. counsel. Also, he'd like OTP's Frank Lloyd to be his top admin. asst.—but Henry Geller wants Lloyd at Commerce Dept., where Geller is due to head communications activities, so there's a little good-natured competition there. (Geller becomes Commerce consultant Nov. 1.) For chief engineer, Ferris is understood to want Donald Jansky, OTP asst. dir. for govt. communications. Ferris' top secretarial aide is Donna Schade, who worked with him in office of Sen. Mansfield (D-Mont.).

Bruce is magna cum laude, Harvard Law School, has masters in public administration, has been at Hogan & Hartson since 1972, before that with PBS. His wife is Collot Guerard, attorney with Media Access Project. Lloyd was exec. dir., Citizen Communications Center, before joining OTP. Jansky has name familiar in Washington communications; he's son of late attorney Maurice Jansky, nephew of late engineer C.M. Jansky.

### Consumer Electronics

**RISE IN YEN** value forcing more price hikes. Panasonic will go up 6%-10% Jan. 1; MGA, Toshiba, others may follow. (P. 8)

**OLYMPIC TO MAKE** color TV in own Taiwan plant, plans 150,000 sets per year, presumably to replace leader bracket vacated by Japanese. (P. 9)

**TV SAFETY STANDARD** to be voluntary for mechanical, implosion & shock hazards, but CPSC orders study to determine whether mandatory fire-containment standard is feasible. (P. 9)

**HOME VIDEOCASSETTE PLANS** firmed up by Sears & MGA. Matsushita races Sony to 50,000 monthly production. Latest U.S. sales forecasts by Sony. (P. 10) Table of VTR availability & pricing. (P. 11)

**FAIRCHILD EYEING** computers, but next game product probably will be updated version of VES programmable. (P. 12)

**VTR DEALERS** quickly adding more lines, Television Digest study shows, with estimated 78% of retailers planning to be in field by year's end. (P. 12)

**RCA UPPED IMPORTS**, transferred production out of U.S. in 1976 & 1977, Labor Dept. says in ruling employees eligible for aid. (P. 12)

**CB SALES DATE** erupts into industry feud as Johnson & Hy-Gain challenge proposed deadline extension beyond Jan. 1, claiming it would flood market with 23s, destroy FCC's credibility. (P. 13)

Four top jobs at FCC are "unprotected" under Civil Service rules, and incumbents can be bounced: Chief of Office of Plans & Policy, chief engineer, chief of Broadcast Bureau, gen. counsel. Ferris said no one has resigned.

"There's too much talent available," said Ferris who finds himself deluged with applicants. He said he hasn't focused on bureau chiefs yet, is concentrating on personal staff & gen. counsel. He confirmed reports that he has called on Geller, among others, for advice: "He's extraordinarily well informed, an encyclopedia. He's a very good lawyer, can give you both sides of an issue." Ferris said he has called on "dozens of others" for advice—including 2 former chairmen, Wiley & Burch. Ferris also visited other commissioners last week ("in order of seniority," one told us), then Bureau chiefs.

Ferris said he isn't ready yet to specify his priorities in issues—though network inquiry is definitely at top, and he's seeking staff for that. He'd also like to work up new schedule of fees. As for issues generally, he said he'll work on these with his staff, "a collegial effort" to set up priorities. He did mention children's programming as something of high priority. (Note: FCC closed children's inquiry without adopting rules, said it would continue to monitor situation which gives Ferris peg for reopening record.) And he said that renewals are "significant." However, regarding all issues, he said: "I'm not coming in with a bottom line. I have no pre-determined conclusions."

Asked if he'll be a 'liberal,' he said: "Decisions before this body are not of partisan nature. I don't know what a liberal at the FCC means. I do have identification on civil rights, etc., but I don't bring a bias to issues."

Ferris has no legislation in mind. He said that examination of "the whole Act" going on in House Communications Subcommittee "is very healthy." He said "it's not realistic" to expect extensive changes in Communications Act. He said revision of Copyright Act took 12 years, and changes in Communications Act "are not as urgent as copyright."

Ferris is 44, has unusual background in that he obtained degree in physics at Boston College before going into law. His wife is former Patricia Brennan; they live in Mt. Vernon, Va. with teen-age daughters Sabrina & Caroline.

Ferris' swearing-in ceremony at White House Oct. 17 had 150-some guests, largest group we've seen for an FCC member. Vice President Mondale administered oath; he praised Ferris effusively, as did Speaker O'Neill (D-Mass.). Guests included FCC nominee Tyrone Brown, Henry Geller, Frank Lloyd, Dean Burch, communications attorneys John Cole & Alan Raywid.

Meanwhile, Brown's name was sent to Senate, and hearing on his nomination to 2-year term is Oct. 26, same day for hearing on Irby Turner's nomination to CPB.

**FALLOUT FROM CBS SHAKE-UP:** Stating that task of heading network has "become an onerous assignment at CBS," CBS Inc. Pres. John Backe did something about it Oct. 17 in rapid actions that split network into 3 divisions, ousting Bbst. Group Pres. Jack Schneider and TV Network Pres. Robert Wussler. Both learned of impending moves shortly before they were made public. "We are simply reckoning with the reality of the present and planning for the future," Backe said.

Explaining action in closed-circuit telecast to affiliates, Backe said shake-up had been in works for 6 months. Generally speaking, affiliates we checked were happy with changes, nearly all saying something to the effect that when "you're a poor third in programming, something has got to give."

Here are major changes: (1) Bbst. Group Exec. Vp Gene Jankowski (slot created for him in July) replaces Schneider as Bbst. Group pres. Schneider becomes CBS Inc. senior vp and, according to Backe, "will have responsibility for strategic planning in the entire field of broadcast communications... Additionally, he will represent CBS in government, industry and international communications matters." Several CBS officials denied rumor that Schneider would move to Washington. Schneider did 2 turns (latest tenure for 8 years) as pres. of Bbst. Group, in between was exec. vp of corp. and heir-apparent to presidency then held by Frank Stanton. Jankowski joined CBS in 1961 as radio salesman, held numerous posts in company before being named vp-administration in Jan., exec. vp of Bbst. Group in July.

(2) "At his own request," Wussler moves to pres. of new CBS Sports Div., formerly part of TV network; he headed sports as vp before being named network pres. in April 1976. Vp-National Sales Mgr. James Rosenfield replaces Wussler as network pres.

Realignment in CBS Sports under Wussler: Barry Frank from CBS Sports vp to senior vp, programs; Harold Classon from assoc. dir. of operations to vp, operations & production; Martin Cohen, from dir. of planning & admin. to vp, finance & admin.; Kevin O'Malley from program planning dir. to vp, communications; Neal Pilson from business affairs dir. to vp, business affairs; Richard Robertson from account exec., CBS TV Network Sales to vp, sports mktg.

(3) Robert Daly, network exec. vp based in L. A., was named pres. of new CBS Entertainment Div. He already had been in charge of programming & production. Donald (Bud) Grant remains vp in charge of programs, reports to Daly.

Under new structure, Entertainment, News, Radio, Sports, TV Network & TV Stations Divs. report to Jankowski. Under Network Pres. Rosenfield will be affiliate relations, sales & operations. CBS organization becomes very similar to one ABC established several years ago when it divorced sports & programming from network operations.

Backe said "the ultimate purpose, of course, is to accelerate the generation of more innovative programming, more popular programming and more quality programming." Stressing that point, Daly told Les Brown of N. Y. Times: "My first order of business will be to dispel the notion out here [Cal.] that certain programs are not the CBS type... We have to show producers that we have an open mind to new ideas and an open door to all kinds of program projects." (CBS official said this is obvious rebuttal to Wussler statement few weeks ago that ABC's programming is "junk.") Daly praised several current ABC shows which have led that network to prime-time leadership. Advertising, promotion & publicity also report to Entertainment Div. to "enable us to put the full support apparatus behind every program we believe in... We have to sell our shows better. That's what ABC does so well," Daly said.

In move unrelated to shake-up at top, Paul Isacsson was promoted to network sales head, succeeding Frank Smith, who moves to new post of vp-operational resources, Bcst. Group.

Minority ownership was on agenda of House Communications Subcommittee last week, and committee, consisting mostly of Chmn. Lionel Van Deerlin (D-Cal.) and staff, heard round of ideas. Among principal ones: (1) Limit number of affiliates network may have, opening up possibility of 3rd & 4th networks, potentially for blacks & Latinos (Jose Luis Ruiz, independent producer, Alhambra, Cal.). (2) Keep present 3-year license. "At least now they invite us in every 2-1/2 years for tea and donuts and ask us what we want..." (Alvin Chamblis, Oxford, Miss., lawyer representing Northern Miss. Rural Legal Services). (3) FCC personnel should help people file complaints; if FCC people can't, FCC ought to furnish funds for outside help (FCC Comr. Joseph Fogarty). (4) Ownership is not problem, network control of programming is (Helen Franzwa, project dir., equal opportunity and TV study, U. S. Commission on Civil Rights). (5) Broadcasting is a business, and only when owners and stockholders want better shows will there be better programs (William Dillday, gen. mgr., WLBT-TV Jackson, Miss.).

FCC will ask Supreme Court for rehearing in Home Box Office case, filing on Oct. 25, limiting request to ex parte portion of decision (Vol. 17:41 p2). Such rehearing petitions are extremely rare because they're rarely granted. Meanwhile, Appeals Court has issued mandate in case, meaning that payable rules no longer exist.

Warner Cable showed lower operating income in 3rd quarter despite higher revenues & earnings for basic cable operations as result of expensing of costs for Columbus, O. 2-way Qube project. Operating income totaled \$1.7 million for quarter, down from \$3,286,000 one year earlier, on revenues of \$13,930,000 compared with \$13,102,000 in 1976 period. For first 9 months, income was \$7,852,000 vs. \$8,680,000 year earlier on sales of \$41,394,000 vs. \$38,090,000. (For Warner Communications results, see financial table.)

Pay cable should subsidize community service, access, etc., according to petition for inquiry & rule-making filed by United Church of Christ, Consumers Union & UNDA-USA (Catholic broadcasters). Petitioners noted that Appeals Court said, in Home Box Office case: "Certainly an inquiry into this problem would be appropriate in any proceedings the Commission might have on remand."

Solicitation by phone "raises serious questions concerning the infringement of individual privacy," OTP states in comments filed with FCC. It suggests Commission expand inquiry beyond use of dialing devices to cover all phone selling, offers various techniques of blocking calls to people who don't want them.

NCTA Engineering Vp Robert Luff calls for technical papers for April 30-May 3 convention, New Orleans.

**GOOD TURNOUT IN NAB TOUR:** Record New England registration of 305 attended fall conference in Boston (helped by Mass. broadcasters meeting day before) and 312 showed up in Atlanta last week as NAB continued annual tour without strong govt. participation for first time (Vol. 17:42 p1).

Sole combined TV-radio session on tour was meeting on terrorists—in Atlanta—just hours after hijacker of jet had released hostages at Atlanta airport and killed himself. Atlanta Comr. of Public Safety Reginald Eaves (black), who directed airport drama, told NAB that publicity is what hijackers are after and news media give it to them—but he didn't suggest govt. curbs.

In Boston, police psychologist Russell Boxley said that it's not "up to the police to police the media," that for most part there's been good media-police cooperation but at times media have interfered and endangered peoples' lives. Other panelists warned that guidelines for terrorist coverage must be flexible, that media must guard against becoming "an arm of the government or the police."

NAB Chmn. Donald Thurston, also member of All-Radio Music Licensing Committee, said: "We're going to be in court with ASCAP... It'll be a toughy this time." ASCAP is seeking increase in radio music fees; broadcasters are demanding decrease, hired economist. Committee also is negotiating with BMI, and Thurston said "we had a very good first session."

NAB Pres. Vincent Wasilewski again was asked about NRBA (just as in Chicago), said there's good relationship between 2 associations on Washington problems, said "personalities & egos" are involved in working out cooperation in other areas. He pointed to many increased services for radio by NAB.

In sole govt. session (on Communications Act rewrite), Rep. Waxman (D-Cal.) told Boston TV delegates that Communications Subcommittee is "very concerned that the NAB has become so alienated" by option papers. He said drafting of legislation will be "an open process" and that Subcommittee must be "sensitive" to broadcasters' views. Waxman heard many strong statements from broadcasters attacking rewrite and stressing localism and need for profits to provide required public service. His response: "You've put your fingers on some very good points."

Bazil O'Hagan, WNDU-TV South Bend, member of rewrite advisory committee (which meets with congressmen & staffers in San Diego Nov. 9), said Subcommittee staff showed its "naïveté" in expecting broadcasters to accept proposed options. In Atlanta, Rep. Moore (R-La.) said "radical" options are out but they served a good cause because industry reacted so strongly. He said cable will be biggest problem in rewrite.

At Boston radio session, Waxman said Congress should consider ending all program restrictions on radio, expressed reservation only on format changes. He said most of options currently before Subcommittee will be discarded. However, NAB Radio Dir. Jerry Lee said industry should continue to take options "very seriously... because where there's smoke, there's fire."

**PUBLIC-NAB MIXED REVIEWS:** "I thought it was worthwhile... I'm glad we went through it," NAB Pres. Wasilewski said of marathon 4-1/2 hour meeting with public in Boston Oct. 18. Only about 220 showed up in 600-seat auditorium despite heavy local promotion. "We expected more, but we weren't disappointed," Wasilewski said, saying small turnout "probably indicated that there's not as many people willing to come out and complain as many of our critics think."

Noting that most people who participated made long-winded statements of personal views—instead of asking questions or making specific complaints—broadcast participant said session was "a total, complete waste of time." Added another: "We publicized the hell out of this thing" yet comparatively few showed up.

Surprisingly absent (or at least silent) was Boston-based Action for Children's TV. Subject of sex & violence—and their impact on children—didn't come up for 2-1/2 hours, but then it prompted 30-min. attack on TV and disputes within audience. Perhaps view of public was summed up by woman during debate on sex & violence: "You say you want to know what we want [on TV] and when we tell you [we want less sex & violence] you say the Code can't act."

In only piece of trade news out of session, TV Code Gen. Mgr. Jerome Lansner said Code authority is investigating "innuendo & double entendre" to see if something can be done under Code structure. By far, most questions were asked—and complaints made—about local TV spots for South African gold coins (Krugerrand). In fact, pickets were out front organized by Boston chapter of African National Congress of South Africa.

Other subjects brought up from audience included coverage of ERA (both pro & con), propriety of broadcaster contributions to members of Communications Subcommittees, network profits, children's specials (why so many are too late for kids), family viewing, "brownouts" on news about abortions, lack of woman on broadcasters' panel, reporting of Middle East, stereotyping of women in commercials & programming employment of women.

Participating for broadcasters, along with Wasilewski, were 5 members of TV Code Board (including 3 network standards & practices vps), Lansner and CBS Radio's Jack Stuppler—who didn't get a single question. Also, several NAB execs. were up front in audience, answered questions. Similar town meeting is planned in San Diego Nov. 10.

Sports hearing by House Communications Subcommittee resumes Nov. 2-3, with primary emphasis on "winner-take-all" tennis matches (CBS) and U.S. Boxing Championships (ABC), according to Chmn. Van Deerlin (D-Cal.). Also to be explored are exclusive contracts with prize fighters (ABC & CBS), scoring of recent Ali-Shavers fight (NBC) and college football (ABC).

**ABC-TV Affiliates' Board**—9 men & one woman strong—meets Oct. 24-27 at Dorado Beach, P.R. On hand to brief them will be 44 ABC executives—including Chmn. Leonard Goldenson and more than 30 vps. Also present will be 9 ex-affiliate chairmen.

**ADVERTISING & CHILDREN (Cont'd):** Lots of talk about advertising—particularly about impact on children—in Washington last week:

(1) At Georgetown Law Center session, food companies said that apples, oranges & raisins—all good guys to anti-advertising forces—also contain sugar. Also noted was fact that per capita consumption of sugar has risen only slightly in 50 years. Mercedes Bates, of General Mills, said recent survey ranks TV violence & children's advertising at bottom of list of 10 problems faced by 1,230 American families. Barry Zoumas, Hershey Foods, said that confections account for only 1% of food intake of average child. Gary Costley, Kellogg, noted that his company's advertising for "K" cereal included glass of orange juice and that was recalled by many when surveyed. Joan Gussow, Columbia U. nutritionist, called food ads addressed to children "frivolous...exploiting children." Peggy Charren, ACT, called for complete ban on candy advertising to children.

