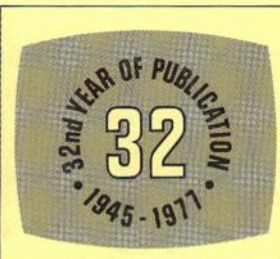


WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

DECEMBER 5, 1977

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 17, NO. 49

### Broadcast

**'INDICATION OF THINGS TO COME'** seen by some in Ferris & Brown comments on lack of Spanish programming in KVIA-TV renewal. Ferris 'liberal' advice and failure to consult with other commissioners hit. Network inquiry staff delayed. (P. 1)

**MPAA ATTACKS HBO 'MONOPOLY':** Goes to Justice Dept. & FTC, where first reaction is mild. 'Include us out,' say Warner & Columbia. Levin calls attacks 'absurd.' (P. 3)

**SEVAREID'S GOOD-BYE:** Full text of CBS correspondent's commentary as he retires after 38 years with network. (P. 4)

**FCC BLASTS AT&T RATES** for TV transmission, rejects tariff, orders hearing an existing & new rates. Fogarty thinks rates may be ordered to support broadcast diversity. (P. 4)

**V's & U's OPPOSE DROP-INS:** Existing stations & assns. unanimous in opposing FCC plan to add VHF's to 4 markets. Prime support comes from those who would apply for channels. ABC expresses interest in U ownership. (P. 5)

**CANNON EXPECTED TO HEAD** Commerce Committee, Magnuson shifting to Appropriations following death of McClellan. (P. 5)

**THAT HIGH PERFORMANCE TV SET,** developed by Texas Instruments under contract with FCC, promises elimination of almost all taboos. (P. 6)

**'AN INDICATION OF THINGS TO COME':** "The whole thing was a trial balloon... This is an indication of things to come," FCC commissioner told us last week after hour Commission discussion on renewal of KVIA-TV El Paso. Station was renewed, but not before Chmn. Ferris & Comr. Brown raised questions about station's paucity of Spanish-language programs (30-min. per week) since area is 56% Hispanic.

Renewal had been opposed by 11 area Mexican-American organizations and normally renewal would've been granted through staff delegation, but one or more commissioners asked that it be discussed. First Amendment question came up during debate, with Comrs. Quello & White (who moved for renewal) defending station. While it never was proposed that Commission require KVIA-TV to add Spanish programming, "that certainly was the implication of the Ferris & Brown questions," we were told. Renewal & Transfer Chief Richard Shiben pointed out FCC would have to issue inquiry before it could consider subject.

Commission observers see debate as tip-off to tougher times ahead for licensees. "The petitions to deny will get much more thorough scrutiny in the future," veteran staffer said.

### Consumer Electronics

**CONSECUTIVE RECORDS** for month set by Oct. & Nov. color TV sales to dealers. First-quarter optimism reflected in brief shutdowns planned for holidays. Quasar & Sanyo raise TV prices. (P. 7)

**CB ACTIVITY** in court & ITC: NARDA & Fulmer challenge FCC marketing decision. U.S. producers band together as Committee to Save American CBS. (P. 7)

**MOVIE CASSETTE** sales outstrip capacity, Magnetic Video Corp. says. Output to increase from 12,000 to 20,000 monthly. Company stressing sales through dealers despite mail-order ads. (P. 8)

**JAPAN'S COLOR, B&W** exports to U.S. down in Oct. VTR shipments soar, CB shows signs of recovery. End of dock strike, halt in dollar slide buoys importers. U.S. warns Japan on trade. (P. 9)

**QUASAR INTRODUCES** VHS deck as high-end unit, Sanyo adds Betacord as low-end, both at \$995. Admiral will have VTR in '78. Ward catalog lists VHS at \$974. Table shows status of VTR brands. (P. 10)

**V-DISC COMPATIBILITY** among RCA, Matsushita & TED systems seen as eventual possibility as united front against optical systems. RCA says its system has same advantages as Matsushita's. (P. 11)

**TAPE INDUSTRY GROWTH** at modest 7.8% annual rate through 1985 predicted in study which anticipates major increases for mini-recorders, highway hi-fi, moderate volume for home VTR. (P. 12)

"Watch for attempt to add something along this line to the ascertainment requirements, if not something even stronger. The staff—new & old—will surely get the message."

We were told Ferris wasn't "tipping his hand" for future actions, merely trying to determine whether Commission has any standards on minority programming. Also, he reportedly felt question of minority programming should be explored as part of ascertainment without getting into program content. "It was an openly discussed case... These were just questions the chairman was asking."

Some commissioners have joined broadcasters in criticism of Ferris because he allegedly "gets all his advice from a handful of liberals." It's reported he hasn't sought advice of other commissioners—with possible exception of Brown—on any subject, nor has he discussed network inquiry staff or other personnel matters with them. But, we were told "we aren't the advisors to the chairman yet, but I think that will change."

Commissioner who thinks Ferris should consult with his colleagues saw major plus in new chmn.: "With his congressional contacts, he'll keep Congress off our backs, particularly the Senate side. We won't be spending so much time running up there & back and will be able to get more work done."

It now appears Ferris isn't going to reach his goal of recruiting network inquiry staff of about 10 professionals within 30 working days after he became chmn. That self-imposed deadline falls this week, and Administrative Asst. Frank Lloyd said Dec. 2 that "there have been absolutely no commitments made to any individuals for the network inquiry... We're really doing a lot of just talking to people." As for chief of inquiry, we were told "there still are 5 or 6 or 7 who have an equal chance."

Sources outside the Commission report that Jane McGrew, lawyer with Steptoe & Johnson, has inside track to head inquiry. "She just is damned able" and isn't in communications law practice—which will give her an open perspective on issues, we were told. Economists known to be under consideration include Rollo Park, Rand Corp. (he saw Ferris Dec. 2), & Stanley Besen, Rice U.

On other personnel matters, Ferris reportedly has decided to replace Chief Engineer Raymond Spence and Assoc. Gen. Counsel for Legislation Howard Kitzmiller; latter is expected to remain at Commission in another assignment. On latter post, Ferris was said to "want his own man," someone who can provide policy input for Congress, particularly on rewrite. Max Paglin, who has been FCC gen. counsel & exec. dir., will return as consultant to OPP. He'll head study of effectiveness of revised adjudicatory procedures adopted by Commission in March 1976.

\* \* \* \*

FCC had heavy workload at Nov. 30 meeting, put off 15 agenda items for consideration Dec. 8. Among actions last week: (1) "To aid service" to public, expanded business hours to 5:30 p.m. (from 4:30 p.m.), totaling 9-1/2 hours daily.

(2) Started rulemaking to remove sports & advertising restrictions on pay cable (Vol. 17:48 p2). Comments are due Jan. 16, replies Feb. 6. (3) Ordered WTVX Ft. Pierce, Fla. to show cause why its license shouldn't be revoked because of alleged double billing. Hearing judge also will have option of imposing fine up to \$10,000 instead of revocation.

(4) Affirmed & classified new rules on regional concentration in ownership. Agency said that it would treat UHF concentration on case-by-case basis; that AM-FMs would be treated as one station if licensed to same community or within 15 miles; that it wouldn't allow applicant to add FM to AM service, or vice versa, if new primary coverage overlap would be created.

(5) Designated hearing on renewal applications of WHGR(AM)-WJGS(FM) Houghton Lake, Mich. because of alleged network clipping, double billing & technical violations. (6) Granted short-term renewal to KCRC(AM) Enid, Okla. because station had "consistently" exceeded 18 min. of commercial time per hour—contrary to representations made to Commission.



**MPAA ATTACKS HBO 'MONOPOLY':** Comes now Motion Picture Assn. urging Justice Dept. and FTC to curb Home Box Office pay-cable operations, labeling them "monopoly." First reaction of govt. agencies was very lukewarm.

MPAA Pres. Jack Valenti & counsel Louis Nizer called on JD Antitrust Chief John Shenefield & Alfred Dougherty, FTC's Bureau of Competition chief, attacking "HBO's growing monopoly in cable," as Valenti put it to us. Notably excluded from MPAA's pitch, however, were Warner and Columbia. And for very good reasons. Warner is up to its own ears in cable operations, and Columbia has very nice deal with HBO and its parent Time Inc. HBO has agreement with Columbia covering 20 of latter's feature films, while Time is making "multi-million dollar investment" in Columbia pictures for theaters (Vol. 16:26 p6).

HBO Chmn. Gerald Levin termed MPAA effort "absurd." "Apparently," he said, "we're being attacked because elements in MPAA want to raise their prices to the cable industry. HBO is a pioneer in a brand new industry, in the black for the first time in 5 years. It's ironic that we should be attacked for bringing diversity to TV."

Shenefield couldn't be reached for comment, but his recent speech before Federal Bar Assn. shows he certainly believes cable is increasing competition generally—whatever he might think of HBO's position. Said he:

"I expect in the next few years we will continue to see steady, probably accelerating cable & pay-cable TV growth, and indeed, the emergence in the near term of cable TV as a significant advertising medium. Already we have the development of what Mr. Valenti calls 'super stations,' and my staff calls 'mini-networks,' as leading independent stations essentially expand their coverage & advertising base by 'affiliating' with cable TV systems.

"Pay-cable expansion should also have some positive effects in terms of increasing the supply of programming. One of the major reasons why we don't have 4th, 5th or 6th national networks has been that there hasn't been the software available to support such operations, and there hasn't been the software because there hasn't been the demand there to encourage its development. Pay-cable TV not only offers viewers new entertainment options, but it also represents a new market for existing and future program producers."