(2) National Science Foundation issued review of literature, stated: "It is clear from the available evidence that television advertising does influence children," and that younger children find it difficult to distinguish between commercials & programs. It recommended 3 levels of additional research: "Midlevel" study of premises on which current regulations including NAB Code operate; "macrolevel" study of importance of TV to children by looking at all forces (including parents, peers, school, church, etc.) that influence children; "microlevel" study of commercials directed to children to determine desired as well as undesired effects.

(3) Judges will have to view videotapes of TV commercials in order to judge correctly whole "expression" of video ad, according to Albert Kramer, dir. of FTC's Bureau of Consumer Protection. In a talk at AAF-FBA seminar, he said: "To the extent we have a mandate to regulate false, deceptive and unfair advertising expression, we must make sure we have before us the expression itself, not just a representation of the expression..." He said FTC still relies on "double-spaced, typed pages," in court actions, rather than on complex "multi-sensory experience of which the written word is a minor part..."

(4) FTC should require advertisers to contribute portion of ad budgets to pro-nutrition counter-ads—according to Gerald Thain, U. of Wis., former FTC staff, speaking at AAF-FBA meeting. At same meeting, Nancy Buc, N.Y. lawyer, also formerly FTC said there's error in assuming simple answers to "complex question" of impact on children. Legally, she said, advocates of ban on such advertising cannot prove harmful effects they charge. And if ban is urged on moral grounds, then First Amendment comes into play, she said, making it mighty difficult to justify.

**FCC Cable Bureau** offers 5 studies for use in its inquiry into station-cable economic relationships: Model for UHF audience estimates; impact of cable on audience shares; revenue-audience ratios, VHF & UHF; network compensation as percent of total revenue; network affiliate revenue structure.

**TV-1984, IN BOSTON:** The only safe prediction is that there'll be change by 1984, star-studded panel predicted at N.E. NATAS lunch in Boston last week. It had been billed as confrontation of 4 network presidents (including PBS), featured 3 since CBS demoted Robert Wussler to sports pres. 2 days before Oct. 18 lunch attended by 600.

Filling in for CBS was East Coast Programming Vp Harvey Shephard, who predicted "this swing to long form is more than a passing fad," added however that basic ingredient of network schedule will remain regular series. He said that "no network can afford the price" to regularly program blockbuster specials, because "just about every special loses money." Saying "I couldn't be more optimistic" about TV advertising, he predicted total for TV will be \$14 billion in 1984—\$6 billion in network, \$4 billion each in national & local spot.

**ABC-TV Pres.** James Duffy said only safe prediction is that there'll be change, only question is whether it'll be radical or step-by-step. In programming, "I look for constantly improving quality." At earlier news conference, Duffy said ABC was braced for "avalanche" of telephone calls opposing first few episodes of "Soap." Phones "were strangely silent [and] we were amazed by the lack of reaction" because of organized campaign before first episode aired Sept. 13, he said.

"This season notwithstanding"—and ABC's huge prime-time lead—dominance by one network (as CBS dominated past years), has ended, according to NBC-TV Pres. Robert Mulholland. By 1984, he predicted, half of schedule will be long- or mini-series, "happy talk news will at last disappear" and TV will continue to do things that mass audience enjoys. Only uncertainties are possible legislative & regulatory actions, which could interfere with expected TV growth. At news conference, Mulholland told questioner there's no sex on TV "if you know what sex is." He said TV is most conservative medium "and will remain that way."

**PBS Pres.** Lawrence Grossman gave tongue-in-cheek presentation in which PBS was top-rated network in 1984 and Pres. Grossman had just been fired because "you always fire the president just before the network enjoys the best season in its history." In Grossman's 1984, NBC traded parent RCA & Rockefeller Center, plus "an undisclosed amount of cash," for rights to summer Olympics in Red China.

Too much power in communications is going to OMB, under Administration's reorganization, in opinion of Sen. Hollings (D-S.C.). Speaking on floor chamber, he said there should be telecommunications "administration" within Commerce Dept., headed by administrator—with much more authority than asst. secy.; latter is rank specified by White House.

**TV viewing patterns** as they relate to audience's other activities is subject of new survey under way this fall & winter by Ronald Frank, U. of Pa., and Marshall Greenberg of Booz, Allen & Hamilton. Principal funding is \$360,000 by Markel; CPB gave \$70,000 for supplementary sample of blacks and Hispanics.

**QUAD VTR 'REPLACED':** New 1" VTR standard developed by SMPTE working group (Vol. 17:39 p3, 17:41 p5) "unquestionably will replace quadruplex" as accepted broadcast design, in view of first member of working group to speak out publicly on matter. He is consultant Joseph Roizen, speaking to Industrial TV Assn. meeting in N. Y.

Roizen revealed that new standard—compromise between Sony & Ampex systems—was "designed to hurt each manufacturer a bit" rather than to give either one clear-cut victory, but final specs resemble Sony more than Ampex, in that extra "half head" is used to permit recording of entire vertical interval. He pointed out that there are now 10,000 quad recorders in use throughout world. Bosch/Fernseh's segmented 1" helical BCN "can't be discounted," he added, with about 300 now in use, mostly in Europe; he forecast that it would continue to compete in U. S. market "for those who can use it."

Meanwhile, Ampex announced plans to update VPR-1 recorders to new standard at 3 U. S. service centers and others around world, at \$3,500. Update kits will be available in midsummer. Order backlog for VPR-1 is more than \$5 million, while Ampex's quad sales are "unprecedented... exceeding even the color boom of the mid-1960s."

Bosch/Fernseh made major pitch for BCN system at last week's SMPTE technical conference in L.A., introducing 20-lb. portable cassette version which records for 20 min. Company will have 4 basic VTRs, 3 editing systems and 5 special systems in 1978 line, promises to double number of products before 1980, with more systems to be shown at next spring's NAB convention, including automatic multiple-cassette systems. Bosch says it feels BCN format probably has capacity for conversion to digital recording; Bosch may give first reports on digital VTR development by April's NAB.

Annual PBS survey by Nielsen found these highest in March: "Sesame St.," average 3.2 rating; "Upstairs-Downstairs," 2.9 rating. Survey showed 42.8 million TV households (60.1%) tuned to public TV in month—up 11.4% from last year. During average March week, 27.5 million TV homes (38.7% of total) watched public TV for average 2 hours & 55 min. Another study, by CPB, found that during 1974-76, public TV stations increased time on air 17%, number of programs 16%. It also showed that time devoted to instruction increased, while time devoted to "Sesame St." & "Electric Co." dropped.

ATC will add HBO pay-cable service to 25 more systems serving some 75,000 homes. It has been testing HBO in 5, and Trygve Myrhen, mktg. vp, said: "The HBO program mix has steadily improved to the point of relieving concerns about disconnect levels." HBO also begins service to its first Cable-com-General system—Santa Rosa, Cal., with 22,000 subscribers.

**FTC:WATCH** newsletter has prepared summary of adjudicative matters pending at FTC Aug. 31, available (\$2) from Amolsch & Madden, Box 2220, Springfield, Va. 22152.

**'TINKERING' WITH PUBLIC BCSTG.?** Future of public broadcasting was explored on 2 fronts in Washington last week—

**Carnegie Commission (CC):** This group's predecessor, 10 years ago, helped lay foundation for PTV system. In discussions last week, Commission's Exec. Dir. Sheila Mahony complained that President Carter is "tinkering" with system, but her former boss at Cable TV Information Center, W. Bowman Cutter, now at OMB, disagreed. He urged CC to consider all "public communications," not only TV to recognize new technology. He urged members to "think the unthinkable"—having public pay for some of public broadcasting.

**PBS Pres.** Lawrence Grossman suggested public expects too much from PTV. CPB Pres. Henry Loomis described myriad of groups seeking special programming, also indicating excessive public expectations. NPR Exec. Dir. Matthew Coffey said public radio should offer more specialized services.

Meanwhile, Senate confirmed Sharon Rockefeller & Gillian Sorensen to CPB board.

**House Communications Subcommittee:** Took testimony on Carter's proposals, and politics were in minds of some members. Rep. Marks (R-Pa.) for example, asked whether removal of editorial ban on non-state supported public stations, as recommended by President, would permit public broadcasters to endorse political candidates.

Frank Lloyd, OTP consultant, responded that he would assume so, but noted that public stations would still have to meet "fairness" & "balance" requirements of FCC, right to reply, etc. "Why should commercial broadcasters be allowed to do so—and they have a sense of self interest in political races—and public broadcasting not?", he asked.

Networks' fear of pressure groups has so reduced violence on TV that "now we are up to our ears in big, multi-family shows and soap operas," according to producer H. David Gerber ("Police Story," "Policewoman"), and "unreal blandness," according to Universal Television's Frank Price ("Kojak," "Baretta"). Both spoke at meeting of police chiefs in L. A. One suggestion was that equal time be given for anti-violence messages instead of imposing restrictions on violence in TV shows, proposed by Royce Fincher, deputy city attorney of San Jose.

"What we seek to guard against is that the pressures of outside special interest organizations—no matter how well-intended—not create a chilling effect on the creative process, first in entertainment, and soon effect other forms of information... Today it's the church. Tomorrow it could be the right-to-lifers, the pro-abortionists, the NRA, the anti-gun people"—ABC Standards & Practices Vp Alfred Schneider, speaking to Minneapolis Ad Club.

In motion for new trial, attorney Ellis Rubin, defending Ronny Zamora in "TV blame" case (Vol. 17:41 p4), based petition on judge's refusal to allow certain testimony regarding impact of TV—and judge's ban against examining potential jurors on their TV viewing. Zamora was convicted of murder.

## Personals

Diana Dreiman promoted to dir.-comedy & variety program development, ABC Entertainment; Christine Warshaw named assoc. dir.-business affairs, ABC-TV West Coast; Mary Fifield, press asst. to Carter during presidential campaign, joins ABC as dir. of news information-Washington; Andrew Feinstein promoted to eastern sales mgr., ABC-TV Spot Sales.

**Richard Frank**, Paramount vp and former pres. of Chris-Craft Best. Div., named pres. of Paramount TV Distribution, responsible for syndication and continuing to head Paramount TV Service, Hughes TV Network and Paramount research dept.

**Joel Katz**, ex-Andras Enterprises, onetime NBC & MCA, joins MGM TV as business affairs vp... **Thomas Reed Jr.**, ex-Braun & Co. (PR), named to new Metromedia post of corp. & investor relations dir.

Ex-FCC Chmn. **Richard Wiley** received NRBA Golden Radio Award "in recognition & appreciation of his outstanding contributions to the radio industry".... **Lawrence Katz**, FCC Common Carrier Bureau, named attorney-advisor to FCC Comr. Fogarty... **Chester Higgins** leaves FCC information office to become deputy dir., public affairs, Dept. of Army... **Lawrence Darby**, ex-OTP, named to FCC Common Carrier board on separations.

**William Summers**, WLOU(AM) Louisville, pres-elect, Ky. Bcstrs. Assn., will be nation's first black state broadcast association pres. when he assumes office next year; **Fred Paxton**, WPSD-TV Paducah, is new pres... **Kenneth Hatch** advanced to exec. vp, KIRO-TV Seattle; **Leigh Stowell**, ex-pres. of Magid & Assoc., named gen. mgr... **Earl Jones**, ex-TeleRep, named national sales mgr. WDCA-TV Washington... **Gary Robinson** promoted to operations mgr., WGHP-TV High Point.

**Brandon Tartikoff**, ex-ABC, joins NBC as dir.-comedy programs... **Karen Bedrosian** joins SIN-TV as vp-chief financial officer... **Sandy Webb** promoted to news dir., WATE-TV Knoxville, succeeding **Hal Wanzer**, resigned... **Suzy Dutton**, WSPA-TV Spartanburg, promoted to mgr. of personnel & community relations, parent Spartan Radiocasting Co... **Richard Collins** advanced to advertising, promotion & publicity dir., WTMJ-TV Milwaukee.

**Peter Martin**, WCAX-TV Burlington, Vt. & **Curtis Beckmann**, WCCO(AM) Minneapolis, elected APB vps; new APB dirs. are ex-FCC Comr. **Robert Wells**, Harris Enterprises, & **Charles Whitehurst**, WFMY-TV Greensboro... **John Howard**, John Mitchell Stations, elected Neb. Bcstrs. Assn. pres.; **Richard Chapin**, Stuart Stations, named pres.-elect... **Eugene Bohi**, WGHP-TV High Point, named pres.-elect, N.C. Assn. of Bcstrs.

**Lisa Stevenson**, ex-FCC Hearing Div., joins Washington law firm Koteen & Burt... **Lara Lindsay** promoted to program development mgr., MGM TV... **Jonathan Shapiro**, ex-Time-Life Films, joins Worldvision as asst. to Exec. Vp **Jerry Smith**.

**Frederick Koehler**, ex-Ampex, & **Thomas Moore**, ex-Harris Corp., named RCA teleproduction sales

## Television Digest

with  
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reps... **Gary Campbell**, ex-Cerro Wire, joins GTE Sylvania as senior sales rep for CATV equipment in West; **Douglas Smith**, ex-Gilbert Engineering, assumes similar post at GTE Sylvania for South... **Stephen Powell**, ex-Philip Morris, named HBO sports programming dir.

**Susan Swimer** promoted to mgr., advertising & promotion, Viacom... **Howard Burkat** advanced to promotion dir., HBO, new post.

In one of biggest broadcast equipment sales on record, Thomson-CSF has sold over \$30 million worth of color TV equipment to Soviet Union for 1980 Olympic games. Included are what is described as world's largest switching grid for new switching center, now under construction; 100 Model 1515 color cameras using digital triax, 39 telecine chains, 40 mobile microwave units. French govt. was instrumental in helping TCSF get contract. Among top participants in negotiations were 2 TCSF officials well known to American broadcasters—Michel Boxberger, head of TCSF in U.S., and Joseph Polonsky, Bcst. Div. technical dir. Amount of contract exceeds entire budget for 1976 Montreal Olympics (\$30 million).

**D.C. Appeals Court** ends long practice of keeping secret names of judges to hear cases, will identify panels week before argument.

**Hughes Aircraft** conducts next earth terminal seminar at Holiday Inn, Kansas City airport, Jan. 16-18.

Arbitron annual county coverage study, including cable reports, is available from all sales offices.

**RCA** sells Korea \$1.5 million in equipment for field color origination.

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 7 (40th week of 1977):

	Oct. 1-7	1976 week	% change	Sept. 24-30	1977 to date	1976 to date	% change
Total TV. . . . .	339,734	334,448	+1.6	506,982	10,300,541	8,988,515	+14.6
color . . . . .	214,581	192,344	+11.6	321,686	6,423,503	5,346,679	+20.1
monochrome . . .	125,153	142,104	-11.9	185,296	3,877,038	3,641,836	+14.6
Total radio . . . .	726,912	682,244	+6.5	2,856,477	40,173,272	29,765,861	+35.0
home, portable .	427,628	415,604	+2.9	2,577,989	30,576,332	20,208,520	+51.3
AM-only . . . . .	85,834	225,227	-61.9	678,950	7,236,649	5,747,421	+25.9
FM & FM-AM . . .	341,794	190,377	+79.5	899,039	23,339,683	14,461,099	+61.4
auto . . . . .	299,284	266,640	+12.2	278,488	9,596,940	9,557,341	+0.4

Color TV 5-week moving average: 1977--222,222\*; 1976--179,515 (up 23.8%).

\*Record for 40th week of any year.

**YEN RISE MAY FORCE MORE PRICE HIKES:** Rising yen value is forcing Japanese importers to consider new round of price hikes, and one major firm already has decided to boost prices by as much as 10% Jan. 1. Panasonic Exec. Vp Ray Gates told us 6-10% increase by first of year is virtual certainty. "We obviously can't change prices for Christmas, because it's too confusing for the dealer," Gates said, "but they'll absolutely have to go up by Jan. 1."

Other importers, including MGA & Toshiba, indicated price increases are on way early next year, unless yen falls back to weaker position against dollar. Rate was hovering at about 254 to \$1 by week's end, vs. 264 in July and up roughly 15% since beginning of 1977. Toshiba, which hiked prices by average of 7.5% in July, is "seriously looking at situation," may be forced to add another 2-3% increase at end of Jan. if dollar doesn't strengthen in near future, spokesman said. MGA Pres. Yoshito Yamaguchi said firm "will have to consider another price hike in Jan.," but indicated it's too early to judge size of increase.

Audio importers also are worried. JVC Vp Harry Elias said selective distribution policy gives it more flexibility in maintaining price structure, "but if it gets worse, we'll have to think about prices." Superscope spokesman said unless rate changes drastically in near future, cost increases eventually will have to be passed on to consumer. (Akai is taking opposite approach, added 10% cut on list prices of 6 tape decks to earlier reductions on other parts of hi-fi line [Vol. 17:42 p10] despite "turmoil over... exchange rates & higher manufacturing costs.")

Some TV importers indicated yen-dollar rate may force increases even if they could absorb difference in U.S. market, since higher yen brings U.S. prices closer to home-market prices, raising spectre of dumping. That's been partially counterbalanced by soft TV market in Japan and subsequent price cuts to spur consumer buying. But dumping isn't only problem. Japanese confidence in yen apparently is so strong now that advance yen-dollar rates are now being quoted below current rate. When spot rate last year was about 280-\$1, 5-month advance buying rate was roughly 288-\$1. Now, according to several importers, with spot rate at about 252-\$1, advance rate against Jan. is around 248 and 5-month rate is near 246. "That means you can't protect yourself and keep prices stable," said one, "unless you think yen will go to 230 in 2 months. I don't believe that will happen."

Price increases of up to 10% aren't just reflection of current yen climb, some importers stress. Gates, for instance, said Panasonic already had settled on Jan. 1 increase of about

6%, but recent drop in dollar could add up to 4% more. Other sources point out that while yen climbed about 15% over last year, costs in Japan haven't risen by that amount since Japan must import all raw materials, which drop in price when yen gets stronger.

Added to quotas, however, price increases do pose problems for Japanese, driving them inexorably away from low-end TV market and opening door for Taiwanese & other Far East producers (see below). "The Taiwanese are roaming the streets now looking for business," one Japanese importer said. A few Japanese importers are not only shifting attention to higher end of TV market, but directing attention to other product categories. Example is Sanyo, once closely identified with lowball under-\$300 19" color market, which is moving more heavily into strong non-TV growth areas, including booming car stereo market. Coming year could see similar moves by more TV-dependent importers.

**OLYMPIC TO MAKE COLOR TV IN TAIWAN:** Olympic will return to manufacture of color TV for U.S. market from own plant in Taiwan. Company's application to establish plant there has been approved by Taiwan govt., and Pres. Henry Kabat says manufacturing will start in 4-6 months with goal of 150,000 sets per year to be turned out by 400-500 workers.

Olympic's decision obviously was sparked by Japan's quota agreement and continued increase in value of yen (see p. 8)—both of which will tend to force Japanese manufacturers to concentrate on higher-priced color sets for U.S. market. Olympic plans to turn out mainly 19" sets, some 13", with heavy emphasis on promotional models formerly supplied by Japanese.

Making Taiwan color TV production far more attractive is fact that Philips will be in production of 19" & 13" color tubes there next year—it's shipping samples now—making possible production of color set with 70-75% Taiwan content, as opposed to current reliance on Japanese parts for major portion of set. Olympic International of Taiwan will be headed by Harry Kabat, son of pres.

Olympic was U.S. color & monochrome TV manufacturer until disastrous strike in 1970; that year, Lear Siegler sold control to Kabat group and Olympic became largely an importer. Company filed Chapter XI proceedings in 1975, pulled out of bankruptcy following year after series of highly successful sales of liquidated products, notably GE-made Bradford (W.T. Grant) color & b&w TVs.

Although Olympic is only U.S. manufacturer so far to enter TV production in Taiwan for express purpose of taking up low-end slack here from Japanese, domestic Taiwan manufacturers have for some time been positioning themselves to exploit opportunity. Tatung, Union Electric & Sampo all are now producing for U.S. market. Sampo began TV production for America this month, starts shipments in Nov. First set will be 19" color, with suggested list of \$359-\$379, but likely to show up as discount leader at \$299 in some markets. By June, 13" will be added at about \$299 list, \$216 discount, according to Treas. Felix Chen, who estimates that by year's end Sampo will source 95-98% of components in Taiwan and says company may establish U.S. assembly operation within next 2 years.

**CPSC DROPS MANDATORY TV STANDARD:** After nearly 4 years of discussions, hassles & hearings, Consumer Product Safety Commission last week decided that mandatory TV safety standard wasn't needed—at least with regard to mechanical hazard, implosion or shock. However, it overruled staff and held out for possible compulsory fire standards if new study shows it's feasible to contain blazes within TV cabinet.

Latter action came as surprise. Commission staff—which as long ago as spring 1974 had urged compulsory performance standards—made pitch this time to CPSC for voluntary standard covering fire as well as mechanical, implosion & shock hazards. Commission vote for largely voluntary standard was credit to UL's flexibility and willingness to revise proposed standard and to strong showings made by industry and EIA Consumer Electronics Group spokesmen.

Commission held out some hope fire standard eventually would end up as voluntary one, voting to omit fire-hazard standards for up to 18 months until feasibility study could be made on containment issue. Some CPSC staffers feel Commission has devoted too much time & effort to TV in proportion to its potential hazards. Staff report indicated it would have taken until end of

1980 to finish detailed analysis of UL TV safety recommendations, cost another \$700,000. Commission already has spent \$3 million on TV safety issue, and fire feasibility study is expected to cost \$300-\$500,000 more. Since Commission is over budget for current fiscal year, study could be postponed.

CSPC told staff to continue to pursue voluntary standards program for TV and asked for suggestions as to how to collect data on TV-related injuries to determine whether they're increasing or decreasing, thereby demonstrating effectiveness of voluntary standards.

Meanwhile, Bureau of Radiological Health may have walked into hornet's next, astounding many with statement in consumer publication which could help to revive TV X-ray scare. New BRH publication, "A Look at FDA's Program to Protect the American Consumer from Radiation," contains subject heading which reads, "viewers of color TV need no longer be concerned about X-ray exposure," and contains this: "Virtually the entire U.S. population could be exposed to X-radiation from poorly-designed TV sets. Using assumptions about viewing time, viewing population, viewing distance and an estimation of viewer exposure, it can be calculated that 16 cancer deaths per year could have occurred as a result of unnecessary radiation leakage from TV receivers in the absence of the FDA standard."

In past, BRH & FDA consistently have stated that only danger conceivably posed by TV was addition to background radiation level which might contribute to genetic damage affecting future generations. A top BRH official reiterated to us last week that there was "no documented proof that anyone has ever been injured as a result of exposure to TV radiation."

What about the "16 cancer deaths," then? "That was arbitrary, just a statistical analysis of what the effect might have been if there had been no standard." He said hypothesis was that all TV sets would have radiated at 5 milliroentgens per hour, 10 times permissible standard (in previous surveys before standards, no more than 6% of sets were found to radiate over what later became the 0.5-MR maximum). Whole calculation is based on statistical assumptions, this official said, there's no indication anyone could have died or been injured—and the number 16 was arbitrary" and "an error," anyway.

**SEARS & MGA FIRM UP VTR PLANS:** Home video plans of 2 more marketers are falling into line. Sears Roebuck finally confirmed our report of last June that it would have Sanyo-built single-speed 2-hour Beta (Vol. 17:26 p8) and said introduction would start in Jan. on market-by-market basis, with national marketing by midyear; price still "under discussion." MGA (Mitsubishi) said first shipments of its JVC-made 2-hour VHS deck are now on way from Japan, U.S. deliveries to start around end of Nov. at open list.

Both of above systems obviously will end up selling for equivalent of RCA's VHS unit—at around \$1,000 or below. In Japan, Sony, Toshiba & Sanyo have all introduced own versions of single-speed 2-hour Beta, now all priced there at around \$876 (228,000 yen); when finally imported to U.S., these obviously will be priced competitively with RCA's unit.

Price-cutting continues, although it hardly seems necessary—all home VTR marketers reporting extreme shortages. N.Y.'s Friendly Frost stores, first to advertise \$795 price for Quasar's Great Time Machine, last week advertised same unit "\$300 off"—deck plus GBC b&w camera with microphone & tripod at \$995 ("Reg. \$1,295"). List price of Quasar deck officially continues at \$995. (We've updated our table of videocassette recorder brandnames, availability & pricing; it's on p. 11.)

In Japan, meanwhile, Matsushita announced it would step up videocassette recorder output to 50,000 monthly by Jan., thereby at least equaling Sony's last stated goal for first of year. Toshiba has started producing own Beta deck, says it has about 5,000 monthly capacity. Hitachi showed own version of VHS deck at Japan Electronics Show, to appear on Japanese market by year's end.

Adding up all Japanese manufacturers' consumer VTR plans for next year indicates stated capacity of something over 1.7 million units. To get feel of best thinking on possible U.S. sales next year, we talked with manufacturers, found most of them vague with only Sony apparently having done extensive research.

Here's how Sony sees consumer VTR production & sales: Company agrees with 1.7-million capacity figure but feels actual production in 1977 will total only about 80% of that due to start-up problems, demand situation, etc., resulting in output of 1.3 million. Of these, only about 40% will go to U.S.—about 500-550,000 next year, on top of 130-150,000 for all 1977. For 1979, Sony sees U.S. sales to dealers totaling 800-850,000, making 1980 first million year. By end of 1979, there should be around 1.5 million in use, representing about 2% of U.S. TV households.

These forecasts don't jibe with RCA's predictions of 250,000 this year, 750,000 in 1978 and 1.25 million in 1979. Well, RCA has quietly backed off of its 1977 forecast at least, but is sticking with 1978 & 1979 estimates.

One of surprises at Japan Electronics Show last week was demonstration by Toshiba of prototype of RCA's new one-hour-per-side capacitance videodisc system. Except for stylus cartridge (made by RCA), entire system was built by Toshiba. Discs were pressed by RCA from program material supplied by Toshiba. Company official told us Toshiba is still studying all disc systems, isn't committed to any.

**WHO'S WHO IN VTR:** Here's updated table of who will have what in home videocassette recorders. Number after format means maximum playing time for standard cassette. All information based on last reported statements by company concerned:

Brand	Format	Mfr.	Date	List
Admiral . . . . .	(indefinite)			
Aiwa . . . . .	Beta-2	Sony	U.S. plans indefinite	
Akai . . . . .	VHS	Akai	end '78	—
GE . . . . .	(indefinite)			
Hitachi . . . . .	VHS-2	Hitachi	mid '78	—
JVC . . . . .	VHS-2	JVC	Oct.	\$1,280
Magnavox . . . . .	VHS-4	Matsushita	Nov.	1,075-
				1,095
C. Mathes . . . . .	VHS-4	Matsushita	end '77	—
MGA . . . . .	VHS-2	JVC	Nov.	open
M. Ward . . . . .	(indefinite)			
Panasonic . . . . .	VHS-4	Matsushita	Nov.	1,095
Pioneer . . . . .	Beta-2	Sony	U.S. plans indefinite	
Quasar . . . . .	VX-2000	Matsushita	now	995
RCA . . . . .	VHS-4	Matsushita	now	1,000
Sanyo . . . . .	V-Cord II	Sanyo	now	1,050
	Beta-2	Sanyo	Nov.	—
Sears . . . . .	Beta-2	Sanyo	Jan.	—
Sharp . . . . .	VHS-2	JVC	U.S. plans indefinite	
Sony . . . . .	Beta-2	Sony	now	1,300
Sylvania . . . . .	VHS-4	Matsushita	Nov.	—
Toshiba . . . . .	Beta-2	Sony <sup>1</sup>	now	1,300
Zenith . . . . .	Beta-2	Sony	now	1,300

<sup>1</sup>Shipments of Toshiba-made deck to start next year.

APP will join under-\$1,000 home computer sweepstakes with "promotional model" scheduled for introduction at Jan. CES. New unit will be priced in \$500 range and probably will be designed for connection to TV set, Pres. Sy Lipper said. Deliveries of higher-priced PECOS (Personal Computer Operating System) 1016 will begin at end of Jan., Lipper said, adding that price probably will be closer to \$1,500 than the \$1,000 quoted when system was introduced at June CES.

Warner Communications' toys & electronic games operation (Atari, Knickerbocker Toy & Malibu Grand Prix) lost \$401,000 in 3rd quarter on sales of \$38,-859,000. For year's first 9 months, loss was \$7,-277,000 on \$62,011,000 sales. Warner said "slight loss in 3rd quarter" resulted from amortization of part of purchase price of Knickerbocker & Atari, and "we anticipate very strong 4th-quarter results."

Projection TV by Mitsubishi, shown at last June's Consumer Electronics Show (Vol. 17:24 p10), will be marketed in U.S. starting in Jan. under "VSS by Mitsubishi" (for Video Scan System) tradename, we were told last week by Melco Sales Pres. Yoshito (Super) Yamaguchi. MGA brand won't be used, presumably because system will be offered to somewhat different lineup of dealers—to MGA dealers plus those handling Mitsubishi audio and to video stores. Two-piece system has 6-ft. screen which will be assembled in U.S., along with rest of system, from material & assemblies imported from Japan. Projector contains hidden door which closes over the 3 tubes, converting it to end table when not in use. Remote electronic tuning is used. Yamaguchi said projection system is "meniscus" type with lenses built into tubes. Price will be slightly under \$3,000; Melco will demonstrate system at Winter CES, offer it for immediate delivery. Three-tube projection systems also have been developed in Japan by Matsushita & Sharp. Former system is expected to be demonstrated publicly at Jan. CES (it was shown privately last June), but it's not believed pricing or marketing date will be announced then.

GTE Consumer Electronics Products (CEP) sales moved into black in 3rd quarter, with net income of \$444,000, compared with loss of \$4,297,000 for 1976's same quarter, parent company reported, crediting operations in both U.S. & Europe. Sales for quarter increased 28% to \$224,142,000 from \$175,407,000. For 1977's first 9 months, CEP lost \$5,688,000, compared with \$12,290,000 in 1976 period, while sales rose 18% to \$590,274,000 from \$498,469,000. For parent company's record sales & earnings, see financial table. Latest quarter is believed to be first of profitable operation for CEP since 1974 or possibly 1973 (no quarterly breakdowns available for those years). Losses were \$2.2 million for 2nd quarter of 1977 and \$3.9 million for first quarter. Restated figures for CEP for 6 preceding years: Profits of \$4 million in 1971, \$8.9 million in 1972, \$16.4 million in 1973; losses of \$12.7 million in 1974, \$27.6 million in 1975 and \$19.9 million in 1976.

Parts divs. of Erocomp, G&H Technology & Solid State Dielectrics were approved as EIA members at San Francisco conference.

**FAIRCHILD ON GAMES:** Fairchild is looking at home computer market, but next major product in video area is likely to be variation on current Video Entertainment System (VES), according to Consumer Products Group Vp & Gen. Mgr. Greg Reyes. New game won't be introduced at Jan. CES, but will probably hit market some time next year. Key to computer market will be software & "human engineering," Reyes feels, adding that successful home units will emphasize educational & family applications (income tax calculations, checkbook balancing, etc.).

Market for programmables will be 500,000-600,000 in 1977, Reyes said, climbing to 1.2-1.4 million in 1978. Fairchild could have doubled VES shipments this year, Reyes said, by making decision in 2nd quarter "to flood the market—but you run the risk of ending up with a lot of inventory...A retailer refuses to take the risk of product obsolescence & price deterioration." Retailers aren't unhappy with limited shipments of games, Reyes said, "because we told them exactly what we were going to do." Even with undersupplied market, he said, consensus is that Fairchild will account for 200,000-300,000 of total programmable market this year.

Fairchild is now shipping 10 VES cartridges, will feed 11th (Backgammon) into pipelines this month, and 12th (Maze) in Nov. Three new cartridges ("Sea Hunt" battleship, "Chase" space war, and "Time's Up" number games) will be added to line in Jan. Major product & price changes in programmable field probably won't show up at Jan. CES, Reyes said, "with most pricing action taking place at the June CES."

Venture Electronics Vp Herb Grindel forecast major price breakthrough in programmables next year. "If our engineers are right, we'll be able to offer hardware with the capability of the Atari system [\$190] retailing for under \$100." Venture will show programmable at June CES.