One JD spokesman said that Valenti & Nizer didn't tell them anything new; that meeting wasn't important enough to require presence of more than Shenefield and 3 aides. People at FTC wouldn't comment. Dougherty was accompanied by top aides Alan Palmer, Daniel Schwartz & Charles Corddry.

**Performance royalty payments**—suggested in special study underwritten by Copyright Office (Vol. 17: 45 p4)—were opposed unanimously by broadcast groups filing comments. NAB, ABC & NBC said conclusions of study were completely faulty in stating broadcasters could pass on added costs to advertisers. All also pleaded inability to refute factual elements of study because they were unable to see raw material, much of which is in FCC confidential files. NAB said study reached "unsound and unsupported" conclusions, and called idea that hidden profits permit red-ink stations to remain on air "hasty & speculative"; ABC said overall tone of report is "slanted"; NBC found "basic flaws." BMI, only other broadcast-connected comment filer, said it wasn't opposed but wanted to be sure BMI writers & publishers would be protected. Copyright Office is to report to Congress in Jan.

**Fla. Bar Assn.** has asked state Supreme Court to disbar Miami attorney Ellis Rubin, who defended teen-ager Ronny Zamora in celebrated TV murder trial case (Vol. 17:41 p4). Assn. said Rubin—who claimed Zamora was innocent because he had been hypnotized by TV violence—was guilty of "neglecting legal matters" in 5 separate cases.

**Antitrust consent order** between NBC & Justice Dept. has been signed by Judge Robert Kelleher in L.A. Dist. Court. Commented NBC Pres. Herbert Schlosser: "We are pleased that this litigation... is now over, so far as NBC is concerned. By taking the lead in entering this agreement, NBC continues its efforts to advance constructive relationships with program suppliers for the ultimate benefit of the viewing public." ABC & CBS continue to fight Justice charges that networks' program procurement & distribution practices violate antitrust laws (Vol. 17:47 p4).

**Complaints to FCC** jumped to record 77,844 during fiscal year ended Sept. 30. Complaints against obscenity, indecency & profanity increased from 6,143 to 20,146; those against "crime, violence & horror" from 3,448 to 5,089. Complaints jumped to 7,931 in Oct. from 2,275 in Sept.

**Lawyer advertising** on TV-radio has been approved by Ohio Supreme Court—making state first to give official approval to use of broadcasting, according to ABA & Ohio Bar Assn.

**SEVAREID'S GOOD-BYE:** Herewith is full text of final regular commentary of CBS correspondent Eric Sevareid, presented Nov. 30 as he retired after 38 years with CBS:

"By my time of life one has accumulated more allegiances and moral debts than the mind can remember or the heart contain.

"So I cannot enumerate my betters, my mentors and sustainers during so many years of trying to use, with sense, this communications instrument, as unperfected as the persons who use it. But they know that I know who they are.

"Many are gone, including the man who invented me, Ed Murrow. Some died in the wars we were reporting. I have gone the normal span of a man's working life, rather abnormal in this calling, and it's a happy surprise.

"We were like a young band of brothers in those early radio days with Murrow. If my affections are not easily given, neither are they easily withdrawn. I have remained through it all with CBS News, and if it is regarded as old-fashioned to feel loyalty to an organization, so be it.

"Mine has been, here, an unelected, unlicensed, uncoded office and function. The rules are self-imposed. These were a few:

"Not to underestimate the intelligence of the audience and not to overestimate its information.

"To elucidate, when one can, more than to advocate.

"To remember always that the public is only people, and people only persons, no 2 alike.

"To retain the courage of one's doubts as well as one's convictions, in this world of dangerously passionate certainties.

"To comfort oneself, in times of error, with the knowledge that the saving grace of the press, print or broadcast, is its self-correcting nature. And to remember that ignorant and biased reporting has its counterpart in ignorant and biased reading and listening. We do not speak into an intellectual or emotional void.

"One's influence cannot be measured. History provides, for the journalist, no markers or milestones. But he is allowed to take his memories.

"And one can understand, as he looks back, the purpose of the effort and why it must be done.

"A friend and teacher, the late Walter Lippmann, described the role of the professional reporter and observer of the news in this manner:

"'We make it our business,' he said, 'to find out what is going on, under the surface and beyond the horizon; to infer, to deduce, to imagine and to guess what is going on inside—and what this meant yesterday and what it could mean tomorrow. In this way we do what every sovereign citizen is supposed to do but has not the time or the interest to do it for himself. This is

our job. It is no mean calling and we have a right to be proud of it and be glad that it is our work.'

"In the end, of course, it is not one's employers or colleagues that sustain one quite so much as the listening public when it be so minded.

"And I have found that it applies only one consistent test—not agreement with one on substance—but the perception of honesty and fair intent. There is, in the American people, a tough, undiminished instinct for what is fair. Rightly or wrongly, I have the feeling that I have passed the test. I shall wear this like a medal.

"Millions have listened, intently or indifferently, in agreement and in powerful disagreement. Tens of thousands have written their thoughts to me.

"I will feel, always, that I stand in their midst.

"This was Eric Sevareid in Washington. Thank you and good-bye."

**FCC BLASTS NEW AT&T RATES:** FCC has rejected AT&T's new TV transmission (Series 7000) rates (Vol. 17:32 p6), said it would hold hearings not only on new rates but existing ones.

Part-time users of AT&T service were tickled, but full-time users—e.g., 3 networks—are worried. Said one network official: "Every part-time user in the country wants to see the networks subsidize them." (New rates would increase part-time rates about 50%, slightly reduce full-time rates.)

Commission was scathing in criticism of AT&T. It said that part- and full-time services were "like services," thus should have same rates. But, said FCC: "Other than bald assertions, AT&T has not attempted to justify with cost studies...the substantial variance in full- and part-time rates..." Alternatives now are: (1) AT&T could come in with new rates that satisfy FCC, or (2) FCC, after hearing, could decide what rates are proper.

Comr. Fogarty in separate statement said it's much more efficient to order hearing than to order filing of new tariff. Furthermore, he said: "We should examine also in detail the broadcast impact of strictly cost-based rates. It is possible...that cost-based rates might have a serious adverse effect upon a large segment of the TV industry...We may find that the public interest requires prescription of a rate structure which supports our broadcast policies."

Comr. Washburn blasted AT&T for "a pea-&-shell game concerning its investment rate base" but he found FCC's approach to price discrimination in "like services" to be "formalistic, traditional and difficult to reconcile with the realities of today's marketplace." He went on: "If the 2 services are similar and the occasional-use service is higher-priced, a reseller could purchase the lower-priced full-time service, aggregate individual customers at a lower price than Bell's occasional-use tariff, and make a profit."

White House soon will release its own recommendations on increasing minority ownership & participation in broadcasting.



**V's & U's OPPOSE DROP-INS:** Joined by groups & trade associations, existing TV stations—UHF & VHF—were unanimous in comments opposing FCC rulemaking to drop-in VHF channels in Knoxville, Johnstown-Altoona, Salt Lake City & Charleston, W. Va. ABC—which more than decade ago pushed FCC hard to approve VHF drop-ins—said in comments last week that UHF has "matured" to such extent that network "should seriously consider ownership" of UHF stations in major markets.

About only parties which favored proposal (Justice Dept. is strong advocate but didn't file last week) were groups put together to file for proposed drop-ins. United Church of Christ, which was instrumental in FCC issuing rulemaking, hit agency for being "highly protectionist" of existing stations. And, without exception, existing stations which filed (all close to proposed cities) opposed drop-ins.

Even Ch. 26 WTVK Knoxville—which for some 20 years has sought VHF of its own—opposed adding Ch. 8 to that city under FCC plan because it would result in "untold years of incredibly wasteful comparative proceedings." Station said proposal to assign Ch. 8 to Knoxville without "modifying the WTVK license to that channel... will fail to achieve any significant service gains over the near term [and] will not provide an additional TV service to Knoxville."

Drop-in opponents attacked economic & engineering studies on which Commission based proposal, impact on existing UHFs, said FCC had greatly underestimated interference that would be caused, and claimed drop-ins would do violence to over-all allocations policy. MST saw "serious" interference to translators & cable systems, said 89 "existing or potential UHF stations might be driven off the air or impaired, or their activation deterred."

MST was joined by NAB & ABC urging continuing need for UHF protection policy fostered by FCC. Commission allocations goals "are finally reaching fruition, and any action which threatens to thwart achieving these ends should be avoided," said ABC. NAB said drop-ins, "in one fell swoop, would undermine the nation's TV allocations plan, impede the development of UHF... and cause new interference to existing stations."

JCET sought reservation of proposed Ch. 11 Charleston for ETV, but couple of educational groups opposed that suggestion. WKPT-TV (Ch. 19) King-sport, Tenn. asked FCC to name "special hearing officer" to investigate alleged ex parte contacts made by staff of Sen. Baker (R-Tenn.) favoring Knoxville drop-in. Station called proposal "disastrous," said ABC service to 805,172 people would be sacrificed.

**WHBQ Memphis** radio personality, George Klein, was found guilty, by jury, of mail theft in connection with scheme to improve his ratings. Four-count grand jury indictment against Klein and postman Robert Wammack (who pleaded guilty) charged that they conspired to steal blank Arbitron forms mailed to Memphis radio listeners and return them with false information. Klein faces possible sentence of 5 years and/or \$1,000 fine. Arbitron resampled area and published new book on market.

**Sen. Howard Cannon (D-Nev.)** is expected to take chairmanship of Senate Commerce Committee in Jan. He's senior Democrat on Committee and apparently friend to both broadcasters and cable operators. He said he would accept chairmanship if & when Chmn. Magnuson (D-Wash.) moves to head Appropriations Committee. Magnuson said he would do so, subject to Democratic Caucus vote, following death last week of Sen. John McClellan (D-Ark.), 81, long-time chmn. of Appropriations. Support for Sen. Cannon came from NAB & NCTA: "We consider him a fair and even-handed legislator," Donald Zeifang, NAB. "We value his friendship and admire his fairness. He's in no man's pocket," Stuart Feldstein, NCTA. It's anticipated that some Commerce Committee staffers may follow Magnuson to Appropriations.

**Qube 2-way cable** system kicked off regular operation in Columbus, O. Dec. 1 with 2 hours of interactive "Columbus Alive" show. Ohio Gov. Rhodes auctioned products for charity, viewers bidding via home terminals. Owner Warner Cable buried time capsule to commemorate opening; subscribers who pushed buttons had their names in it. Viewers were asked to vote on what programming they wanted to see first evening. They were also asked to name newborn baby, give opinion on quality of modern education in connection with panel show, state whether they believed UFOs were really space ships from other planets, give opinions on new FDA frankfurter regulations (for forwarding to Ohio legislature). Opening-night programming was covered by all 3 networks' evening news shows.

**Canadian Supreme Court** has confirmed authority of CRTC to authorize Rogers Cable, Toronto, to delete commercials from signals of Buffalo stations. However, it's unknown what impact decision will have on pending suit against Rogers by Buffalo stations, on copyright violation and other grounds. Said one U.S. attorney: "It leaves things in rather a muddle. I doubt if CRTC will be encouraged to try to authorize commercial deletion by other systems." Supreme Court also ruled, in separate case, that cable regulation is federal matter—overruling action of Quebec provincial govt. which had authorized several systems; 3 justices from Quebec dissented.

**Cable copyright rules** have been proposed by Copyright Office, to implement new law. Among proposals (comments due Dec. 15, replies Dec. 23): (1) Cable operators must report total receipts as well as receipts on which royalties must be paid, but "detailed accounting" isn't necessary. (2) Reporting periods are Jan. 1-June 30 & July 1-Dec. 31. (3) Copyright owners needn't report TV carriage information because operators can easily do that. (4) Systems grossing under \$40,000 in reporting period needn't provide carriage details; all others must. (5) Copyright owners, not systems, have burden of reporting whether radio stations carried are distant or local.

**If TV-radio coverage** of House is approved, cable operators are seriously considering carrying it full time, available to all systems via satellite.

**'HIGH PERFORMANCE' TV SET:** Veil was to be withdrawn Dec. 5 on "high performance" TV receiver, developed by Texas Instruments, at IEEE conference on consumer electronics in Chicago. At FCC, first impression is favorable.

Paper is to be delivered by TI's Darrell Ash, is first public report on receiver developed under \$200, -000 contract with FCC. Final TI report goes to FCC next week. Earlier this year, TI delivered prototype receiver to FCC labs. FCC evaluation is due early next month.

As reported by Ash, new receiver, kept within bounds of \$30 additional retail price set by FCC, solved image frequency, IF beat, half IF beat problems, by using 346 MHz first IF. Adjacent-channel rejection is obtained from low-loss, surface acoustic wave IF filters. Low-gain, low-noise high-dynamic range RF amplifiers and mixer were used to meet cross-modulation, intermodulation noise requirements.

"All taboos except those of adjacent channel and intermodulation could essentially be removed," Ash said. He added that adjacent-channel requirements probably could be relaxed to same status as IM taboo (IM taboo now is 20 miles separation; adjacent channel, 55 miles).

FCC sources said there are 2 benefits immediately apparent, if TI receiver is what company says it is: (1) More UHF stations may be assigned under present allocations, since taboo barriers would be largely removed, and (2) complete new allocation of UHF assignments might be undertaken. That would leave same number of assignments as at present, but free up portion of spectrum.

In address at same IEEE meeting, FCC Comr. Lee is expected to say that TI results are "promising," and, if they stand up, may make it possible to reserve as much as 100 MHz of UHF TV spectrum for future uses. He doesn't want repetition of unplanned first-come, first-served parceling out of resources—as with oil, lumber, etc., he said.

## Personals

**Van Gordon Sauter**, CBS vp-program practices, named vp-gen. mgr., KNXT L.A., succeeding **Chris Desmond**, expected to be reassigned in CBS Bcst. Group; **Donn O'Brien**, east coast program practices vp, succeeds Sauter... **Alan Baker**, NBC dir. of Olympic information, promoted to vp-corp. information, adds responsibilities for special projects, awards & national community affairs; **J. James Ottley** promoted to program policy mgr., late night & children's shows, NBC-TV.

**Thomas Van Schaick** promoted to vp, business analysis & financial planning ABC-TV; **Mary-Jane Raphael** to vp, communications & administration, TV network; **Jacques Lesgards** to vp & dir., European technical production & bcstg. operations; **Paul Hunter** to dir., current comedy programs, ABC Entertainment.

**Nancy Wildmann**, ex-CBS Radio Spot Sales N.Y. sales mgr., advanced to CBS Personnel Dept. recruitment & placement vp, succeeding **Joan Showalter**,

## TELEVISION Digest

with  
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1977 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

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

### EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036

Phone: 202-872-9200

### WASHINGTON HEADQUARTERS

Albert Warren Editor & Publisher  
Dawson B. Nail Executive Editor

### Television Factbook

Mary Appel Editorial Director  
Mila Albertson Associate Editor  
Melinda McFarlin Asst. Editor

### Business

Edward L. Sellers Sales Dir.  
Donald J. Roy Business Mgr.  
Paul R. Levine Asst. Sales Dir.  
O. L. Raymond Circulation Mgr.

### NEW YORK BUREAU

510 Madison Ave., N.Y. 10022  
Phone: 212-355-5611

David Lachenbruch Editorial Dir.  
Robert E. Gerson Senior Editor  
Arthur Levis Associate Editor

### JAPAN REPRESENTATIVE

(Editorial & Business)

### Hideo Eguchi

5-12-32, Hiyoshi, Kohoku-ku  
Yokohama, 223 Japan  
Phone: 044-61-6605

now compensation & benefits vp; **Winifred (Freed)** Heavey to new position, vp, sales services, CBS TV network.

**Lloyd Werner**, TvAR exec. vp, promoted to pres.-chief operating officer, succeeding **Steve Seymour**, who remains vp-sales, Group W TV stations... **James Rupp**, exec. vp, Midwest Radio-TV, also becomes acting gen. mgr., WCCO-TV Minneapolis, succeeding **Paul Hughes**, resigned... **Roger Ottenbach**, ex-WEEK-TV Peoria and BPA pres.-elect, named program dir., KCRA-TV Sacramento.

OTP consultant **Nicholas Miller** Jan. 1 joins Washington office of Seattle-based law firm Preston, Thorgrimson, Ellis, Holman & Fletcher; **Sharon Coffey** ex-ACCT & wife of ex-NPR Senior Vp **Matthew Coffey** (Vol. 17:45 p5), joins OTP as consultant for public broadcasting... **Andrew Margeson**, House Communications Subcommittee economist, will join OT policy research staff, Commerce Dept., Boulder... New FCC FOB regional dirs. in reorganization: **Carl Pyron**, Atlanta; **Kent Crawford**, Chicago; **William Johnson**, Seattle.

FCC Comr. **James Quello** receives honorary doctorate in humanities Dec. 10 from Mich. State U... **Brian Cobb**, gen. mgr., WNGE-TV, WSIX-AM-FM Nashville, elected vp, GE Bcstg... **Richard Boyd** named mktg. dir., new Video Products Div., Chyron Corp.; **Don Cadora** appointed sales dir., Telesystems Div... **Ken Keefer**, ex-NBC, named HBO on-air promotion dir., succeeding **Steve Hewitt**, who joined CBS.

**Thomas Leahy**, pres.-CBS TV Stations Div., elected IRTS vp... **John Morris**, Katz TV Detroit, named mgr. of new Katz Cleveland office... **Sarah Frank**, ex-CTW, named dir.-public TV sales, Time-Life TV... **Ann Simon**, ex-Mutual, named editor, RTNDA Communicator (monthly magazine).



# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

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 Nov. 18 (46th week of 1977):

	Nov. 12-18	1976 week	% change	Nov. 5-11	1977 to date	1976 to date	% change
Total TV.....	409,550	359,212	+14.0	347,594	12,669,325	11,000,948	+15.2
color.....	240,923*	204,828	+17.6	212,100	7,846,724	6,556,540	+19.7
monochrome...	168,627	154,384	+9.2	135,494	4,822,601	4,444,408	+8.5
Total radio.....	969,576	796,846	+21.7	800,493	47,816,939	36,289,521	+31.8
home, portable.	718,697	550,368	+30.6	519,649	36,612,340	25,164,325	+45.5
AM-only.....	236,780	268,924	-12.0	143,927	9,001,961	7,817,736	+15.1
FM & FM-AM.	481,917	281,444	+71.2	375,722	27,610,379	17,346,589	+59.2
auto.....	250,879	246,478	+1.8	280,844	11,204,599	11,125,196	+0.7

**Color TV 5-week moving average:** 1977-247,599\*; 1976-204,828 (up 19.4%).

\*Record for 46th week of any year.