**DEALERS ON VTR:** If home VTR market fizzles, suppliers won't be only ones in for shock. New study, based on poll of our nationwide Early Warning Report retail panel, shows that 72% of consumer electronics dealers now carry at least one VTR brand, and 78% will be in field by year's end. Study also indicates that overwhelming majority of dealers already in VTR expect to add new lines between now and end of 1977—while 54% now offer more than one brand, 92% plan to carry at least 2 brands before end of year.

Other findings: Of dealers carrying VTR, 46% carry one brand, 15% two, 27% three, 11% more than three; by year's end, only 9% expect to carry one line, with 42% carrying two, 23% three, 11% four, 19% five. Asked what brands they carry now or plan to add before end of year, 73% mentioned Sony, 53% RCA, 42% Quasar, 15% each Zenith, Magnavox & Sanyo.

**CB Scene:** Pioneer of America lopped \$100 off 2 in-dash FM-AM-CB combinations, dropping model with pre-set tuning to \$200, manually-tuned unit to \$180. New promotion offers dealers bonus FM-AM-cassette recorder with CB scanner on each 12-unit in dash order...Sylvania publishes 4-page guide mating Match-All CB mike adapters to 1,080 models & 153 brands.

**9 MONTHS AT-A-GLANCE:** Here's summary of EIA monthly sales-to-dealer figures for 1977, compared with 1976:

Month	TELEVISION SALES TO DEALERS					
	Total	Color	1977	1976	1977	1976
January	963,845	834,034	605,244	496,314	358,601	337,720
February	1,044,817	878,800	630,796	522,378	414,021	356,422
March (5 weeks)	1,273,546	1,049,940	770,977	592,876	502,569	457,064
April	932,915	719,329	577,142	418,133	355,773	301,196
May	796,638	782,932	489,378	473,932	307,260	309,000
June (5 weeks)	1,290,438	1,171,454	794,760	690,027	495,678	481,427
July	955,641	900,613	583,109	527,841	372,532	372,772
August	1,016,108	927,049	652,575	571,771	363,533	355,278
Sept. (5 weeks)	1,686,859	1,389,916	1,104,941	861,063	581,918	528,853
<b>TOTAL</b>	<b>9,960,807</b>	<b>8,654,067</b>	<b>6,208,922</b>	<b>5,154,335</b>	<b>3,751,885</b>	<b>3,499,732</b>

Month	RADIO SALES TO DEALERS					
	Home*	FM**	1977	1976	1977	1976
January	1,354,439	1,346,222	846,818	1,049,892	981,110	947,762
February	1,577,099	1,293,401	1,281,087	1,059,770	982,828	979,091
March (5 weeks)	2,769,093	2,387,630	2,185,866	1,834,349	1,220,942	1,113,886
April	1,671,306	1,203,090	1,336,249	853,981	962,003	898,620
May	2,491,147	1,304,133	1,807,071	965,004	1,065,867	1,035,460
June (5 weeks)	5,306,591	2,798,827	4,136,609	2,413,659	1,182,708	1,158,913
July	3,879,273	3,115,443	3,129,940	2,198,815	797,540	780,216
August	4,575,172	2,856,302	3,308,882	1,869,737	863,979	1,027,489
Sept. (5 weeks)	6,524,584	3,487,868	4,965,367	2,025,515	1,240,679	1,349,264
<b>TOTAL</b>	<b>30,148,704</b>	<b>19,782,916</b>	<b>22,997,889</b>	<b>14,270,722</b>	<b>9,297,656</b>	<b>9,290,701</b>

\* Includes table, clock & portable.

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

**RCA'S OVERSEAS SHIFT:** RCA increased imports of TV components 22.8% from 1975 to 1976 as it "transferred production of 8 TV components from Bloomington to its overseas facilities," Labor Dept. found in investigation which resulted in certifying former & some present workers at RCA's Bloomington, Ind. TV plant for adjustment assistance as result of rising imports. "Transfer of monochrome TV production from Bloomington to RCA's foreign facilities in the 2nd quarter of 1977 creates the threat of further declines in production & employment" in Bloomington, report added. It noted that production of color & monochrome TV & components at Bloomington dipped 6% in 2nd half 1976 from same 1975 period and 3.6% in first quarter of 1977. (RCA currently makes some high-end 19" b&w sets in U.S., remainder of monochrome sets being built in Taiwan.)

Labor Dept. has opened investigation to determine whether workers at Buckbee-Mears, maker of TV tube shadow masks, have been injured by imports.

FCC extended comment deadline on AM stereo inquiry to Dec. 21, reply deadline to Jan. 23. Extension was granted after EIA Consumer Electronics Group told FCC that NAMSRC needed more time to compile data on recently completed tests (Vol. 17:37 p11), draw up final report. NAMSRC hopes to file report by Dec. 1, Chmn. Harold Kassens said, due to wide interest in issue. "Many interested parties have told us they want plenty of time to read the report before filing comments." Harris Corp., latest to propose AM system (Vol. 17:39 p11), won't be included in NAMSRC report, but will file separate petition with FCC. FCC could issue AM stereo rules by next fall, Kassens said.

Sanyo is negotiating to buy out its 50% partner in Australian color TV manufacturing venture, Sanyo-Guthrie, launched in 1973.

**CB SALES DATE FLAP:** Proposed extension of 23-channel CB sales date (Vol. 17:36 p10, et seq.) flared into open industry feud last week as E. F. Johnson & Hy-Gain insisted it would open doors to flood of non-compliant 23s and lead to "destruction of [FCC's] credibility." In joint petition to FCC, they claimed change would: (1) Be open invitation to importers to dump 23s on market through July. (2) Jeopardize health of many CB producers, "threatening a diminution in competition." (3) Injure suppliers intending to comply with original FCC marketing date and reward those who don't.

Request that sales date on CBs produced under old specs be rolled back from Jan. 1 to Aug. 1, 1978 was made by Pathcom, Dynascan, Royce and several other suppliers & retailers. Chief Engineer's Office is backing modified version of extension requests (Vol. 17:41 p7), and Commission is expected to move on issue in next 2 weeks. But E. F. Johnson & Hy-Gain said FCC on Aug. 1 reiterated determination that sales end Jan. 1, and they & others "made marketing decisions, pricing determinations and, in general, conducted their business" on that basis.

If rules are changed, firms which didn't strive to comply "will be able to flood the market with 'old 23-channel radios' that do not meet... new technical standards, and that should not have been manufactured in the first place." Those asking for extension didn't heed FCC's warnings about sales date, increased rather than decreased 23-channel production and are now demanding that FCC "penalize that segment of the industry that has met its rules, and the buying public, by further glutting the marketplace with the fallout from their non-compliance."

Importers would be able to fill distribution pipelines again with excess inventory under rule change, petition said, resulting in import glut which would "once again interfere with orderly market transition to the new transceivers now being required by the Commission. It would totally disrupt, for yet another 8 months, an industry that has already suffered severe & well-documented disruptions in the past caused principally by CB imports." Petition claimed there's no evidence CB manufacturers, distributors "or others" can't meet original rules.

Other FCC activity: Commission formally killed old Class E docket proposing new CB band in 220-225 MHz spectrum, saying conditions have changed. Primary change is FCC's interest in 900-MHz CB band, but Commission isn't expected to issue new rule-making until market settles down.

EIA Citizens Radio Section (CRS) said new CB transmitter harmonic & spurious radiation specs—aimed at reducing TVI problem—should limit emissions to 75-dB below legal 4-watt power output. In comments on proposed change, CRS said no significant decrease in TVI can be expected until FCC takes firm action against use of linear amps. EIA Consumer Electronics Group recommended 90 dB, effective no more than 30 months after publication; EIA-J said FCC's proposed 100-dB is "unreasonably severe," suggested 73 dB; Assn. of Maximum Service Telecasters like 100 dB, even 110 dB; SBE said FCC proposal would have "devastating effect" on CB, recommended 75 dB. Reply deadline is Nov. 1.

## Trade Personals

**Jack Dreyer**, ex-Panasonic, joins BASF Systems as audio mktg. & sales vp, succeeding Robert Blanck, resigned... **Harold Lembke**, ex-management consultant, former Aeolian exec. vp, onetime Seeburg & Magnavox, appointed mktg. dir. for Superscope's new Pianocorder system... **Webster Pullen**, retired banker, named to Hy-Gain board, succeeding Richard Thompson, who continues as Hy-Gain gen. counsel for special projects; **Clifton Livingston** promoted to secy.-gen. counsel; **Mike Fong**, exec. vp, also assumes title of treas.

**Jack Craven**, consumer products dir., and **Larry Kline**, professional products dir., promoted to vp at Antenna Specialists... **Timothy Landon**, ex-Burroughs, named Dynascan/Cobra national sales training mgr... **Fred Little**, ex-Western Digital, named Rockwell Microelectronic Devices mktg. dir., new post... **Bernard Fauber** named to new post of K-Mart vp & chief administrative officer and elected to board; he's succeeded as western region vp by **Harold Wilcox**.

**Helmut Schwab**, from parent firm in Germany, appointed Components Group vp, Siemens (U.S.), succeeding Richard Rudolph, resigned... **Walter Benscher**, ex-gen. sales mgr., promoted to sales vp, Microtran... **Stanley Hulkower**, Components Specialties sales mgr., appointed vp... **Chestley Grimsley** named mktg. dir., Allen-Bradley Electronics Div., succeeded as distributor sales mgr. by **Don Bugalski**; **Jerry Tischer** promoted to resistor mktg. mgr.

**Leonard Mackey**, ITT licensing dir., elected pres. of Licensing Executives Society U.S.A... **Frank Jones**, ex-ESS, named Infinity Systems European mktg. mgr., with hq in London.

**Video Club of America**, offering 50 20th Century-Fox films (Vol. 17:42 p11) in Beta & VHS format, was launched by Magnetic Video Corp. in 5 regional TV Guide ads. Membership fee of \$10-\$20 includes \$100 discount off list price of Sony or RCA VCR; catalog scheduled for distribution this month will offer most titles at \$39.95, \$10 below regular catalog... Recorded videocassettes for home & school will be offered by new TV Div. of Educational Dimensions Group (Box 126, Stamford, Conn.), producers of school sound filmstrips & slide sets.

Flat-screen electroluminescent TV will be marketed by Sharp in 3 years, company said in Japan. Monochrome set will use 3-layer glass-backed panel, with transparent electrode of indium oxide, zinc-sulfur light-emitting material and aluminum electrode. Screen will be about 6" (diagonal) and 1.2" thick. Sharp says price initially will be double that of conventional b&w set, eventually will settle down to 20% premium. No further details were available.

"**DataBeam**" dark-trace high-resolution projection display technology for computer-generated data has been announced by Advent. Developed jointly with Cathodochromic Technology, Lexington, Ky., Advent has attained light output of 1,000 lumens on 7-ft. screen. No moving images are possible with system.

## 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			
1977-6 mo. to Sept. 30	16,412,000	647,000 <sup>a</sup>	.25
1976-6 mo. to Sept. 30	12,552,000	719,000 <sup>a</sup>	.29
1977-qtr. to Sept. 30	10,119,000	866,000 <sup>a</sup>	.33
1976-qtr. to Sept. 30	6,763,000	318,000 <sup>a</sup>	.12
Andrea Radio			
1977-9 mo. to Sept. 30	1,425,255	56,341	.11
1976-9 mo. to Sept. 30	1,405,808	74,145	.15
1977-qtr. to Sept. 30	517,225	(3,224)	--
1976-qtr. to Sept. 30	605,597	32,945	.07
Buckbee-Mears			
1977-9 mo. to Sept. 30	47,400,000	1,273,000	.41
1976-9 mo. to Sept. 30	42,437,000	636,000	.21
1977-qtr. to Sept. 30	16,406,000	547,000	.17
1976-qtr. to Sept. 30	14,471,000	17,000	.01
Clarostat			
1977-9 mo. to Oct. 1	9,894,900	326,900	.59
1976-9 mo. to Oct. 2	8,834,600	268,000 <sup>a</sup>	.48
Cohu			
1977-9 mo. to Sept. 30	12,972,048	443,503	.25
1976-9 mo. to Sept. 30	11,105,583	169,825	.09 <sup>b</sup>
1977-qtr. to Sept. 30	4,205,558	140,208	.08 <sup>b</sup>
1976-qtr. to Sept. 30	3,792,235	57,961	.03 <sup>b</sup>
Conrac			
1977-9 mo. to Sept. 30	101,130,000	5,226,000 <sup>a</sup>	2.74 <sup>b</sup>
1976-9 mo. to Sept. 30	94,093,000	4,084,000	2.17 <sup>b</sup>
1977-qtr. to Sept. 30	33,590,000	1,665,000	.86 <sup>b</sup>
1976-qtr. to Sept. 30	31,958,000	1,477,000	.77 <sup>b</sup>
Corning Glass			
1977-40 wk. to Oct. 9	868,870,000	70,803,000 <sup>c</sup>	4.00
1976-40 wk. to Oct. 3	783,388,000	64,329,000	3.64
1977-16 wk. to Oct. 9	340,880,000	23,333,000	1.31
1976-16 wk. to Oct. 3	307,564,000	22,857,000	1.29
Craig			
1977-qtr. to Sept. 30	33,052,000	2,547,000	.82
1976-qtr. to Sept. 30	35,290,000	3,193,000	1.03
Electronic Memories & Magnetics			
1977-9 mo. to Oct. 1	80,660,000	3,398,000	.48
1976-9 mo. to Sept. 30	65,398,000	7,114,000 <sup>a</sup>	1.17
1977-qtr. to Oct. 1	27,379,000	1,303,000	.19
1976-qtr. to Sept. 30	22,184,000	1,633,000	.25
Fuqua Industries			
1977-9 mo. to Sept. 30	453,017,000	13,166,000	1.37
1976-9 mo. to Sept. 30	384,765,000	10,789,000	1.21
1977-qtr. to Sept. 30	157,231,000	4,330,000	.44
1976-qtr. to Sept. 30	129,336,000	3,089,000	.34
GTE			
1977-9 mo. to Sept. 30	5,574,023,000	411,889,000	2.88
1976-9 mo. to Sept. 30	4,901,312,000	308,376,000	2.23
1977-qtr. to Sept. 30	1,927,575,000	143,408,000	.99
1976-qtr. to Sept. 30	1,698,170,000	114,305,000	.82
International Rectifier			
1977-13 wk. to Oct. 2	22,564,000	497,000 <sup>a</sup>	.19
1976-14 wk. to Oct. 3	20,232,000	50,000	.02
Kansas State Network			
1977-year to Aug. 31	15,720,000	1,799,000	1.05
1976-year to Aug. 31	13,659,000	892,000	.52
LIN Bcstg.			
1977-9 mo. to Sept. 30	30,793,000	5,474,000	1.99
1976-9 mo. to Sept. 30	26,712,000	3,995,000	1.55
1977-qtr. to Sept. 30	10,599,000	2,050,000	.74
1976-qtr. to Sept. 30	9,199,000	1,339,000	.52
P.R. Mallory			
1977-9 mo. to Sept. 30	266,741,000	11,098,000 <sup>a</sup>	2.53
1976-9 mo. to Sept. 30	235,109,000	7,162,000	1.82
1977-qtr. to Sept. 30	91,689,000	3,638,000	.83
1976-qtr. to Sept. 30	82,894,000	2,869,000	.72

Company & Period	Revenues	Net Earnings	Per Share
Meredith			
1977-qtr. to Sept. 30	65,035,000	3,391,000	1.10
1976-qtr. to Sept. 30	55,285,000	3,591,000 <sup>a</sup>	1.17
Metromedia			
1977-39 wk. to Oct. 2	212,110,200 <sup>d</sup>	21,244,060 <sup>d</sup>	3.17
1976-39 wk. to Oct. 3	186,441,745	19,533,884 <sup>d</sup>	2.90
1977-13 wk. to Oct. 2	65,153,837 <sup>d</sup>	5,933,187 <sup>d</sup>	.90
1976-13 wk. to Oct. 3	62,574,706	5,713,172	.84
3M			
1977-9 mo. to Sept. 30	2,972,000,000	304,000,000	2.63
1976-9 mo. to Sept. 30	2,639,000,000	249,600,000	2.17
1977-qtr. to Sept. 30	1,032,000,000	108,800,000	.94
1976-qtr. to Sept. 30	919,300,000	85,200,000	.74
Motorola			
1977-9 mo. to Sept. 30	1,324,524,000 <sup>d</sup>	76,126,000 <sup>d</sup>	2.51
1976-9 mo. to Sept. 30	1,114,294,000	64,856,000	2.15
1977-qtr. to Sept. 30	445,664,000	24,291,000	.80
1976-qtr. to Sept. 30	369,720,000	24,054,000	.80
Multimedia			
1977-9 mo. to Sept. 30	65,750,972	8,188,632	1.86
1976-9 mo. to Sept. 30	56,016,956	6,824,463	1.55
1977-qtr. to Sept. 30	22,801,674	2,972,127	.67
1976-qtr. to Sept. 30	19,690,604	2,409,031	.55
Pemcor			
1977-6 mo. to Sept. 30	77,851,159	4,151,078	1.91
1976-6 mo. to Sept. 30	55,065,694	1,551,207	.75
1977-qtr. to Sept. 30	39,951,182	2,253,105	1.04
1976-qtr. to Sept. 30	30,027,989	1,065,646	.51
Scientific-Atlanta			
1977-qtr. to Sept. 30	14,660,000 <sup>d</sup>	762,000 <sup>d</sup>	.46
1976-qtr. to Sept. 30	11,140,000	544,000	.33
Storer Bcstg.			
1977-9 mo. to Sept. 30	96,679,000	7,513,000	1.54
1976-9 mo. to Sept. 30	89,957,000	17,037,000	3.11
1977-qtr. to Sept. 30	31,354,000	1,724,000	.35
1976-qtr. to Sept. 30	29,884,000	9,957,000	1.97
Taft Bcstg.			
1977-6 mo. to Sept. 30	78,579,685	12,218,013	3.00
1976-6 mo. to Sept. 30	66,219,913	9,925,697	2.44
1977-qtr. to Sept. 30	45,412,738	7,982,176	1.96
1976-qtr. to Sept. 30	39,223,257	6,604,053	1.62
J. Walter Thompson			
1977-9 mo. to Sept. 30	128,486,000	5,253,000	1.82
1976-9 mo. to Sept. 30	104,919,000	2,149,000	.78
1977-qtr. to Sept. 30	43,965,000	1,623,000	.56
1976-qtr. to Sept. 30	36,275,000	505,000	.18
TRW			
1977-9 mo. to Sept. 30	2,399,800,000	110,600,000	3.41
1976-9 mo. to Sept. 30	2,174,500,000	96,700,000	2.93
1977-qtr. to Sept. 30	797,300,000	36,400,000	1.12
1976-qtr. to Sept. 30	708,200,000	32,400,000	.98
United Cable TV			
1977-qtr. to Aug. 31	4,907,000	382,000	.20
1976-qtr. to Aug. 31	4,262,000	(87,000)	--
Viacom International			
1977-9 mo. to Oct. 1	41,452,000	3,931,000	1.05
1976-9 mo. to Oct. 2	34,084,000	2,754,000	.74
1977-qtr. to Oct. 1	14,801,000	1,422,000	.38
1976-qtr. to Oct. 2	11,346,000	956,000	.25
Warner Communications			
1977-9 mo. to Sept. 30	745,893,000	50,914,000	3.82
1976-9 mo. to Sept. 30	565,014,000	47,159,000	2.98
1977-qtr. to Sept. 30	272,853,000	16,636,000	1.24
1976-qtr. to Sept. 30	188,438,000	15,540,000	.99

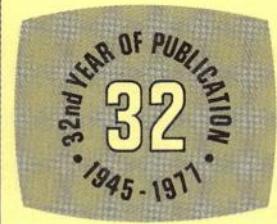
Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Adjusted. <sup>c</sup>After special charge. <sup>d</sup>Record. <sup>e</sup>Restated.

**Sears drops plan to test-market home computer this fall (Vol. 17:36 p11).** Cancellation was based on "marketing decision," spokesman said, adding that project is "still in the planning stage." If computer is marketed eventually, it may or may not be same as system announced in Sept., he said.

WEEKLY

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OCTOBER 31, 1977

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 44

### Broadcast

**WHAT THEY'RE SAYING ABOUT FERRIS:** 'Strong liberal commitment' expected at FCC under new chmn.; less compromising, more controversy; children's TV, networks expected to be under attack; management study planned. (P. 1)

**RANKING TOP CABLE GROUPS:** Top 50 increase from 7,629,497 to 8,267,908 in year but their share changes little. Plan to add 15,428 miles. (P. 2)

**'SHOWTIME' GOES SATELLITE:** Viacom pay-cable service begins early 1978 in 6-year \$7.5-million agreement with RCA. Will run 9 hours daily. (P. 3)

**ABC—MORE RECORDS:** 3rd quarter & 9 months tops in revenues & profits—with TV-radio leading parade. Bright outlook seen for 1978. (P. 3)

**VTR DOMINATES SMPTE** conference again as working group refines 1" non-segmented standard, Bosch pitches segmented standard. (P. 4)

**BROWN & TURNER** appear cleared for confirmation by Senate. Former, taking Hooks' place on FCC, says he'll stay away from Post-Newsweek items. Latter, for CPB board, stresses localism. (P. 4)

**ANA HAS TV SEX CONCERN**, meets with producers & networks to forestall 'excessive portrayal of sex.' Loewinger hits consumer boycotts. (P. 5)

**WHAT THEY'RE SAYING ABOUT FCC'S FERRIS:** "I don't think the sky is falling, but..." was comment of network executive last week when asked what changes Charles Ferris would bring about as FCC chmn. And from Ferris' close friend FTC Chmn. Michael Pertschuk: "There sure will be a closer liaison between our agencies"—particularly on children's TV, advertising issues & media ownership.

"What will the Commission direction be like a year from now? That's a total enigma to all of us right now," Washington-based broadcast exec. said. However, he and other broadcasters, cable people and Carter-appointed regulators agreed on several things: "A strong liberal commitment at FCC"; "he'll take over, but it might take a year"; less compromising at FCC to get unanimous votes, more controversy; more anti-network activity; more favorable attitude toward cable ("I hope they're right," NCTA Chmn. Daniel Aaron told us); strong activist in most areas; input by public interest groups will be more acceptable; major FCC personnel changes within year.

**From Ferris friend:** "Charlie has 2 disabilities: He's never run a goddamned thing and he doesn't know a goddamned thing about communications." From a network exec.: "He's a new young guy who has to prove himself. You take [FCC Comr. Joseph] Fogarty, plus Pertschuk, plus [Henry] Geller and this means the Washington atmosphere is going to become much more

### Consumer Electronics

**HOME VIDEO DEBUTS** as 'an industry' at ITA seminar, with hardware-vs.-software infighting starting already (P. 7). RCA details 'happy experience' with market research on VTR owners. (P. 10)

**ZENITH, JAPANESE AGREE** on conditions for opening Philadelphia court files to Justice antitrust probes. Japan color exports down, b&w up. (P. 8)

**HENRY KLOSS BACK** in projection TV with formation of Kloss Video Corp. to produce & license low-cost high-brightness tubes for 3-tube projection. (P. 9)

**CB TV WILL CLIMB** dramatically unless both CBs & TV sets are improved, FCC study indicates. Major cause is CB transmitters; current harmonic suppression limit seen inadequate. (P. 9)

**ITC CB HEARINGS** get under way Nov. 1 as both sides argue E. F. Johnson claim that imports damaged domestic industry. (P. 10)

**IMPORT IMPACT AID** sought for workers being dismissed in Zenith retrenchment. Petitions cover discontinued R&D & hearing-aid operations as well as plant & warehouse employees. (P. 11)

**ZENITH POSTS LOSS** for 3rd quarter, takes \$25.7-million color tube plant & watch business writeoff, indicates color market share slipped. (P. 11)

regulation-minded... The days of de-regulation are ended... but I don't put Ferris in the wild-man category at all... He's a practical politician."

This from a regulator: "The way I see it, it's going to be a troika"—Ferris, Geller, Pertschuk. "There'll be great outside influence on the FCC... On kid's TV, you'd love to clean that up but you have to have a record... The FTC doesn't have an adequate record to do anything." On political pressures, this regulator said: "Ferris won't take any... He's too big for that... He's going to do what's right." Another regulator: "They'll try to control children's programs, but they're not going to get away with it." From a broadcaster: "He'll react to every type of pressure from the Hill... Ferris will do what's politically astute."

Added a commissioner: "He'll keep his eyes open and watch what the rest of us do, particularly on public interest questions... I'd like to see him merge the Cable Bureau back into the Bcst. Bureau... It's a waste of money and we'll soon be out of regulating anyway" because of court decisions. Network inquiry: Two network officials see it becoming much more anti-network under Ferris than under Wiley; another says there'll be no difference. "I may be whistling Dixie, but I don't think the networks will be under the gun with Ferris," according to latter view. "The big area will be children's TV and just what he can do there, I don't know." The other view: "There's no way the networks can win... We can only lose... There are many more people around town who think curbing of the networks and more regulation is the way to go."

Ferris received very high marks—from commissioners & staff—for way he conducted first FCC meeting Oct. 27. He was very well prepared on agenda items, voted on all, and participated in discussions right from start. He told Charles Higginbotham, chief of Safety & Special Services, to put his written recommendations "in plainer English for a plain fellow like me." On an EEO complaint against radio station with 3 fulltime employes (unchanged in 7 years), he said "the remedies you have are either very drastic [hearing] or nothing... It seems to me that whatever we do, we use a sledge hammer."

New chmn. reportedly is turning down all speaking engagements for 6 months—putting NAB & NCTA spring conventions on borderline if he holds to 6-month edict—and currently is refusing to meet with broadcaster, cable or public interest groups. (He has been accessible to reporters.) In various publications, Ferris has been quoted saying he: (1) Favors consumer boycotts of advertisers. (2) Will seek outside management study of FCC before seeking major changes. (3) Wants to require licensees to program prescribed amount of public service time weekly. (4) Favors public disclosure of stations' annual financial reports. (5) Will make FCC "a model of equal employment opportunity because I do not want it suggested that we are asking more of the broadcasters than we will do ourselves." (6) Limits personal TV watching to news & sports. "There's one show that my whole family—including my wife and 2 daughters—always see. That's '60 Minutes'."

Ferris is calling Bureau chiefs in individually this week to make presentations about "where they are and what they're doing," according to aide. He wants briefings on principal issues and problems for next 6 months—wants that information before seeking changes or meeting with outside groups. As expected, Frank Lloyd & Robert Bruce (Vol. 17:43 p1) joined Commission last week—former as chairman's top aide, latter as gen. counsel. Commission sources denied that Donald Jansky is sought as chief engineer, but black lawyer Frank Washington (now at OTP) is in good shape—seeking his services are Ferris, FCC nominee Tyrone Brown (see p. 4) and Bruce.

**RANKING TOP CABLE GROUPS:** Our latest compilation of top-50 cable system operators shows continued substantial growth—but there's no increase in their share of market; actually there's slight decline. Top 50 serve 8,267,908 as of Sept. 30, about 64% of estimated 12,800,000 total, compared with 7,629,497 year ago (65%). Top 25 serve 6,693,355 (52%) vs. 6,238,215 (53%) year ago.

There were no dramatic shifts in ranking, though several moved a few notches up or down generally because of purchases or sales. ATC moved into 2nd place (after Teleprompter) by increasing from 550,000 to 625,000, displacing TCI which advanced from 551,661 to 560,000. Rest of top 10 held same positions as year ago: Warner, Cox, Viacom, Sammons, CPI, UA-

Columbia, United Cable. Among those making substantial moves were Continental, from 14th to 11th; Service Electric, from 11th to 14th; Midwest Video, from 15th to 19th; Western Communications, from 26th to 21st; Century, from 29th to 25th. Teleprompter, though first by large margin, changed little—from 1,070,000 to 1,073,000.

Total homes passed by top 50 are 15,587,942 vs. 14,487,123 year ago; miles of plant in use, 172,956 vs. 161,905; miles to be added in 12 months, 15,438 vs. 13,857. Homes in franchised areas can't be compared directly because several groups failed to provide figures.

Full details on all top 50 operators will be provided in our Special Western Cable Show Supplement, to be distributed in San Diego next week. Other features of Supplement include fold-out map of satellite & MDS licensees & grantees; directory of satellite licensees; "Exhibitors Showcase" providing details of all exhibitors.

**'SHOWTIME' GOES SATELLITE:** Viacom joined satellite-pay-cable parade last week, announcing 6-year, \$7.5-million commitment to use RCA satellite for national distribution. This will expand from current land-based distribution of its "Showtime" service which feeds 50 systems & 5 MDS stations with 90,000 subscribers in 10 states. Start is set for early next year.

In addition, Showtime will be first customer of new facility planned by RCA at Vernon Valley, N.J. earth station, for taping, editing & playback services—prices undisclosed.

Showtime Pres. Jeffrey Reiss said 14 programs, mostly movies, will be scheduled each month, averaging 9 hours weekdays, 12 Sat. & Sun. He said there will be fewer repeats than HBO schedules—"few encores, occasional repeat performances of block-busters, only on subscriber demand." HBO contract is for 12 hours daily. He said service will provide news, format not yet decided.

Viacom Pres. Ralph Baruch said: "There are substantial start-up & development costs in 1977, but we're not changing our forecast that we'll earn in excess of \$1.45 per share." Project will be expensed, written off on pay-as-you-go basis.

RCA Americom Pres. Andrew Inglis said RCA is discussing 3rd satellite with NASA; it will cost \$40-\$50 million. He said question is whether to wait for space shuttle or launch with expendable rocket.

**NAB steering committee** for new Minority Ownership Task Force meets Nov. 2, hopes to activate group shortly thereafter. Primary goal is seeking funding for minorities to acquire stations. NAB Pres. Vincent Wasilewski will chair Task Force. Other members: NAB Chmn. Donald Thurston, NAACP Exec. Dir. Benjamin Hooks, Group W Pres. Donald McGannon, Capital Cities Chmn. Thomas Murphy, Fetzer Bcstg. Pres. Carl Lee, Markle Foundation Pres. Lloyd Morrisett, Bcst. Enterprises Network Pres. Ragan Henry. Three additional members, all non-broadcasters, are expected to join Task Force.

**House passed** pole-attachment bill (HR-7442) as recommended by Communications Subcommittee and full Commerce Committee (Vol. 17:42 p4); Senate bill meanwhile has cleared parent Commerce Committee, is expected to be taken up by Senate in week or 2; S-1547 contains forfeiture provision—anathema to CATV industry.

**ABC—MORE RECORDS:** Not surprisingly, ABC reported highest revenues & earnings yet, for 3rd quarter & 9 months. Net income in 3rd quarter was \$22.2 million, up 31%, or \$1.22 per share, up 28%. Revenues were up 11% to \$357 million.

For 9 months, earnings were \$75 million, up 58%, or \$4.13 per share, up 54%. Revenues were up 17% to \$1.1 billion.

TV-radio were principal contributors to gains, with TV network revenues up 14%, profits up "even more substantially." Radio Div. had "exceptional gains" in revenues & earnings. Record Div. had slight revenue increase but "substantial" loss, while theaters' revenues also increased but profits dropped. Outlook for 1978 was described as "bright," particularly because of TV ratings performance.

**Live TV coverage** of Senate debate on Panama Canal treaties is expected, but opening House chamber to TV news coverage isn't likely soon. Senate Rules & Administration Committee, virtually committed to opening chamber to live network coverage when Canal debates begin early next year, told staff to investigate mechanics. So far, 3-4 camera positions have been chosen, but lighting is still problem; chamber apparently must have supplemental lighting but it must be unobtrusive. Meanwhile, House voted overwhelmingly to authorize closed-circuit TV of chamber by House employees and ordered special Rules Subcommittee (Rep. Gillis Long [D-La.], chmn.) to study alternatives, including news coverage. Move apparently puts quietus on H. Res.-821 that would have fed chamber proceedings to networks.

**Station sales:** (1) New group headed by George Gillett (Globe Bcstg. radio stations, being bought by Combined Communications) has purchased KXON-TV Mitchell, S.D. from Buford Bcstg. for \$1.5 million. (2) KNOK-AM-FM Dallas goes to Earl G. Graves Ltd., N. Y. black group which publishes Black Enterprise magazine, for \$1.5 million. (3) Howard Green bought WCMC-TV Wildwood, N.J.; price not disclosed. Green owns 50% of WENY-TV Elmira, N.Y. and radios in Atlantic City & Pleasantville, N.J.