**NOV. IS 2ND RECORD COLOR MONTH IN ROW:** Oct. & Nov. set consecutive monthly records for color TV sales to dealers—first 2-in-a-row since 1973. Although final Nov. figures weren't available at press time, first 3 weeks' result indicates it was indeed best Nov. in history. And set makers apparently see good sales extending into first quarter, as reflected in short plant-closing schedules over holidays.

Brief shutdowns are in sharp contrast to last year, when most TV plants closed 2-3 weeks to work off inventories. Most color plants this year will close Christmas week, reopen Jan. 3, some adding one or 2 pre-Christmas days. Following this pattern will be Admiral, Quasar, RCA, Sony, Sylvania & Zenith. GE & Wells-Gardner will be shut Dec. 19-Jan. 2. Magnavox workers will be off Dec. 26 & Jan. 2; those at Curtis Mathes will get Dec. 23 as well. Sanyo Mfg. will close Dec. 23-27 plus Jan. 2.

Despite Zenith's failure to raise prices (Vol. 17:48 p7), first hikes of fall-winter season were implemented by Quasar & Sanyo at sales meetings last week. Quasar raised color TV prices to distributors average of 4%, monochrome about 3%, highest increase coming to 7%. Mktg.-Sales Vp Alex Stone told us increases involved both repricing and reduction or elimination of allowances, are reflected in moderate increases in some list prices, but others are unchanged. He forecast color TV sales decline of about 5% next year to 8.5 million. "This year volume increases enabled us to keep up without raising prices. At the slower sales rate of 1978, I think the whole industry will need increases." Sanyo raised suggested list prices on color sets 2-3% across-board, most sets going up \$10.

Although some areas continued to report spotty sales pattern, there were reports that market gained strength through Nov., turning in satisfactory performance, though not so good as Oct. In sales to dealers, Nov. was 4th record month of 1977—others being April, June & Oct.

**ACTION ON CB IN COURT & ITC:** Govt. remained focus of activity on CB front last week as: (1) NARDA & Arthur Fulmer Inc. asked Appeals Court to reverse FCC decision on marketing deadline. (2) U.S. producers rallied behind new "Committee to Save American CBs" in effort to win favorable ITC ruling in Sec. 201 domestic injury case.

Appeals Court petition asked for reversal of controversial FCC ruling (holding marketing cutoff date on CBs produced under old specs to Jan. 1) on grounds FCC failed to take "sufficient

hard look" at arguments of those favoring extension (Vol. 17:46 p7, 17:47 p8). With just 4 weeks left before deadline, petition urged that normal procedures—which could take 4-5 months—be stepped up, with decision possibly coming around mid-Dec.

FCC action drew fire not only for refusal to extend deadline, but for 3-week delay between decision & publication; those contemplating court challenge were forced to wait for formal document. Other controversial aspect of final decision was elimination of all references to "used" CBs, considered exempt under previous marketing rules. Spokesman said omission means all old 23-channel CBs—new, used or rebuilt—must be sold by Jan. 1.

Meanwhile, 4 domestic producers (E. F. Johnson, Motorola, Hy-Gain & Pace-Pathcom) formed new "Committee," which issued press release urging ITC to impose maximum 50% tariff on imported CBs. Post-hearing brief carried only E. F. Johnson & Motorola names, according to ITC, but Motorola Vp John Battin said Hy-Gain had also been included. Also filing briefs: EIAJ, Dynascan & CB Radio Imports Group (American Importers Assn.).

**500-600 DEALERS SEEK CASSETTE MOVIES:** "They sell as fast as we can make them"—and that's currently rate of 12,000 a month, to be stepped up to 20,000 next month. So said Magnetic Video Corp. Pres. Andre Blay last week, referring to his company's current catalog of 50 20th Century-Fox movies on Beta & VHS cassettes (Vol. 17:42 p11). He conceded he was apprehensive at first, but now firmly believes software is following same path as hardware.

MVC's retail effort officially is scheduled for launch next month at Consumer Electronics Show, but Blay told us he already has 500-600 applications from dealers and is now franchising through rep organization. "The most exciting thing is that dealers are really selling. Within the first week, almost all dealers reordered." As basic package, dealer must buy at least one of each of the 50 movies at cost of \$33 for 2-hour movie, \$48 for longer one in Beta format, \$2 more for VHS. Suggested list is \$49.95 & \$69.95 for either format.

Response has been almost entirely from hardware dealers who handle VTR, he told us. "We thought music dealers would be hot prospects," but this type hasn't come through. Blay said it would take 6 months to complete franchising & stocking program. Basic dealer franchise permits sale of cassettes only—no rental because of elaborate bookkeeping involved in keeping track for royalty purposes, although Blay says he'll eventually offer rental franchise. He doesn't believe there'll be big rental business, however. "As soon as there's enough hardware in use, rental will become unprofitable because people will prefer to buy the movies and swap with friends, in effect making their own rentals."

MVC has run one ad seeking dealers, but has made big splash in consumer market with advertising for its mail-order Video Club of America, with large ads in TV Guide, N.Y. Times Book Review & Christian Science Monitor. Club requires no minimum purchase, has \$10 membership fee (refunded as discount on first purchase), charges \$39.95 for 2-hour movies, \$59.95 for longer ones, has rental plan involving 50% credit for return of used movie—in effect making rental of 2-hour feature \$19.95.

Record-club venture is generating some static from dealers—but Blay minimizes its impact, says he prefers to deal with retailers. "We're building incredible product awareness" with direct-to-consumer campaign. As for \$19.95-per-cassette rental plan, he says not one consumer has utilized it. "It's too much work. You've got to stand in line at the post office, pay \$2 for postage and then wait 3 weeks for us to ship the replacement." He declined to divulge club membership, but from other source we understand it had reached about 650 by Thanksgiving. As result of dealer complaints about club, Blay said all future releases will be exclusive to dealers for 6 months. MVC has 50 more films in 20th Century package, is negotiating with other movie distributors.

Record club ads say members can "save hundreds on videocassette recorder/players." VCA says it's franchised dealer for RCA, JVC & Sony VTRs, offers first 2 at \$850 each, Sony at \$895, plus \$16 freight. Blay says requests for VHS-format cassettes are rising fast and "off the top of my head" estimates about one out of every 4 sold is VHS. He concedes prices for cassette movies are high, but sees reductions coming soon. Major potential areas for reduction are cost of cassette itself and royalties, which are on sliding scale depending on quantity. Rep-



lication costs won't come down until high-speed duplicator is available, and none seems imminent.

Cassettes are shipped in special boxes with 4-color labels; similar labels are on cassettes themselves. Blay doesn't feel piracy will be major problem. He says he has secret "mechanical encoding system" on both cassettes & labels, has sent sample to FBI. "We or they can pick up a tape and see immediately if it's a counterfeit." He adds: "We've already caught one dealer counterfeiting. We cut him off and reported him to the FBI. We'll do that with any we catch."

MVC in Farmingdale, Mich., thus has been first to go into feature-film cassette sales in big way. Time Inc. is gradually going fullscale in its memorable-TV-program cassette operation. Home Video Corp., joint venture of Teletronics International & Sonderling Bcstg. (Vol. 16:8 p8), is preparing catalog, principally for rental, may offer same 20th Century package offered by MVC. Most widely publicized venture, Sony Paramount, meanwhile, is quiet. We understand details of initial operations await approval by topkicks of both parents.

Blank cassettes continue in short supply, particularly for VHS system, as VTR sales mount. Although VHS cassette makers such as TDK & Fuji have been silent on production, reports from Sony indicate Betamax cassette capacity will total 550,000 units monthly by year's end, 800,000 by next summer, rate of almost 10 million a year. This includes current 250,000 monthly output by Dothan, Ala. plant, to be increased to 500,000 by summer. Sony's Japanese plant is producing 200,000, to be increased to 300,000 by year's end, and company is considering building new tape plant in Japan. In year's first 8 months, Sony built 359,000 Betamax recorders; goal for full year is 600,000.

In video hardware news, Quasar will add 4-hour VHS unit to line in Feb. at \$995, and Sanyo introduced first non-Sony-made Beta unit at same price. For VTR equipment highlights and updated table showing offerings of 19 manufacturers & marketers, see p. 10.

**JAPAN'S OCT. COLOR, B&W EXPORTS DOWN:** Japan's total TV exports to U.S. took sharper-than-expected drop in Oct. as b&w joined color in falling below level of same year-earlier month. It was first such decline for b&w in 2 years.

Month's total exports of 263,500 were off 40.7%, as color sank 52.1% to 145,000, b&w slipped 16.2% to 118,500. In first 10 months, total exports were off 7.6% to 3.26 million, with color down 21.1% to 1.88 million, b&w up 20.5% to 1.38 million. In 4-month period from July 1, when Japan's quota on U.S.-bound color shipments went into effect, total of 696,600 color sets were exported, down 43.1% from same 1976 period, and if decline continues at current rate, total color exports for year will slip below 2.2 million, a 25% drop from 1976.

VTRs continued as Japan's star performer, with Oct. exports up fivefold to just under 49,000, raising 10-month total to 221,500, up 195.6%. Of cumulative total, we estimate that about 145,000 are home units. CB exports continued to show sign of modest recovery. Though Oct. total of 473,600 was down 46.7% from Oct. 1976, it was up 24.6% from Sept., logging 2nd consecutive month-to-month increase. Full-period total of 5.77 million was down 49.9%.

Some good news for a change was received by importers last week in form of dock strike settlement and firming of value of dollar against yen. Most Atlantic & Gulf ports were in full operation Dec. 1, exactly 2 months after start of walkout by cargo handlers. Port officials estimate it will take 2 weeks to clear shipping backlog, meaning some importers will get merchandise too late for delivery to retailers before Christmas, creating probability of some selective dumps at upcoming Winter CES in Las Vegas next month.