**Warner Cable** will furnish \$400,000 "Spectacular Evening in Paris" to Columbus Qube audience, offer it to HBO, Showtime, other pay-cable outfits. Show was produced with Societe Francaise de Production, from 26 locations, including Casino de Paris, Lido, Moulin Rouge. It was produced 3 ways—French & English nude, English clothed.

**VTR DOMINATES SMPTE:** Working group on non-segmented 1" helical VTR held full-day meeting—possibly its last—during L.A. SMPTE conference and prepared to send report to parent VTR Standards Committee. Agreement must be ratified by committee, published in Journal, to become formal standard.

Prospects of helical VTRs replacing quad as standard in reasonably short time apparently will accelerate if recent ABC settlement of NABET strike serves as precedent. ABC Bcst. Engineering Vp LaVerne Pointer revealed at SMPTE that agreement on work rules permits assignment of one operator to 3 helical-scan VTRs, but continues past practice of specifying one operator for every quad unit. Substantial labor savings thus could be added to other economies implicit in any changeover to helical VTRs for broadcast use.

It's "inaccurate & unfair" to conclude that RCA & Ampex are paying "lip service" to quad, says RCA's Jerry Grever, commenting on our report of Oct. 10 (Vol. 17:41 p10), reiterating that 1977 will be among RCA's best quad sales years. Ampex repeated last week that its sales of quad recorders are running at record pace. At same time, it said it had shipped more than 125 VPR-1 helical units for NTSC & PAL systems, with order backlog of more than \$5 million. Ampex has started deliveries against initial ABC order for 10 VPR-1 recorders.

Bosch-Fernseh continued to make strong pitch for BCN segmented 1" helical standard at SMPTE, announcing it would have service & distribution centers in 5-6 U.S. cities, plugging its own machine as "here now"—with no waiting, unlike upcoming Type C non-segmented standard. Metromedia's WNEW-TV N.Y. was announced as first purchaser of BCN Digital Store unit for editing & special effects. WNEW-TV also was first in U.S. to receive BCN studio & portable recorders last May.

Highlighted sessions at SMPTE involved use of film techniques with VTR for program production, CBS Engineering & Development Vp Joseph Flaherty describing this development as having impact potentially as great as ENG. He described and demonstrated—in tours of CBS Studio Center—experimental system for producing entertainment programming, using film techniques and film personnel—but with one 1" VTR for each of 4 electronic cameras, eliminating control rooms, etc. (Vol. 17:25 p5). He estimated system saves CBS \$10,000 per sitcom episode. French govt.-owned SFP apparently has gone one step further. Michel Oudin described single-camera film-style video production technique now being regularly used in France.

Gill Industries forms Gill Management Services, offering computerized billing and other management services to cable industry. Peter Mobley is pres.; Lee Fleury field operations vp; Charles Downing mktg. vp: 2025 Gateway Pl., San Jose, Cal. 95110, 408-998-8078.

Via satellite, from Atlanta, UPI's "Newstime" service will be picked up by Microdyne at Western Cable Show Nov. 9-11, San Diego, shown daily at exhibits of both.

**BROWN & TURNER HEARINGS:** Senate confirmation appears assured for FCC nominee Tyrone Brown and CPB nominee Irby Turner Jr., following hearings last week. Brown, 35, black attorney, is to serve remaining 20 months of ex-Comr. Hooks' term, ending June 30, 1979. He said he has assurance President Carter will reappoint him to full term.

One-time counsel to Washington Post-Newsweek, Brown said he won't participate in any adjudicatory matter affecting its stations or any rulemaking proceeding during which comments were filed when he was vp-legal affairs. Other Brown views:

Supports fairness doctrine "reluctantly," because it sometimes inhibits carriage of controversial issues; is troubled by TV violence but doesn't want govt. getting into regulating program content; finds minority employment in broadcasting improving, hopes to help accelerate it. During hearing, Chmn. Hollings (D-S.C.) said his Communications Subcommittee "is loaded with bills about TV violence, all of them unconstitutional." He also asked why networks can't see to it that one of their owned stations becomes minority owned.

Brown said his net worth is \$83,300, will withdraw from ACLU, Lawyers Committee for Civil Rights Under Law, Washington Center for Metropolitan Studies, Administrative Conference of U.S.

Turner, former chmn. of Miss. Educational TV Commission, was nominated to 6-year term starting last March, stressed localism in programming, said CPB's job is to provide "ample" funds, thought non-state funded public stations should be able to editorialize—but not endorse candidates.

Turner, 45, is lawyer from Belzoni, Miss., reported net worth of almost \$900,000, said he'll sell his stock in CBS, RCA, Disney, 20th Century-Fox, Reeves Telecom, Viacom, WJDX Jackson, Miss.

Because of court-dictated ex parte rules under which FCC now must operate, agency should take "immediate steps" to remove "staff bias" in rulemakings emanating from Cable Bureau, according to NAB Exec. Vp-Gen. Mgr. John Summers. He said such bias is not solely an assessment of the broadcast industry but has been recognized in independent studies. Broadcasters, he said, no longer will be able to counter any bias with commissioners because such direct contacts now are prohibited in rulemakings.

Fla. law requiring consent of all parties to have conversations taped was upheld by state supreme court, reversing lower court holding that law is unconstitutional. Law was challenged by WCKT Miami & Miami Herald. Fla. Supreme Court said: "The ancient art of investigative reporting was successfully practiced long before the invention of electronic devices, so they cannot be said to be indispensable tools of investigative reporting."

Advertising is poor source of product information for consumers, according to survey of 483 consumer writers, conducted by U. of Wis. & Consumer Concepts, Milwaukee management consultants. Writers said they're best source of reliable information.

**ANA HAS TV SEX CONCERN:** Stating it was not reacting to pressure from activist groups, ANA board last week disclosed it met month earlier with Hollywood creators and networks to "express concern that the former glut of violence [on TV] may be followed by excessive portrayal of sex & sex-oriented jokes and/or other subjects in bad taste."

Board statement came at close of ANA convention in Hot Springs, Va., added it wasn't advocating ban on "certain program types." Also at ANA, Washington lawyer Lee Loevinger, ex-FCC commissioner, attacked proposed consumer boycotts as way of influencing programs. He equated such action with terrorism as a "form of violence," urged ANA to "confine its activities to the modes of persuasion."

Kellogg Pres. William LaMothe urged advertisers to "speak out... in defense of our right to communicate with our audience, be they children, the elderly, minorities, disadvantaged, rich, poor, black or white." N.Y.U. Prof. Irving Kristol predicted that commercials directed toward children would be banned within 10 years, said that such advertising infringes on parental authority. In other ad developments:

(1) "We're not talking about research anymore. We're talking about the legal problems of which way to go," FTC official said of planned attack against TV ads for sugared foods (Vol. 17:42 p5). FTC staff reportedly has determined that such spots constitute "unfair practices" under Trade Act, may seek either total ban or "counter commercials" when Commission takes subject up in Nov.

(2) General Foods disclosed that it's working with NCCB to devise method of evaluating "quality" TV programs. Company decried alleged decline in quality, said advertisers must use TV because of combination of sight, sound & motion.

**ABC-TV White House** correspondent Sam Donaldson will keynote Nov. 17-19 SPJ-SDX convention in Detroit. Other industry participants include cableman Bill Daniels, NBC-TV "Today's" Jane Pauley, CBS News Washington Vp Sanford Socolow, Steven Yount, WIRE-(AM) Indianapolis, Ernie Schultz, KTVY Okla. City & RTNDA pres.

**Robert Sachs**, OTP consultant, will head White House task force on public broadcasting, succeeding Frank Lloyd, now administrative asst. to FCC Chmn. Charles Ferris (see p. 1). Major goal of task force will be pushing President's public broadcasting funding and reorganization through Congress next year (Vol. 17:40 p2).

**Comments deadline** in VHF drop-in rulemaking has been extended to Dec. 1 by FCC Bcst. Bureau Chief Wallace Johnson; replies now are due Jan. 1. MST is expected to file economic study of its own this week, showing that 3 such studies relied on by FCC in issuing rulemaking last March (Vol. 17:10 p4) aren't reliable because of invalid assumptions.

**"The Mass Media: A Guide to Communication-Industry Trends,"** is 600-page statistical compendium due for publication by year's end by Aspen Institute. Editors are Christopher Sterling, Temple U., & Timothy Haight, Stanford U.

**Broadcast stations** are not arms of govt., U.S. Court of Appeals in N.Y. ruled, finding for WSTC-AM-FM Stamford, Conn. Ruling, which reversed lower court decision, eased concern of broadcasting industry. WSTC had edited statement by mayoralty candidate several years ago, and FCC fined station \$10,000 for violating no-censorship provisions of Sec. 315 of Communications Act. Unsuccessful candidate also filed lawsuit in federal court, seeking damages, arguing that his First Amendment rights had been violated by govt., since stations were licensed by federal govt., and claiming they had monopoly in city. Lower court judge had accepted this reasoning. Appeals court disagreed, ordered case dismissed. Aiding WSTC were networks, NPR, NAB & RTNDA. Ironically, WSTC renewals are now in comparative hearing with new applicant.

**Educational film producers** have filed copyright infringement suit in Buffalo federal court against Erie County public schools. Suit charges programs are being taped off-air without permission and that additional tapes then are made for use of schools, seeks \$250 minimum for each violation and asks that all copies be destroyed. Court issued temporary restraining order against practice. Suit was brought by Encyclopaedia Britannica Educational Corp., Learning Corp. of America & Time-Life Films.

**How parents can monitor** their children's TV watching is subject of workshops scheduled by Teachers Guide to TV, N.Y. publication supported principally by TIO. Sessions in 17 major cities are pegged to NBC's afterschool series, "Special Treats," with network under writing them to tune of almost \$100,000. Gloria Kirshner, editor of Teachers Guide, is directing.

**Complete support** for NAB proposal that FCC issue tax certificates to station owners who sell to minorities (Vol. 17:36 p5) came in comments filed with FCC. NCTA suggested it be widened to include CATV. National Black Media Coalition also urged Commission to establish office of minorities. Tax certificate permits seller to postpone capital gains tax.

**NRBA has formed** committee to study feasibility of a "Congress of Bcst. Organizations," added: "The concept of a 'federation' or 'congress' is continuously under consideration by the NRBA as part of its on-going program of investigating all possibilities of maximum service to America's radio broadcasters." NAB had no comment; privately, officials there said they aren't interested.

**All 150 hospitality suites** in L.A. Bonaventure Hotel are reserved for March 4-8 NATPE convention; additional suites are being sold in nearby Biltmore Hotel. Tom Snyder of NBC's "Tomorrow" keynotes conference, which will include several other personalities.

**Media ownership** is subject of seminar Nov. 10-11, Barbizon Plaza Hotel, N.Y., by Practising Law Institute, 810 Seventh Ave., N.Y. 10019, 212-765-5700.

**NAB petitions** to intervene in appeal to D.C. Appeals Court from FCC decision ending inquiry into program exclusivity.

## Personals

Paul Klein advances to exec. vp, programs, NBC-TV, succeeding Irwin Segelstein, who becomes exec. vp, program planning... Jerome Dominus promoted to vp-national sales mgr., CBS-TV; Herbert Gross to vp, sales planning.

Bernard Gold named NBC vp, employee relations & law, West Coast; Eugene McGuire, vp, labor relations; Robert Hurford, vp, staff labor relations; Sue-ann Krakower, dir., compensation; Frank Osborn, dir., organization development & employment; Diane Seaman, mgr.-children's program sales; Stephen Stander, asst. gen. attorney.

Charles Stanford advanced to ABC asst. gen. attorney... Louis Calangelo named mgr., conference planning, ABC... Martin Pompadur promoted to pres., Ziff Corp.; William Ziff, chmn.; Hershel Sarbin, exec. vp; Philip Korsant, pres., Ziff-Davis Publishing.

ABC-TV Entertainment Pres. Fred Silverman speaks Nov. 8 to HRTS luncheon, Beverly Wilshire Hotel... Al Cannarella, ex-NBC Stations Div., named vp-research dir., Metro TV Sales... Helen Dudman, WETA-TV Washington, joins PBS as public information dir.; Mark Harrad, asst. to PBS vice chmn., named special projects assoc., new post.

Sam Spivey, promoted to Donrey Bcstg. Div., national sales mgr... Thomas Reed, ex-Braun & Co. PR firm, named dir., corp. & investor relations, Metromedia, new post... Jerry Heilman named local sales mgr., WTMJ-TV Milwaukee... Larry Grall advanced to local sales mgr., KWGN-TV Denver... Don Budd promoted to news dir., MBS.

Leavitt Pope, WPIX N. Y., will be named to independent seat on NAB TV Code Board, succeeding James Terrill, ex-KVT Ft. Worth... Harry Shooshan, staff dir., House Communications Subcommittee, is keynote speaker at Nov. 2 conference on "Communications & Society," sponsored by World Future Society, at Ford Foundation, N. Y.

John Auld, ex-pres. of Philips Bcst. Equipment, named pres. of new EEV Inc. (bcst. & other tubes); he's also pres. of English Electric Valve N. America Ltd., EEV's Canadian parent; both firms are affiliated with GEC (England). EEV has acquired assets of Watsonville (Cal.) Div. from Microwave Assoc., will operate it as Relmag Div. (magnetrons); David Blank continuing as gen. mgr.

Iris Dugow, ex-ABC-TV, named dir., premium program development, Qube, Columbus, O.; Laing (Ned) Kandel, ex-HBO, appointed sports programming dir... Gerry Eliff named vp, engineering, UltraCom cable systems... Linda Englin, ex-Jerrold, named Cerro southeast sales mgr.

"Benjamin Hooks Day" was Oct. 25 in Washington as Nation's Capitol paid homage to ex-FCC commissioner, now NAACP exec. dir. Day was capped by \$100 a plate dinner, at which ex-FCC Chmn. Richard Wiley was m.c.

MST now has record 191 members. Newest are WPLG Miami, KCBD-TV Lubbock, KTAR-TV Phoenix.

Suggestion by civil defense officials that 25-sec., 2-toned raucous alarm signal for TV be incorporated in Emergency Broadcasting System received cool reception at meeting of Broadcasting Services Subcommittee of National Industry Advisory Committee, last week. Group voted to "think about it". Civil defense proposal to put direct-line telephones in network newsrooms to receive alert warning directly from NORAD commander was referred to networks. Meeting also saw appointment of subgroup, chaired by James Holden, NBC, to review EBS in light of new technologies, and to attempt to clarify written instructions & procedures.

Copyright Royalty Tribunal members (Vol. 17:26 p4) were confirmed by Senate last week, expect to be sworn in within couple weeks, move in late Nov. to Vanguard Bldg., 1120 20th St. NW, Washington. President Carter designated Thomas Brennan senior member, and it's expected colleagues will elect him chmn. Other members: Douglas Coulter & Mary Lou Burg (7 years); Clarence James Jr. & Frances Garcia (5 years). Brennan was counsel to Senate Judiciary Subcommittee, very active in development of Copyright Act.

Cable/Translator Subcommittee has been formed by NAB Hundred-Plus Market TV Committee to seek: (1) Full syndicated exclusivity protection; (2) retention of existing distant signal limitations and network non-duplication protection; (3) FCC action to clear backlog in translator applications; (4) controls on translators which sell time and operate as "mini-broadcast stations." Subcommittee includes Jerry Holley, WIBW-TV Topeka; Ray Johnson, KMED-TV Medford, Ore.; Jay Gardner, KRDO-TV Colo. Springs; William Bengtson (chmn.), KOAM-TV Pittsburg, Kan.

American Psychiatric Assn. filed fairness doctrine complaint against ABC-TV with FCC, charging May 26 "Madness & Medicine" program was "shocking & damagingly biased one-sided libel of the modern practice of psychiatric medicine in America." APA said ABC claimed it "presented representative & contrasting views..."

NAEB convention Nov. 13-17, Washington Sheraton Park Hotel, includes addresses by Henry Loomis, CPB; Lawrence Grossman, PBS; Frank Mankiewicz, NPR. Among sessions: "Outside Looking In," with Ann Branscomb, consultant; Alan Kriegsman, Washington Post; Les Brown, N. Y. Times; John Must, CBS.

Ronald Reagan is first big name to accept invitation tentatively to NAB April 9-12 convention in Las Vegas. He'll speak at Tues. radio lunch.