Dollar appears to have bottomed out for time being at 240 yen rate, climbed last week to above 244. Further strengthening of dollar is expected result of pressures being put on Japan to increase imports, control exports. Chief U.S. trade negotiator Robert Strauss last week warned Japan it must expect to make important trade concessions to head off growing protectionist movement in Congress. He meets with Japanese trade officials in Washington this week.

New call for import restrictions comes from Communications Workers who are asking Congress for limits on telephones & switchboard equipment. They fear FCC-ordered end to phone company ban on equipment ownership by consumers & businesses will result in flood of imports from Europe & Japan, cause job losses in U.S. plants.

**VIDEOCASSETTE SCORECARD:** U.S. marketers of the 2 non-standard home VTR systems—both subsidiaries of Japanese manufacturers—last week added "standard" systems, one VHS, one Beta. Quasar, as forecast here, introduced 2- & 4-hour VHS unit built by its parent Matsushita, at \$995 list price, deliveries starting at end of Feb. At distributor meeting last week, it reaffirmed faith in VX-2000, promised to keep it in line. List price of latter remains at \$995, but Quasar increased cost 5%—first increase on a videocassette recorder. Nevertheless, Vp Alex Stone said it still carried highest margin of any home VTR. Although both Quasar units carry same list price, VX-2000 is now leader, VHS step-up.

Sanyo introduced its Betacord single-speed 2-hour unit, made completely in own Japanese plant—first Beta unit with configuration different from Sony's. New unit is priced at \$995. Sanyo's non-standard V-Cord II remains in line at \$1,050, but will be re-oriented with greater emphasis on institutional market.

Admiral says it will be in home VTR market in 1978, but hasn't yet decided which format it will choose. Montgomery Ward, which is offering Panasonic VHS unit in some stores at \$995 list, will feature same unit in spring-summer catalog at \$974.

There's more activity in color cameras, 2 new "consumer" color cameras joining the 3 now being offered (JVC at \$1,500 & up, GBC at \$1,595, Toshiba at \$1,700). Zenith Parts & Service is offering 2-tube Akai camera at \$2,895; same camera has been sold at \$3,495 on institutional market. (Akai Video Mktg. Dir. Jerry Astor tells us company will unveil high-performance consumer camera next year at "price breakthrough"). Sony is promoting its Trinitron color camera (normally \$4,500) at special consumer price of \$2,995 as companion to Betamax.

VTR accessory market should start in earnest at Winter CES. With 4-hour unattended recording

**Public wants quadraphonic FM broadcasting,** JVC & Panasonic are telling broadcasters and other interested industry members at series of multi-city demonstration meetings started last week. To support contention, audio consultant John Woram has analyzed responses received by FCC through Nov. 23 to inquiry notice published last July (Vol. 17:32 p11). Of 639 responses, only 1% asked the FCC to disapprove quad. Some 61% urged start of 4-channel broadcasting, expressed no views on system; 24% called for use of discrete system; 11% backed CBS SQ matrix; 4% opted for other matrix systems. Purpose of meetings is to get additional support letters sent to FCC, promote benefits of discrete system. As sidelight, FM broadcasters are reminded that probable coming of AM stereo means they may need quad to retain audiences. FCC extended comments deadline to Dec. 16 in inquiry which also covers stereo audio for TV.

**Remote smoke alarm** by Frynetics, Lifesaver II, has RF transmitter in sensor unit to trigger alarm in receiver which can be located up to 200 ft. away. Receiver is AC-powered, can be used to monitor any number of battery-operated sensors. List is \$100.

already a reality and 6-hour capacity coming next year, channel-changing programmer becomes increasingly necessary. Scheduled for showing at CES is Panasonic VTR tuner-timer-programmer accessory.

Last week's cut-price VTR specials in N. Y. market: Quasar VX-2000 with b&w camera, mike & tripod, \$995 at Friendly Frost; VX-2000 for \$679, Betamax \$825 at Fantastic Photo, Brooklyn; Betamax \$825 at Photo Expo; Betamax \$830, I-500 cassette \$12.75 at Annex Outlet.

Here's updated scorecard of who's who in home VTR, showing 13 brands now on U.S. market. We've eliminated from tabulation companies which have revealed no specific plans for U.S. marketing—Admiral, Aiwa, Pioneer & Sharp.

Brand	Format	Manufacturer	Date	List Price
Akai.....	VHS	Akai	end '78	—
GE.....	VHS-4	Matsushita	spring '78	—
Hitachi.....	VHS	Hitachi	1978	—
JVC.....	VHS-2	JVC	now	\$1,280
Magnavox.....	VHS-4	Matsushita	now	\$1,075
Curtis Mathes..	VHS-4	Matsushita	now	\$2,900 up <sup>1</sup>
MGA.....	VHS-2	JVC	now	open
Montgomery Ward <sup>2</sup>	VHS-4	Matsushita	now	\$974, \$995
NEC.....	Beta-2	NEC	1978	—
Panasonic.....	VHS-4	Matsushita	now	\$1,095
J.C. Penney....	VHS-4	Matsushita	now	\$1,000
Quasar.....	VX-2000	Matsushita	now	\$ 995
	VHS-4	Matsushita	late Feb.	\$ 995
RCA.....	VHS-4	Matsushita	now	\$1,000
Sanyo.....	V-Cord II	Sanyo	now	\$1,050
	Beta-2	Sanyo	now	\$ 995
Sears Roebuck..	Beta-2	Sanyo	now	\$ 995
Sony.....	Beta-2	Sony	now	\$1,095
Sylvania.....	VHS-4	Matsushita	now	\$ 995
Toshiba.....	Beta-2	Toshiba <sup>4</sup>	now	\$1,095
Zenith.....	Beta-2	Sony	now	\$ 995

<sup>1</sup>25" color TV-stereo combination; step-up \$4,000. <sup>2</sup>Panasonic brand name; \$974 in catalog, \$995 in stores. <sup>3</sup>RCA brand name. <sup>4</sup>Initial product is Sony-made.

**Projection TV** will be introduced by Quasar in 2nd half of 1978, distributor meeting was told last week. Unit will be same 3-tube system demonstrated privately by Panasonic at last June's CES (Vol. 17:24 p10), will be shown at Winter CES by both Quasar & Panasonic, priced at over \$3,000. Quasar will also enter microwave oven business in 2nd half. Company introduced 2 double-sided 25" color consoles at \$750, b&w AC-DC unit powered by 9 self-contained D cells at \$150...GE "Red Tag" sale Jan. 2-March 3 will feature 25" VIR console (list price \$720) at "up to \$70 off," 19" Color Monitor set (list \$450) "up to \$40 off." GE will also offer special promotional allowances on 8 consoles (3 VIR, 5 Color Monitor), one 19" VIR and one 13".

**Labor Dept. ordered \$50,000 study** of evolution of Japan's consumer electronics technology in Japan and how it contributed toward making their color TV & VTR exports a major factor in U.S. market. Results, due next summer, are intended to help Labor develop more effective assistance programs for import-impacted workers. Study is being conducted by D.C.-based Developing World Industry & Technology Inc.



**VIDEO DISC COMPATIBILITY?** Demonstration of low-cost mechanical videodisc system by Matsushita (Vol. 17:48 p6) coupled with indications Telefunken is working on rigid 12" long-playing version of TED disc (Vol. 17:47 p10) provide at least circumstantial evidence that interchangeability among those 2 systems and RCA's capacitance system is easily within reach.

Prospect of compatibility among these 3—and possibly others—would appear to provide opportunity for strong competitive weapon against optical systems. Optical system, in fact, represents coming together of 2 different proprietary systems, developed by Philips & MCA, each of which has patents in field. By same token, Matsushita, RCA & Telefunken-Decca-Teldec all have patents relating to various aspects of own systems.

Although he said RCA hadn't worked in any way with Matsushita on videodisc system, RCA Videodisc Operations Staff Vp Richard Sonnenfeldt, noting that disc parameters & dimensions were similar to RCA's, commented that "the only bar to interchangeability seems to be the size of the center hole, a detail." Hole in Matsushita's "Visc" disc is same size as that of standard audio record, while RCA's is larger.

Current version of TED disc for NTSC system is flexible, 8" diameter, 1,800 rpm, but it's understood Telefunken is experimenting with rigid discs at slower speeds. TED encoding system is different from RCA's, but presumably could be changed for sake of compatibility. Sonnenfeldt says TED's pressure pickup could play back discs of both other systems.

As for Matsushita's claims for its Visc system, Sonnenfeldt says they all could also apply to RCA system. RCA could use standard polyvinyl chloride material for discs, he said, but employs new compounds for higher stability, more freedom from warpage better temperature specifications. "We've made thousands on ordinary record presses, but we like injection molding better to get yields up. We have played the same record thousands of times with both pressure & capacitance pickups—but in estimating record life we give anticipated consumer averages. We do think the price could be lower" than the \$480-\$600 Matsushita quotes for player.

**Note:** Matsushita is not RCA videodisc licensee; we erred last week in stating that it was.

**First public report** on high performance TV receiver developed by Texas Instruments under contract to FCC is scheduled for Dec. 5 IEEE conference on consumer electronics in Chicago. TI's Darrell Ash delivers paper that claims receiver virtually eliminates need for most UHF taboos and would be priced within \$30 retail extra cost set by Commission. FCC Comr. Lee at same conference sees possibility of saving of 100 MHz of UHF TV of space which he wants reserved for future developments (see p. 6).