## Obituary

Arthur Schroeder, 68, partner in Washington law firm Miller & Schroeder, died of cancer Oct. 25 at VA hospital, Washington. Native of Neb., he attended U. of Neb. & Creighton U., came to Washington in 1932. In 1945, he formed law firm with late Neville Miller. He was FCBA pres. 1966-67, was active in GOP politics. Survivors include wife, 2 daughters.

# 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 Oct. 14 (41st week of 1977):

	Oct. 8-14	1976 week	% change	Oct. 1-7	1977 to date	1976 to date	% change
Total TV.....	310,983	273,606	+13.7	339,734	10,611,524	9,262,121	+14.6
color .....	185,224	172,767	+7.2	214,581	6,608,727	5,519,446	+19.7
monochrome ..	125,759	100,839	+24.7	125,153	4,002,797	3,742,675	+7.0
Total radio .....	1,077,537	784,411	+37.4	726,912	41,250,809	30,550,272	+35.0
home, portable .	827,883	530,818	+56.0	427,628	31,404,215	20,739,338	+51.4
AM-only .....	248,008	254,860	-2.7	85,834	7,484,657	6,002,281	+24.7
FM & FM-AM .	579,875	275,958	+110.1	341,794	23,919,558	14,737,057	+62.3
auto.....	249,654	253,593	-1.6	299,284	9,846,594	9,810,934	+0.4

Color TV 5-week moving average: 1977—231,248\*; 1976—189,560 (up 22.0%).

\*Highest of any week in 1977.

**HOME VIDEO DEBUTS AS 'AN INDUSTRY':** ITA's first consumer video seminar in N. Y. last week can be reckoned to have launched home video as some kind of an industry. No longer did there appear to be reasonable doubt in anyone's mind that a business exists now with almost unlimited potential—even though there was plenty of disagreement on what direction it would take.

Attendees could be divided roughly into 2 opposing camps—software freaks & hardware freaks—each considering other's moves somewhere on a scale from irrelevant to disastrous. Many software exponents seemed unable to accept fact that there is, and will continue to be, more than one VTR standard, or that there was any real interest in taping material off air. Hardware-first troops appeared to regard prerecorded programming for VTR with amused tolerance as a sort of harmless enterprise which won't help much but couldn't possibly do much harm, either. If any network official had wandered into conclave by mistake, he would've been horrified by repeated open talk about eliminating commercials from material taped off-air. Here are some highlights of presentations, panels & corridor talk at 2-day event:

(1) VTR has been launched with far better than expected results. RCA Mktg. Vp Jack Sauter summarized first survey of SelectaVision owners, in which 100% said VTR "totally satisfied" them or "exceeded their expectations" (details on p. 10). Dealer seminar suggested that VTR was spawning new breed of specialty retailer, but there was disagreement whether he'd continue to get big share of business.

(2) It became increasingly probable that there would be more—rather than fewer—home VTR formats as technology progresses. Bell & Howell has developed prototype LVR home recorder in joint venture with BASF & Blaupunkt (Vol. 17:35 p7) which weighs 8 lb. when unplugged from home tuner-timer-power supply. GE is understood to be working with B&H toward companion solid-state color camera about size of small super-8 camera. Although both units are aimed at production in 1979, B&H Video Pres. Robert Pfannkuch said they could be delayed because of reluctance to introduce new format that early. New 3M Metafine tape, when available, will require new systems, make possible smaller equipment, 3M tape Mktg. Dir. William Madden said.

(3) New feature to differentiate various home VTR models will start to proliferate in next year or so, Pfannkuch said. Among those suggested by him and other speakers: "Jog-ahead"

fast-forward timed for perhaps 60 sec. to race through commercials on playback, automatic programmer to switch channels during unattended recording.

(4) Based on experience with other consumer electronic products: Consumers will be very skeptical about videoplayer prices, expecting them to drop rapidly; product will be discovered by small fringe groups (movie buffs, video freaks, etc.), later broaden into mass market. These are among findings of multi-client study of home video market, as outlined by Gallup Organization Exec. Vp Andrew Kohut.

(5) Magnavox hasn't reduced its "commitment or dedication" to videodisc, said Sales Planning Vp Charles Dolk. "Not one person has been terminated, reassigned or relocated." Company's former late-1977 test-market date (now changed to fall 1978) "hadn't been changed for 3 years. Tape took 20 years to reach the home market...Our decision had nothing to do with VTRs." Magnavox videocassette recorder shipments will begin this week, he said, expressing view that VCR & disc are complementary products. "Nothing has happened to alter our belief that the disc player will be cheaper than the VTR, discs cheaper than prerecorded cassettes and that disc will provide better picture & sound."

(6) Single most important issue in videocassette is piracy, said Paramount Vp Peter Kuyper. This can be solved by: (a) Security prosecution or technical means. (b) Stopping whole VTR industry. (c) Getting into videocassette programming business in such a way that piracy becomes uneconomical. Last solution is aim of new Sony/Paramount venture, he said. "I would rather see 6 movies sold at \$20 each over the counter than one stolen 'Star Wars' sold under the same counter for \$120."

(7) There was agreement that high-speed duplicator is essential for any true mass VTR software business—and that it won't arrive in less than 3 years.

Despite wide differences in opinion, feeling of optimism seemed unanimous. And it was summed up by Panasonic Video Systems Gen. Mgr. Irwin (Skip) Tarr: "Once in a decade a significant new product occurs. After years of talk, the time has come to do."

**JUSTICE, JAPAN, ZENITH IN DATA ACCORD:** Zenith & Japanese TV makers have reached agreement on conditions for Justice Dept. examination of selected confidential documents filed in Zenith's \$1-billion antitrust suit against Japan's consumer electronics industry in Philadelphia federal court. Resolution clears way for JD to continue probe into whether Japan's now-expired TV export check price agreements violated U.S. antitrust laws.

Zenith's objections to restrictions demanded by Japanese on Justice access to documents had been holding up proceedings (Vol. 17:39 p7, 17:42 p10). Exact details of compromise couldn't be learned, but there were indications that most of Japanese requested limitations will be granted. That means agency investigators won't be able to copy documents, will have limited time to look at those specified by Zenith, and that Japanese will have right to know what filings they've seen and submit documents in rebuttal.

Purpose of JD's look into files is to check for substantiation of Zenith claim that documents support allegations of illegal activities. Process could take about 6 weeks. Should Justice then opt to turn present preliminary probe into full investigation it could issue civil investigative demand for unrestricted access to all 10 million documents—many untranslated from Japanese—collected in case so far.

In Japan last week, Finance Ministry said Sept. TV exports to U.S. totaled 390,360, down 20.2%, with color at 192,220, down 43%, b&w at 198,140, up 30.5%, marking first time since Oct. 1974 that b&w exports exceeded color. Month's results brought 9-month total to just under 3 million, down 2.8%, with color at 1.7 million, off 16.6%, b&w at 1.26 million, up 25.6%.

Continuous changes in yen exchange rate this year make it hard to put dollar value on shipments. Based on Sept. 1977 & 1976 official rates, total TV exports were worth \$409.7 million, down 8.2%, including \$330.1 million for color, down 14.3%, \$79.6 million for b&w, up 30.4%, indicating average color export price rose to \$190.35 from \$185.24, while b&w average increased to \$62.98 from \$60.66. Things were somewhat worse than that for Japanese, however, as unconverted Finance Ministry figures show total TV export value at 109.4 billion yen, down 14.8%,

with color worth 88.2 billion yen, down 20.5% and b&w at 21.26 billion yen, up 20.9%.

Continuing rise in value of yen, coupled with prolonged East & Gulf Coast dock strike, have Japanese exporters & U.S. importers chewing fingernails. Last week, yen climbed to 248.6 to dollar before settling back to 250 range—that's increase of nearly 8% from official exchange rate in just 60 days—and Matsushita said it was raising its official rate for international transactions to just over 250. Earlier this year, Matsushita officials told us they expected yen value to stabilize at around 270 in 4th quarter.

Though directly affecting only container ships, 5-week-old dock strike is starting to cause backups at open West Coast & Canadian ports. With negotiations still stalled at week's end, importers are weighing need to order immediate switch to air freight against fear settlement may come through quickly, result in inventory surplus, Christmas dumps.

**KLOSS BACK IN PROJECTION TV BUSINESS:** Henry Kloss—founder, former pres. and still largest stockholder in Advent Corp., one-man sparkplug of consumer projection TV craze—is back in the business with his own company, Kloss Video Corp. (145 Sidney St., Cambridge, Mass. 02139), will make & license proprietary new projection-TV tube, possibly enter complete end-product business itself.

Kloss' tube is highly simplified, designed to sell at "lower cost than any other type used in 3-tube systems" and has light output "at least equal to any tube made or proposed," he told us at week's end. He described it as "meniscus-Schmidt type," with spherical mirror contained within glass envelope. He said plant is now tooled, will start run of first 200 tubes in next few months, and be ready to deliver quantity orders in 1978.

Tube will be supplied on OEM basis or other manufacturers may be licensed, he said. It's designed for "high end of consumer market," is described as "high-brightness high-definition video tube." Kloss resigned from Advent job in Oct. 1976 (Vol. 16:42 p10), presumably after policy disagreements with Chmn. Peter Sprague, quit Advent board last April. Associated with him in new venture as vp is Frank Fedderman, who left Advent as R&D vp last month when his job was eliminated.

**Note:** Advent's projection TV business finally is booming, with sales beyond forecasts. Company is in substantial back-ordered position, we were told by Senior Mktg. Vp Fred Goldstein. Most of sales are in 6-ft. Model 750.

**CB TVI STUDY:** Complaints of TV interference from CB will climb from 1976 total of 45,210 to 105,000 level in 1979 unless interference characteristics of both CB & TV are improved, recently disclosed FCC study says. Based on survey of 500 dwellings in 6 metropolitan areas, study concludes that leading TVI cause is inadequate suppression of CB transmitter harmonic & spurious radiation levels. Current 60-dB suppression limit is still basic cause of TVI, according to study, and further reduction of transmitter chassis radiation "will be required to resolve many complaints."

Though not as serious, TV receiver overload also contributes significantly to TVI, study noted, suggesting that greater built-in signal rejection would eliminate at least 1/3 of CB TVI complaints. Study said 55% of TVI in survey was caused by CBs, remainder by TV sets. Linear amps were associated with 46% of all TVI cases. In half of these, problem disappeared when linear was removed, and interference in remaining cases was "substantially reduced."

Problem of TVI varied widely from area to area and channel to channel, study said, with TV Chs. 2 & 5 most seriously affected, Ch. 9 to lesser extent (all harmonically related to CB). Majority of complaints came from Grade A & B TV service areas. Some cases could be resolved through change in CB

operating techniques, according to study. TVI on Chs. 2 & 5 was reduced during survey by operating at high & low ends of CB band, respectively.

"No single approach appears capable of resolving all complaints," study concluded. "Rather, coordinated action will be required of CB operators, TV viewers, CB manufacturers, TV manufacturers & the Commission."

Three-hour VHS standard for European PAL & SECAM markets has been agreed upon by 6 present & prospective manufacturers of VHS-format video-cassette recorders. Units will be single-speed, running at about 0.92 ips (23.39 mm/sec.), compared with 1.34 ips (33.5 mm/sec.) for NTSC version in 2-hour mode and 0.66 ips (16.673 mm/sec.) in 4-hour mode. Cassette for European standards will have 260 meters (853 ft.) of tape vs. 250 meters (820 ft.) in NTSC cassette. Export of VHS decks to Europe starts in mid-1978; Beta format shipments are expected to begin early next year. Parties to new VHS agreement are JVC, Matsushita, Hitachi, Mitsubishi, Sharp & Akai.

Taiwan exports of electronic & electrical equipment & components will rise some 15% in 1978 to \$1.69 billion, according to estimate by Assns. of Domestic Industrial Mfrs.

**RCA'S 'HAPPY EXPERIENCE':** Early returns are in from RCA's foray into VTR field, and "I am very glad we entered it," Mktg. Vp Jack Sauter told ITA Home Video Systems seminar luncheon, sharing this data about first buyers of 4-hour SelectaVision VHS deck:

All surveyed customers said VTR "totally satisfied" them or "exceeded expectations." Some 97% said it was easy to operate. In 78% of cases, purchasers installed decks themselves, relieving dealers of time & expense of making installations. VTR "undoubtedly will help color TV sales"—research showed 67% of purchasers hooked their decks up to consoles.

"We were very surprised by the number of people requesting cameras," Sauter said. Orders for cassettes, too, were higher than anticipated, and Sauter conceded that retailers at seminar were correct when they reported shortage of VHS cassettes, but he forecast this would end in next 60 days and was largely due to shipping strike. "We won't see the level of local advertising we thought we would," he added, "because sell-through has been higher than expected." First announcement ad by West Coast retailer (believed to be Macy's San Francisco) "pulled 5 times the amount" of sales than dealer had been allocated.

Before RCA entered VTR, it conducted extensive surveys, including one which drew 7,000 responses and indicated largest share thought \$900-\$1,000 was "good retail price." Actual experience proved that customers were willing to pay \$1,000, and "it's reasonable to believe this will be the going price for us," making any discounting unnecessary. Early survey also indicated 500,000 consumers were willing to buy in first year of sales.

Average consumer intending to be among first buyers was in his 20s or early 30s, had income over \$20,000, member of family of one or 2 people, was heavy TV viewer (5 hours or more daily). Of those surveyed, 20% had heard of videocassette recorder before national advertising broke. Survey also indicated traditional TV retailer would be leader in VTR sales.

Sauter urged audience to forget any comparison between VTR & early color TV sales. "This is a much happier experience." Color's early days were frustrating, he pointed out, because of lack of programming. It took 10 years for color TV sales to reach 1,000,000-set level, while VTR should reach same point by 1979—"2 years after the practical introduction date." As we noted last week (Vol. 17:43 p10), RCA now concedes its forecast of 250,000-unit sales this year was "a little optimistic"—in Sauter's words—"we assumed [Japanese industry's] production capability would be greater than it was." Thus, he said, RCA's share will be higher than originally anticipated, because its shipments are "on schedule, and we'll be ahead of schedule by mid-Nov."

Liftoff in VTR shipments showed up dramatically in Japanese Sept. figures on exports to U.S., with total of 42,613 units reported, nearly 5 times as high as year earlier (8,907), bringing shipments of first 3 quarters to 172,547, up 114.8%, were indicated average value of \$611.50, compared with \$718.36 in same 1976 period. Sept. figure was double that of Aug. and by far highest on record.

**ITC CB HEARINGS:** E. F. Johnson gets day (or 2) in court Nov. 1 as ITC opens hearings in Washington on complaint under Sec. 201 of Tariff Act that imports injured domestic industry (Vol. 17:32 p9 et seq.). Both sides have been allotted 10 hours for testimony, and that—plus appearances of congressmen & FCC officials—should push hearings over into 2nd day, possibly 3rd.

First witnesses are Sen. Curtis (R-Neb.) and Reps. Thone (R-Neb.), Grassley (R-Ia.) & Hagedorn (R-Minn.). From FCC: Chief Engineer Raymond Spence, Chief Engineer's Planning & Coordination Staff Chief Edwin Schafer and Lab Div. Engineer John Robinson.

Witnesses opposing Johnson petition: Former Lafayette Vp Pellegrino Norgillo, Cybernet Pres. Haruki Tomonoh, Radio Shack Pres. Lewis Kornfeld, Dynascan Pres. Carl Korn, Robyn Mktg. Mgr. Arthur Taylor, attorneys representing EIAJ, Taiwan Electric Appliance Mfrs. Assn. & CB Radio Imports Group (American Importers Assn.).

In favor of petition: E. F. Johnson Pres. Richard Horner, Johnson/America Engineering Vp Donald Wright, Hy-Gain Pres. Andrew Andros, Pathcom Pres. William Thomas, Motorola Auto Products Div. Vp John Battin and Al Gross, mktg.-sales mgr., Fiberglass Div. of True Temper.