**BASF has opened** audio cassette production facility in Indonesia. BASF Indonesia Magnetics is 80% owned by German firm, rest by local group.

**NEW HOME COMPUTER:** VideoBrain Computer Co. (Umtech) becomes first company to aim directly at home computer market with programmable MPU system designed for attachment to TV set. FCC approved VideoBrain recently. Retail price, including 3 ROM program cartridges, will be \$500, additional programs \$20-\$50 depending on complexity. Production has already started, Mktg. Dir. Rich Melmon told us, with first shipments planned for Jan., gradual expansion to national distribution during 2nd quarter.

Computer will be introduced at CES with 12-cartridge library, but additional 35-40 programs will be added during year, Melmon said. Primary emphasis will be on home management (budget, taxes) & education (math, music, vocabulary), with some game cartridges also included. Distribution will be through department, audio and electronic specialty stores, he indicated. "This is strictly a consumer item—I don't think the small businessman or the hobbyist will be interested."

FCC is also working on other programmables (including Microelectronics Interact IV), but Bally Professional Arcade—featured in Ward's Christmas catalog—remains unapproved. Though unit is reportedly nearing approval, hopes for Christmas sales are obviously dead.

**Superscope's** new low-end Imperial audio line, unveiled at N.Y. showing, starts with bi-mode compact at \$130; tri-modes with 8-track \$160, \$180 & \$250, last 2 record; tri-mode cassettes are \$200 & \$250, cassette-8-track record high-end version is \$300. Consollette trio, \$170-\$230, starts with bi-mode unit, with top-of-line containing 8-track record. Consoles are \$270-\$300 for 44" models, \$300-\$369 for 55", all tri-mode with 8-track record in all but low-ends. Consoles are fully detailed on 3 sides, with hardboard lids & basis. Line also includes 3 electronic digital clock radios, \$30-\$60, last being stereo, 4 portable radios at \$13-\$70, battery cassette recorder at \$30. Deliveries start next month. Jan. also marks last phase of Superscope's contract to distribute Sony tape products here. On Jan. 1, Sony America takes over sales of stereo & 8-track decks, blank cassettes & cartridges, leaving Superscope with Sony car stereo & open-reel products until contract runs out Dec. 31, 1979.

**People become bored** with video games after about a month, according to Michael Moon of Milton Bradley Co., one of country's top game manufacturers. However, he said, toy industry will be making more and more electronic games. Video entertainment is passing fad; he said: "Americans love gadgets and this is just another gadget. The problem with the toy industry historically is that it overreacts to trends. It [video games] is the same thing that happened with CB radios, 35mm photography and stereo components."

**Labor Dept. erred** in stating Automatic Radio was halting U.S. car radio production, switching to imports for all future requirements (Vol. 17:48 p10), according to Mktg. Vp George Lyall. He said Automatic has consolidated all manufacturing in Melrose, Mass., will continue turning out car radios there.

## Trade Personals

**Bruce Blakkan** to resign as pres. of Litronix, now 80% owned by Germany's Siemens, by mid-1978... **James Kiggen**, recently named Tenna pres., adds duties as chief exec.

**Oscar Kusisto**, retired Motorola vp, is consultant for new CD-4 discrete quadraphonic awareness campaign being directed at broadcasters by Panasonic & JVC... **Philip Dubson**, United Audio service mgr., named vp... **Joseph Santone** promoted at RCA Distributor & Special Products Div. from financial planning & analysis mgr. to finance dir... **Charles Porter**, Viewtronics Service, Norfolk, appointed NESDA exec. vp, succeeding **Dick Glass**, resigned.

**Ronald Conway** promoted at National Semiconductor to automotive mktg. mgr., new post; **James Frichette** advanced at subsidiary Dyna-Mould from mktg. mgr. to gen. mgr., succeeding **Kenneth Franklin**, resigned... **Russell Captor**, former GTE International project development mgr., advanced to mgr. of Sylvania's Watertown, Conn. metal stamping plant, succeeding **Daniel Scheesser**, retired... **Gabriel Rabaron** advanced at GTE Precision Components Div., Montville, France, from product mktg. mgr. to operations mgr., replacing **David Lock**, resigned.

**Carl Zies** promoted at Gould Portable Battery Div. to gen. mgr.; **Stephen Thomas**, ex-AMF, named mktg. mgr... **John Johnson**, ex-U.S. Steel, appointed gen. mgr., Indiana General Magnetic Products Div... **George Boyd**, ex-Bunker Ramo, joins Mallory Controls Div. as sales & mktg. dir., assuming duties performed on acting basis by Pres. **Armean Wright**.

**Ivan Getting**, recently retired as Aerospace Corp. pres., elected IEEE pres. for 1978, succeeding **Robert Saunders**, U. of Cal.; **C. Lester Hogan**, Fairchild Camera vice chmn., elected exec. vp, succeeding **Carleton Bayless**, Pacific T&T... **Donald Gunn**, ex-Bank of N. Y., appointed Sylvania Components financial analyst.

**Korea may get color tube manufacturing capability** before Taiwan does. Growing overseas demand for Korean-made color sets, plus expected development of strong domestic market next year when Korea begins colorcasting, has started local manufacturers talking venture terms with Japanese tube producers. Among tie-ups in works: Samsung-Nippon Electric, Gold Star-Hitachi, Taihan Electric Wire-Toshiba. GE is understood to be discussing sale of tube technology to local venture group there. Taiwan color set producers are looking to Dutch Philips plant there for locally made tubes to support expected color export boom (Vol. 17:48 p11), but output isn't due until late 1978. In U.S., meanwhile, Mitsubishi subsidiary Melco Sales (MGA) says it has no plans to buy color sets from Mitsubishi's Taiwan licensee Kolin, indicated all MGA sets sold here will come from either Japan or Irvine, Cal. plant (Vol. 17:48 p8).

**Omron plans 40% cut in calculator output** in 6 months ending March 1978 to about 60,000 monthly rate, blames export sales slump stemming from rise in yen value.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Electrohome <sup>a</sup>			
1977-9 mo. to Sept. 30	69,886,000	(2,893,000)	--
1976-9 mo. to Sept. 30	68,575,000	(3,355,000)	--
1977-qtr. to Sept. 30	21,374,000	(779,000)	--
1976-qtr. to Sept. 30	23,721,000	(1,394,000)	--
Outlet Co.			
1977-9 mo. to Oct. 31	140,230,274	3,230,984	1.30
1976-9 mo. to Oct. 31	98,915,669	2,197,447	.90 <sup>b</sup>
1977-qtr. to Oct. 31	63,909,110	1,955,247	.80 <sup>b</sup>
1976-qtr. to Oct. 31	35,082,782	1,238,157	.53 <sup>b</sup>
Republic			
1977-qtr. to Oct. 31 <sup>c</sup>	66,266,000	2,295,000 <sup>d</sup>	.92
1976-qtr. to Oct. 31 <sup>c</sup>	55,911,000	2,001,000 <sup>d</sup>	.71

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

**TAPE OUTLOOK:** Modest 7.8% annual growth rate over next 8 years is predicted for consumer magnetic tape hardware & software in report by Business Communications, which pinpoints mini & micro audio cassette recorders and auto sound as major growth areas, anticipates acceptance of VTR "will be good, but not as rapid as has been forecast by the suppliers."

Study estimates 100 million audio tape players & recorders are now in use in 40 million households, breaks down unit population into 50 million portables, 30 million automotive, 20 million home recorders & players. It puts current retail sales annual rate at 28 million recorders & players, 250 million blank & 140 million recorded tapes, for combined value of \$3.5 billion.

Report predicts design trend will veer away from technical-looking products for high-end audio, larger proportion of sales by discount audio retail specialists, sees more brand dropouts & company consolidations, with leading firms increasing their market shares. Here's summary of outlook for magnetic products (complete report is \$580 from BCC, Box 2070C, 9 Viaduct Rd., Stamford, Conn. 06906):

### TAPE EQUIPMENT RETAIL SALES (\$ Million)

	1977	1980	1985
Audio Equipment . . . . .	2,635	3,205	4,310
Tape . . . . .	1,210	1,625	2,160
Video Recorders . . . . .	250	650	880
Computer & Game Tape Gear	22	75	110
Totals (1977 Dollars)	4,117	5,555	7,460

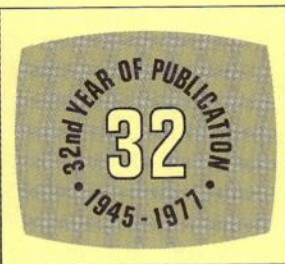
**Consumer plans to buy color TV** dropped sharply in Oct., according to preliminary results of Conference Board's monthly survey. Only 6.6% of families queried said they expected to purchase new color set within next 6 months, down from 7.6% in Sept. B&W purchase plans were indicated by 1.4% in Oct., down from preceding month's 1.6%.