On eve of hearings, ITC released preliminary statistics on 1972-77 state of industry based on questionnaires to domestics & importers—and impact of import competition on market is evident. While total U.S. shipments climbed from \$9.5 million in 1972 to \$94.7 million in 1976, imports jumped from \$41.3 million to \$828.5 million in same period, with import-to-U.S.-shipment ratio going from 435 to 875 and import-to-consumption rate jumping from 82% to 90%. During first half of 1977, shipments of domestic sets dropped 53.7% from same period year earlier to \$28.1 million, while imports decreased just 13.4% to \$323 million. Import-to-U.S.-shipment ratio climbed from 614 to 1,147 & import-to-consumption rate rose from 86% to 93%.

Average number of employes at U.S.-CB producing firms dropped from 5,586 in first half of 1976 to 3,420 in same 1977 period, figures showed, with average number of production & related workers falling from 3,252 to 1,427. Plant capacity utilization (based on 2-shift, 5-day week) of U.S. CB assemblers dipped from 55% to 21%.

Latest Japanese CB export figures showed signs of modest rebound in Sept., first full month after Aug. 1 FCC cut-off date for manufacture of units under old specifications. Shipments totaled 446,650, down 67.5% from same month last year, but up 37.7% from Aug. Nine-month export total of 5.3 million was off 50.1%. And Japanese are obviously still hurting. Fujitsu Ten suspended CB production, cancelling shipments to Toyota & Cybernet.

Note: FCC vote on proposed extension of 23-channel sales date to Aug. 1, 1978 (Vol. 17:36 p10 et seq.) probably will come week of Nov. 6, spokesman said. Vote was set for next week until full Commission meeting was cancelled.

**AID FOR ZENITH WORKERS:** Labor Dept. last week opened largest group case ever covering consumer electronics in response to 20 separate petitions seeking import adjustment assistance eligibility certification for Zenith workers who'll lose jobs as Zenith drops some operations, transfers others to Taiwan & Mexico (Vol. 17:39 p7; 40 pp. 8 & 11). Some petitions were filed by Zenith unions—Radionics, Machinists, IBEW—others by company itself.

Bulk of petitions, 14, were for employes at facilities in Greater Chicago area, including those in Elk Grove Village, Glenview, Melrose Park & Paris, Ill., cover those involved in R&D, hearing aid production, warehousing & distribution, as well as production of color & b&w TV, audio products, TV components & subassemblies, picture tubes. Other plants covered by petitions are in Sioux City, Ia. (TV, stereo components), Springfield, Mo. (TV & subassemblies), 2 in Evansville, Ind. (TV & stereo components), Watsontown, Pa. (cabinets, audio), Lansdale, Pa. (picture tubes). While petitions are specifically intended to help 5,600 whose jobs Zenith says are being trimmed, formal LD eligibility finding will cover virtually all of Zenith's 22,500 workforce.

Supreme Court is being asked to block rehearing of suit aimed at opening Consumer Product Safety Commission (CPSC) TV accident files. Review petition filed by group of TV manufacturers seeks high court reversal of Appeals Court order that D.C. Dist. Court consider Freedom of Information Act suit brought by Consumers Union (CU) & Ralph Nader's Health Research Group. They seek data set producers submitted to CPSC in confidence (Vol. 17:29 p10). CU action was brought after Wilmington court issued temporary restraining order to stop release. Industry is now trying to have order made permanent. Petitioners said reopening D.C. case would expose them to "duplicative litigation," establish principle that individual who doesn't like order of one district court could ignore it by bringing suit in another court.

Upcoming Winter CES, moving from Chicago to Las Vegas for Jan. 5-8 run, is complete sellout, will have more than 500 exhibitors, 350,000-sq.-ft. display area, both double last year's totals, has 75 potential exhibitors on waiting list, according to show management. Morning conferences will cover personal communications (Jan. 5), TV & video systems (Jan. 6), audio (Jan. 7), computers, calculators & watches (Jan. 8).

**Watch watch:** Leisurecraft opens digital watch manufacturing subsidiary, Mercury Products, in Hong Kong. Company said it has no plans to use facility to make any of its Webcor consumer electronics line... Timex is reportedly considering establishing watch R&D operation in Cal.

Another record week in color sales to dealers will be reported next week by EIA—about 242,300 sets sold in year's 42nd week (ended Oct. 21), 25% above 1976 week and just squeaking ahead of previous 42nd-week record of 241,168 in 1973. Monochrome sales for week were 172,700, up nearly 50% from 1976.

## Trade Personals

Robert Hansen, Zenith color TV engineering dir., elected TV engineering vp... Charles Fazio, ex-Rockwell corp. operations vp, named Consumer Operations pres., assuming some responsibilities of William Panny, resigned as exec. vp responsible for Consumer Automotive & Utility and Industrial Operations to join Bendix as vice chmn. & chief operating officer; Edward Loeser, ex-Utility Products pres., succeeds Fazio; Charles Urban, consumer business affairs vp with direct involvement at Admiral, is assigned to corp. offices, reports to Fazio.

Walter Fisher, Zenith exec. vp, named EIA Consumer Electronics Group vp, succeeding Charles Hoffman, recently named CEG staff senior vp; Panasonic Exec. Vp Nat Gilbert & Sony Pres. Raymond Steiner elected to EIA board.

Donald Mackey advanced at Sylvania Components from production mgr. of Seneca Falls, N.Y. color tube plant to OEM entertainment CRT product mktg. mgr.; James Wassel, ex-OEM/CRT product sales mgr., named OEM monitor & industrial display CRT product mktg. mgr.; both are new posts... James Oblak, ex-Audio Magnetics & TEAC, joins Pioneer Electronics as car sound systems product mgr.; Howard Krivoy, ex-James B. Lansing, named sales promotion supervisor... Derek Moon leaves post of Garrard (U.K.) managing dir., duties assumed on interim basis by J.D. Parson, gen. mgr. of Swindon operation.

Douglas Carter promoted at Zenith to audio product planning dir., succeeding Robert Pierce, resigned... Geoffrey Miller appointed mktg. dir. for Rank Hi Fi (U.S.A.) recently formed by Rank of U.K. to sell Wharfedale & Leak speakers.

Peter Jones advanced at RCA from treasury staff vp to financial analysis staff vp... Lee Habich, ex-Beltone, joins Shure as sales promotion mgr... William Jessen advanced at Emerson Electric Rittenhouse Div. from vp-gen. mgr. to pres... Monson Hayes & Donald Chisholm, Northern Telecom pres. & exec. vp, elected to Intersil board.

**ZENITH'S DOWN QUARTER:** Zenith had lower sales, operating income and color TV market share in 3rd quarter. Lower unit selling prices and reduced distributor inventories contributed to 3% 3rd quarter sales decline (see financial table), company said, attributing loss for period to \$22.4-million writeoff of investment in Lansdale, Pa. color tube plant, \$3.3-million inventory writedown by Swiss watch subsidiary. Without special charges, Zenith indicated, it would have shown profit of about \$940,000 for period.

Zenith said sales for 9 months were up 3.7%, while net dropped 97.6%. Zenith reported color TV unit sales to dealers rose 13% in 3rd quarter. Since EIA figures show total market sales to dealers for same period were up 19.4%, Zenith's share of that color market segment declined. Zenith said it won't skip regular 25¢ quarterly dividend.

**Price hikes:** Ampex says it's raising prices 10%-15% on all blank consumer audio tape, some professional audio & industrial tape Nov. 15.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Advance Ross			
1977-9 mo. to Sept. 30	30,521,230	507,220 <sup>a</sup>	.14
1976-9 mo. to Sept. 30	17,572,851	942,970 <sup>a</sup>	.27
1977-qtr. to Sept. 30	10,312,436	203,081 <sup>a</sup>	.06
1976-qtr. to Sept. 30	6,208,567	352,546 <sup>a</sup>	.10
American Bctg. Cos.			
1977-9 mo. to Sept. 30	1,117,057,000 <sup>b</sup>	74,950,000 <sup>b</sup>	4.13
1976-9 mo. to Sept. 30	950,953,000 <sup>b</sup>	47,360,000 <sup>b</sup>	2.69
1977-qtr. to Sept. 30	357,015,000 <sup>b</sup>	22,241,000 <sup>b</sup>	1.22
1976-qtr. to Sept. 30	321,316,000 <sup>b</sup>	16,950,000 <sup>b</sup>	.95
American TV & Communications			
1977-qtr. to Sept. 30	15,105,513 <sup>b</sup>	1,973,389 <sup>b</sup>	.51
1976-qtr. to Sept. 30	11,888,116 <sup>b</sup>	1,277,045 <sup>b</sup>	.35
Arvin Industries			
1977-9 mo. to Sept. 30	346,429,000	24,053,000 <sup>a</sup>	3.70
1976-9 mo. to Sept. 30	298,408,000	21,655,000 <sup>a</sup>	3.39
1977-qtr. to Sept. 30	113,152,000	8,209,000 <sup>a</sup>	1.27
1976-qtr. to Sept. 30	102,387,000	7,963,000 <sup>a</sup>	1.23
Bell & Howell			
1977-9 mo. to Sept. 30	352,730,000 <sup>c</sup>	8,020,000 <sup>c</sup>	1.39
1976-9 mo. to Sept. 30 <sup>d</sup>	311,292,000 <sup>c</sup>	7,577,000 <sup>c</sup>	1.31
1977-qtr. to Sept. 30	125,262,000 <sup>c</sup>	2,040,000 <sup>c</sup>	.35
1976-qtr. to Sept. 30 <sup>d</sup>	112,647,000 <sup>c</sup>	2,817,000 <sup>c</sup>	.49
John Blair			
1977-9 mo. to Sept. 30	100,697,000	6,081,000 <sup>a</sup>	2.51
1976-9 mo. to Sept. 30	79,890,000	3,419,000 <sup>a</sup>	1.42
1977-qtr. to Sept. 30	35,075,000	2,029,000 <sup>a</sup>	.83
1976-qtr. to Sept. 30	28,542,000	1,364,000 <sup>a</sup>	.57
Capital Cities Communications			
1977-9 mo. to Sept. 30	218,918,000	30,032,000 <sup>a</sup>	4.01
1976-9 mo. to Sept. 30	153,875,000	25,238,000 <sup>a</sup>	3.25
1977-qtr. to Sept. 30	75,078,000	9,647,000 <sup>a</sup>	1.29
1976-qtr. to Sept. 30	51,448,000	7,667,000 <sup>a</sup>	.99
Chris-Craft Industries			
1977-year to Aug. 31	88,329,000 <sup>e</sup>	5,916,000 <sup>a</sup>	1.10
1976-year to Aug. 31	69,614,000 <sup>e</sup>	2,920,000 <sup>a</sup>	.43
1977-qtr. to Aug. 31	22,656,000 <sup>e</sup>	(517,000) <sup>a</sup>	--
1976-qtr. to Aug. 31	19,131,000 <sup>e</sup>	1,890,000 <sup>a</sup>	.37
Combined Communications			
1977-9 mo. to Sept. 30	180,286,000 <sup>b</sup>	13,777,000 <sup>b</sup>	2.13
1976-9 mo. to Sept. 30	153,934,000	9,862,000 <sup>b</sup>	1.61
1977-qtr. to Sept. 30	66,873,000	4,465,000 <sup>b</sup>	.69
1976-qtr. to Sept. 30	52,908,000	3,614,000 <sup>b</sup>	.58
Comsat			
1977-9 mo. to Sept. 30	128,044,000 <sup>e</sup>	27,393,000 <sup>e</sup>	2.74
1976-9 mo. to Sept. 30	113,001,000 <sup>e</sup>	29,497,000 <sup>e</sup>	2.95
1977-qtr. to Sept. 30	44,056,000 <sup>e</sup>	9,547,000 <sup>e</sup>	.95
1976-qtr. to Sept. 30	36,269,000 <sup>e</sup>	7,607,000 <sup>e</sup>	.76
Cox Bctg.			
1977-9 mo. to Sept. 30 <sup>d</sup>	135,359,000 <sup>e</sup>	18,295,000 <sup>a</sup>	3.02
1976-9 mo. to Sept. 30 <sup>d</sup>	122,184,000 <sup>e</sup>	14,163,000 <sup>a</sup>	2.41
1977-qtr. to Sept. 30 <sup>d</sup>	45,220,000 <sup>e</sup>	5,119,000 <sup>a</sup>	.80
1976-qtr. to Sept. 30 <sup>d</sup>	39,640,000 <sup>e</sup>	4,124,000 <sup>a</sup>	.70
CTS			
1977-9 mo. to Sept. 30	117,926,000	9,642,000 <sup>a</sup>	2.06
1976-9 mo. to Sept. 30	121,473,000	10,444,000 <sup>a</sup>	2.24
1977-qtr. to Sept. 30	40,679,000	3,071,000 <sup>a</sup>	.66
1976-qtr. to Sept. 30	41,945,000	3,551,000 <sup>a</sup>	.76
Emerson Radio			
1977-6 mo. to Sept. 30	22,828,000	794,000 <sup>a</sup>	.80 <sup>f</sup>
1976-6 mo. to Sept. 30	17,057,000	676,000 <sup>a</sup>	.64 <sup>f</sup>
1977-qtr. to Sept. 30	14,618,000	610,000 <sup>a</sup>	.61 <sup>f</sup>
1976-qtr. to Sept. 30	10,572,000	474,000 <sup>a</sup>	.46 <sup>f</sup>
Fairchild Camera & Instrument			
1977-39 wk. to Oct. 2 <sup>1</sup>	343,917,000	6,693,000 <sup>a</sup>	1.24
1976-40 wk. to Sept. 30	324,534,000	7,298,000 <sup>a</sup>	1.33
1977-13 wk. to Oct. 2 <sup>1</sup>	113,348,000	2,893,000 <sup>a</sup>	.54
1976-13 wk. to Sept. 30	118,157,000	4,243,000 <sup>a</sup>	.77

Company & Period	Revenues	Net Earnings	Per Share
Interpublic Group			
1977-9 mo. to Sept. 30	172,137,000	8,154,000	2.26 <sup>f</sup>
1976-9 mo. to Sept. 30	141,081,000	6,230,000	1.75 <sup>f</sup>
1977-qtr. to Sept. 30	57,870,000	1,782,000	.49 <sup>f</sup>
1976-qtr. to Sept. 30	47,842,000	1,189,000	.33 <sup>f</sup>
Masco			
1977-9 mo. to Sept. 30	331,433,000	38,879,000	1.49
1976-9 mo. to Sept. 30	326,574,000	37,060,000	1.42
1977-qtr. to Sept. 30	109,148,000	12,040,000	.46
1976-qtr. to Sept. 30	97,972,000	11,050,000	.43
Regency Electronics			
1977-qtr. to Sept. 30	5,844,729	152,746	.06
1976-qtr. to Sept. 30	8,129,725	130,729	.05
Rollins			
1977-qtr. to Sept. 30	69,497,764	4,920,003	.37
1976-qtr. to Sept. 30	60,163,699	4,395,220	.33
Tandy			
1977-qtr. to Sept. 30	218,154,000	10,990,000	.90
1976-qtr. to Sept. 30	194,058,000	15,056,000	.84
Times Mirror			
1977-40 wk. to Oct. 2	824,414,000	69,729,000	2.06
1976-40 wk. to Oct. 3	714,713,000	49,021,000	1.45
1977-12 wk. to Oct. 2	277,653,000	25,589,000	.76
1976-12 wk. to Oct. 3	240,800,000	17,661,000	.52
Tocom			
1977-year to June 30	2,916,452	(297,810)	--
1976-year to June 30	2,782,899	(427,404)	--
Washington Post			
1977-39 wk. to Oct. 2	309,444,000	22,453,000	2.63 <sup>f</sup>
1976-39 wk. to Sept. 26	264,848,000	15,052,000 <sup>a</sup>	1.67 <sup>f</sup>
1977-13 wk. to Oct. 2 <sup>1</sup>	101,928,000	6,611,000	.61 <sup>f</sup>
1976-13 wk. to Sept. 26	85,840,000	3,524,000	.39 <sup>f</sup>
Zenith Radio			
1977-9 mo. to Sept. 30	724,400,000	600,000 <sup>g</sup>	.03
1976-9 mo. to Sept. 30	698,800,000	24,800,000	1.32
1977-qtr. to Sept. 30	241,300,000	(12,900,000) <sup>g</sup>	--
1976-qtr. to Sept. 30	248,800,000	9,600,000	.51

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Record. <sup>c</sup>From continuing operations. <sup>d</sup>Restated. <sup>e</sup>From operations. <sup>f</sup>Adjusted. <sup>g</sup>After special charge.

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with Consumer Electronics...

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