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

DECEMBER 12, 1977

VOL. 17, NO. 50

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**TV-RADIO STONEWALL REWRITE:** Advisory committee decides major redraft 'is neither necessary nor desirable,' says current Act is 'basically sound.' Van Deerlin 'disappointed,' hopes 'bridges aren't burned.' (P. 1)

**DETROIT-WASHINGTON SWAP** unlikely to precipitate immediate imitators. Most expected to await Supreme Court decision. Revenues & earnings reported. (P. 2)

**MORE ON FERRIS' FCC:** No commitments for network inquiry staff, although 'I've certainly given it the effort.' Economist Owen expected to join FCC; after schooling, Roberts to shift to Safety & Special; reorganization of Gen. Counsel's Office. (P. 2)

**IT'S NAB BUDGET TIME:** Staff proposes budget of \$5,528,000 with \$1,000 surplus. Changes expected; network TV & radio dues going up. (P. 3)

**FIBER OPTICS** communications joint venture established by Corning & Siemens for commercial sales of optical communications systems. (P. 4)

### Consumer Electronics

**GE & HITACHI** to pool U.S. TV supply in jointly owned General TV of America, which will take over GE TV, picture tube & subassembly plants, manufacture & import for GE. (P. 7)

**1977 COLOR SALES** to dealers will come within 2% of 1973's all-time record, totaling around 9.1 million sets. Nov. sales at 9.53-million rate. Best b&w month since 1974. (P. 8)

**COLOR IMPORTS** continued slide in Oct. as b&w hit 4-year high, home VTR imports jumped 12-fold. Meany promises anti-import fight. Taiwan cuts duties on electronics imports. (P. 9)

**GAME MARKET** confused, some dealers reporting strong programmable sales, others citing slow movement & heavy discounting. RCA hardest hit by price-cutting. (P. 10)

**CPSC TV FIRE STUDY:** Considering fire-only standard. Approves Sylvania plan for color-control buttons. Magnavox recalling MX tuner-amps. (P. 10)

**VTR MARKET** attracts all 10 Japanese TV makers, latest being General Corp., choosing Beta. Pre-Christmas sales strengthen in U.S. Magnavox introduces TV-VTR combos. JVC cuts list price. (P. 11)

**ZENITH CLOSING PLANTS** in Watertown & Sioux City next spring. Labor Dept. clears 5,500 Zenith workers, some GE employees, for import impact aid. (P. 11)

**V-M MAY FOLD** Jan. 1 if search for buyer or financing fails. Last of old-line U.S. changer makers in bankruptcy, still operating on limited scale. (P. 12)

**TV-RADIO STONEWALL REWRITE:** Broadcasters' advisory committee on Communications Act rewrite met in Chicago last week and after "careful consideration" decided industry won't submit list of acceptable proposals—as requested by Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee.

In unanimous statement, 14-man group reportedly will tell Van Deerlin that a rewrite of Act "is neither necessary nor desirable... Our committee believes that insofar as broadcasting and broadcasting-related matters are concerned... the Communications Act is basically sound. It has fostered a locally-based and nationwide system of radio & TV broadcast stations that continue to serve America's unique broadcasting services well and which we have stated is the best system in the world."

Van Deerlin said he was "very disappointed... I'd hoped we could have a rewrite with their participation, but if that is their position, so be it... We can certainly do it without their help... To say that legislation reform is impossible without the participation of broadcasters is to say that legislative reform is impossible and that simply isn't the case." He said he'll continue to seek cooperation and "I just hope the bridges aren't burned."

Subcommittee has devoted 36 days to rewrite hearings this year; Van Deerlin and chief Republican sponsor Rep. Frey (Fla.) have gone to extraordinary lengths to seek cooperation of TV-radio & cable. They've made many pitches at numerous industry meetings, appeared at NAB & NCTA board sessions, met with cable & broadcast advisory committees month ago in San Diego. Congressmen came away from those meetings encouraged: "It's now established that there's going to be a rewrite," Van Deerlin said then (Vol. 17:46 p1).

Cable people are publicly supporting rewrite, although privately they aren't happy about prospect since winning so much in D.C. Appeals Court pay-cable decision. Broadcasters are much concerned about proposed "trade-offs," suggested at San Diego meeting and later by Subcommittee Chief Counsel Harry Shooshan. Broadcasters "are very put off at the idea of trade-offs," we were told. "We're saying we are not going to offer up a list that could later be flung back at us."

**EVALUATING DETROIT-WASHINGTON SWAP:** Quick rush of TV station swaps by newspaper owners isn't very likely, in opinion of brokers & others—in first reaction to exchange announced by Washington Post & Detroit News. General view is that most potential swappers will wait until U.S. Supreme Court rules on cross-ownership. (Court has just set argument for Jan. 16, with 4 appearances: Broadcasters & publishers, FCC, NCCB, Solicitor General.)

Washington-Detroit exchange is largest yet among vulnerable combinations. News gets WTOP-TV (CBS affiliate) & \$2 million from Post, which gets WWJ-TV (NBC). Detroit is ranked as 7th market, Washington 8th. No dollar value for either stations was stated. It's understood that WWJ-TV had pre-tax earnings of \$9.2 million on revenues of \$26 million in 1976. It's estimated WTOP-TV earned \$5.5 million on \$19 million revenues. FCC's 1976 report shows Washington's 5 commercial stations with pre-tax earnings of \$14,665,000 on revenues of \$64.4 million, Detroit's 6 earning \$27,775,000 on \$73.9 million revenues (this excludes CBET in neighboring Windsor, Ont.).

FCC cross-ownership rule, adopted in 1974, prohibited newspaper-TV ownership in same market but said existing combinations could remain until or unless properties were sold—when they'd have to split. There were 7 exceptions—"egregious" situations where one outfit owned virtually every medium in town; Commission ordered them split.

Earlier this year, D.C. Appeals Court ruled that FCC couldn't let existing combinations stand unless it held hearings and concluded it was in public interest to do so. FCC and industry appealed this, and it's now in Supreme Court.

We asked Washington & Detroit parties whether FCC tax certificate will be sought—or if it's needed. They said they're looking into it.

Detroit-Washington deal is biggest voluntary TV-newspaper trade so far. First was Greenville-S.C.-Sacramento, Cal.—in which Multimedia exchanged WFBC-TV for McClatchy's KOVR. Another large swap, but not voluntary, was Washington Star's exchange of WJLA-TV for Combined Communications' KOCO-TV Oklahoma City, Star also receiving \$65 million in non-voting stock. This split was required by sales of Star & station to Joe Albritton. Both face opposition and still are pending at FCC.

In other sales: (1) Pulitzer Publishing is buying WGAL-TV Lancaster & WTEV Providence-New Bedford for \$45 million. Seller Steinman family agreed to dispose of WGAL-TV after women's groups contested station's renewal (Vol. 17:17 p9). Pulitzer owns KSD-TV-AM St. Louis, KETV Omaha & KOAT-TV Albuquerque. (2) CATV systems-owner Acton Corp. (ex-Vikoa) has purchased WMUR-TV Manchester, N.H. & KECC-TV El Centro, Cal. for about \$3.5 million from Richard Eaton's United Bcstg. Acton reported 83,500 cable subscribers Sept. 30.

**MORE ON FERRIS' FCC:** "No decisions" have been made on people to staff FCC's network inquiry, Chmn. Ferris said last week, although "I've certainly given it the effort." He said interviewing process is taking "a lot of time" and it's very hard to get somebody on short notice. "You can't always meet the goals within the timetables you set"—reference to statement at his confirmation hearing that inquiry had top priority and would be staffed 30 days after he became chmn. (Vol. 17:40 p4).



From other sources, it's learned that Stanford U. economist Bruce Owen is expected to be on network staff in "the No. 1, 2 or 3 position." (Owen also had agreed to be consultant to inquiry when ex-Chmn. Wiley attempted to set up staff last spring. That effort was aborted by Sen. Hollings [D-S.C.], chmn. of Communications Subcommittee [Vol. 17:24 p1].) Owen has written several books, including "TV Economics" in 1974, joined OTP in 1971 as Brookings Fellow, later became chief economist there.

Replying to complaints of some commissioners that Ferris doesn't consult them until after his plans have jelled, chmn. told us: "I have no problems with any of the commissioners...I enjoy them all." Commissioners reported that he began consulting with them last week.

In other changes expected at FCC, beyond those reported earlier (Vol. 17:49 p2): (1) OPP Chief Carlos Roberts shortly will attend 7-week Federal Exec. Institute in Charlottesville, Va.—after which he's expected to replace Charles Higginbotham as chief, Safety & Special Bureau. Ferris plans major expansion of OPP, is said to want his own selection to head it. (2) Office of Gen. Counsel, now with 4 major divs., is expected to be reorganized into 2—keeping only existing Litigation Div., now headed by Assoc. Gen. Counsel Daniel Armstrong. All other Divs. will be combined, and lawyer currently on FCC staff has been asked to head new unit.

**IT'S NAB BUDGET TIME:** Preparing for Jan. 17-20 board sessions in San Juan, NAB Exec. Committee meets Dec. 15-16 in Washington on staff-proposed budget of \$5,528,000 for fiscal year beginning April 1. New budget is up from \$5.2 million for current year—with most of extra income coming from increase in station & assoc. members—and shows surplus of \$1,000.

However, figures are likely to change before final recommendation to board. NAB wants to raise radio & TV network dues substantially; Chmn. Donald Thurston has Dec. 15 meeting with networks on it. Staff wants to raise annual radio network dues from \$1,000 to \$5,000; originally, it had proposed TV increase from \$3,000 to \$30,000—but that figure won't be pursued by Thurston. "We're willing to talk about a reasonable increase, but 1,000% is out of the question," network official told us. Networks say they each now pay NAB over \$150,000 annually—including owned-station dues, Codes, etc., but excluding \$85,000 to TIO—plus contributing many intangible benefits.

In preparing new budget, staff was told to improve "estimating techniques," particularly since TV income currently is below budget by \$40,000—primarily because lost contributions for defunct Free Bcstg. Committee were mistakenly allocated to regular projects. "General & administrative expenses" in current budget are in red because June board meeting was in Williamsburg (instead of Washington) and extra fall TV & radio board meetings were held in Washington.

NAB has refused to allow taping of its board & Exec. Committee meetings to help Secy.-Treas. Michael Harwood prepare minutes. Harwood asked for such permission at recent Exec. Committee meeting, said tapes would be kept "confidential until the minutes were completed and then erased." Committee refused because some directors "would feel inhibited by having their statements recorded."

**SMPTE TV conference** at Sheraton Atlanta Hotel Feb. 3-4 covers 1" tape, digital video, still store & slow motion.

**Historic first** is expected to take place this week when NAB & NCTA file joint pleading at FCC asking agency to clarify what ex parte contacts are permitted under D.C. Appeals Court pay-cable ruling (Vol. 17:13 p1). Supreme Court last week affirmed Oct. decision not to review lower-court ruling. Trade groups will ask Commission to permit ex parte presentations in all general policy rulemakings where specific grant (such as TV channel) isn't at stake. FCC's general counsel is working on clarification order but isn't expected to go as far as NAB & NCTA would like.

NAB has expressed concern over FCC-sponsored test Dec. 13-14 of possible interference to be caused by reducing AM bandwidth from 10 to 9 kHz. Test is being undertaken at request of New Zealand, will involve KFI & KNX L.A. and stations in New Zealand & Fiji. Proposal to reduce bandwidth to provide more stations will be considered at 1979 WARC. NAB favors adding 10 kHz at bottom & top of AM band, said reduction of width "could impose severe technical & financial hardships upon broadcasters" and that 2-day test isn't long enough to lead to "significant conclusions."

**Copyright Royalty Tribunal** members learned fundamentals of cable last week, as it conducted hearings, taking testimony from NCTA, CATA, MPAA, BMI, PBS, et al. Sessions were quite basic, since members other than Chmn. Thomas Brennan know little about CATV. Cable interests said they'll be paying plenty for copyright; copyright owners said it's peanuts.

**Role of TV translators** will be explored by FCC, which approved broad-ranging inquiry at same time it eased rules to allow translators more freedom to bring in signals they choose. Fearing increased competition, cable interests had urged FCC to conduct inquiry before changing rules, got turned down.

**Enforcement authorities** in Nev. & Cal. have asked for—and received—records from boxing inquiry conducted by House Communications Subcommittee (Vol. 17:48 p2). Promoter Don King is said to be subject of investigations in both states.

**FIBER OPTICS VENTURE:** Major step in commercialization of optical communications was announced last week in N. Y. with formation of new firm owned equally by Corning Glass & Siemens AG (Germany). Siecor Optical Cables Inc., Horseheads, N. Y. (607-739-3562) will market line of ready-made fiber-optic cable, supply special custom cables, connecting hardware & engineering support. New firm is outgrowth of Siecor organization in Munich.

Corning is supplying optical fiber to new firm. For time being, finished cables & hardware will be imported from Siemens in Europe, but Siecor eventually will set up factory in U.S. Siecor pres. is John Gailey, former Corning Optical Cables Dept. gen. mgr. and onetime business mgr. of its TV Products Dept.; W. Bart Bielawski, ex-Corning Telecommunication Products Dept., is sales & mktg. vp; Peter Bark, ex-Siemens, is engineering vp; Bennett Cozadd, ex-Corning Telecommunication Products, is staff & administration vp.

At news conference last week, Gailey said optical cable sales so far this year have tripled 1976's sales, forecast another threefold increase for 1978. He said company's initial financing was "less than \$10 million," but will be increased sharply for U.S. production. He forecast rapid decrease in price of optical cable, which now costs 50-75¢ a foot in standard quality.

Siemens has been extremely active this year in U.S. acquisitions, has holdings here which eventually could contribute to Siecor product line, including 80% interest in Litronics (LEDs, other optical products), 17% in Advanced Micro Devices, upcoming joint venture with AMD to make microprocessors, interest in Intel (semiconductors). Corning will continue to supply optical fibers to others as well as to Siecor.

Several station groups have joined NAB & AT&T in asking D.C. Appeals Court to order FCC to refund fees. Plaintiffs noted that in 11 months since same court found fees illegal (Vol. 16:51 p1), Commission hasn't "even begun the process of calculating the amounts to be refunded."

**NAB TV Code Board** ruled that lawyer ads are acceptable for TV, is seeking samples of attorneys' commercials "in order to review the types of claims & approaches used." To date, only Ohio Supreme Court has approved lawyers' spots on TV (Vol. 17:49 p3).

**Fall RADAR report** shows that 96% of Americans over 12 listen to radio each week, and 75% listen to network affiliates. RADAR is commissioned by ABC, CBS, NBC & MBS; field work is done by Statistical Research, Westfield, N.J.

**Principal speakers** at INTV convention in San Diego Jan. 29-Feb. 1 include Chmn. Van Deerlin (D-Cal.) of House Communications Subcommittee and FCC Comr. Washburn. Sessions are planned on sales, ratings, programming, govt. problems.

**Financial seminar on cable** is being sponsored Jan. 26 in Atlanta's Capitol Airport Inn by Southern Cable TV Assn. Program Chmn. is Rick Michaels, Community Equity Assoc.

**Massive study** of station-cable economic relationship, in response to FCC inquiry, may be conducted by group of broadcasters—if Commission grants time. Currently, deadline for comments is Jan. 2; FCC told parties that if they want more time, to ask for it by Dec. 15. Three groups—Capital Cities, Taft & McGraw-Hill—put up seed money for proposal by economic consultants Charles River Assoc., Cambridge, Mass. Groups' counsel—Wilmer, Cutler & Pickering for first 2, Koteen & Burt for last—have asked Commission for month to see if they can gather enough support for project; if widespread industry support can be obtained, it's estimated year or more will be needed to complete study. Price is figured at \$500,000-up. Chief economist of Charles River is Franklin Fisher, MIT prof. who conducted study for NAB, is consultant to CBS in west coast antitrust case. FCC Cable Bureau has authority to grant more time—but substantial decisions such as these are referred to commissioners.

**That "high performance" TV set** developed by Texas Instruments under FCC contract (Vol. 17:49 p6) doesn't sound very practical to one engineer who listened to presentation at IEEE conference. "Boy," he said, "they've taken a \$1,000 set, top of the line, the best that money can buy, and added to it, and it's got class. But you aren't going to be able to take any ordinary TV set and put \$30 worth of effort and get the same results. I think it would cost 3 or 4 times as much." However, an FCC official said TI used "mid-line" RCA set and "seems to have accomplished what FCC asked them" to do, including \$30-retail-extra target.

**RCA will sell Sony-made non-segmented 1" broadcast VTRs** conforming to new SMPTE standard, including BVH-1000 studio model, BVH-500 portable and accessories such as BVT-1000 digital TBC. To be demonstrated at NAB convention, Sony products will give RCA coverage of all broadcast VTR standards—its own 2" quad units & Bosch's 1" segmented helical. Last Oct., RCA announced it would produce 1" non-segmented under Sony license (Vol. 17:41 p5); new agreement may be interim step until RCA can get into production.

**Advertisers spent \$285.4 million** (up 17.2%) on network TV in Sept., according to BAR-TvB. For first 9 months of 1977, network billings totaled \$2.48 billion—\$834 million to ABC, \$829.7 million CBS, \$815.5 million NBC.

**Carnegie Commission on Future of Public Bcstg.** meets Dec. 19 at Chicago's WTTW(TV). Among witnesses: Rev. Jesse Jackson, PUSH; Kathy Bonk, NOW; Ralph Jennings, United Church of Christ; Warren Braren, Consumers Federation of America.

**Loan of \$2 million** to UltraCom has been arranged by Firstmark—for refinancing & construction, including 2 new cable systems in Asbury Park & Ocean Twp., N.J.

**Kansas City made bid** for 1985 NAB convention. Assn. is booked through 1984. Request was referred to Convention Committee.



Profits of radio rose 96.9% to \$178.6 million in 1976, while net revenues increased 17.1% to \$2,019.4 million, according to FCC report. Gross revenues rose 17.6% to \$2,226.1 million—\$92.2 million network (up 26.8%), \$494.6 million national & regional spot (up 18.8%), \$1,639.3 million local (up 16.8%). Network operations lost \$5 million on revenues of \$64.3 million—vs. \$2.5 million loss in 1975. But network owned stations' revenues were up 15.3% to \$79.5 million and profits rose 33.2% to \$15.3 million. All other stations had revenues of \$1,543.1 million, up 13.4%, and profits reached \$147.2 million, up 70.5%. FM revenues rose 35.5% to \$418.2 million. Independent FMs showed profit of \$4.3 million as revenues rose 26%—vs. loss of \$9.4 million in 1975.

**U.S. Supreme Court** has agreed to rule on refusal by lower federal court to permit woman plaintiff in discrimination suit to represent class of female workers. Jo Ann Evans Gardner brought suit against Westinghouse Bcstg. Co. after she failed to get job as radio talk-show host at KDKA Pittsburgh. Appeals Court refused to review Dist. Court denial of her attempt to initiate class lawsuit until lower court ruled on merits of case. Supreme Court said it would hear arguments on case along with another appeal from different circuit court decision restoring class action status of stockholders' lawsuit against Fla. land developer and its accountants.

**TV ads of over-the-counter drugs** must be more tasteful, even though they may not sell as well as hard-hitting commercials, BBDO Pres. James Jordan told Proprietary Assn. conference in N.Y. He said public perceives OTC drugs as not as effective as they are due to bad image caused by "quick relief" and other hard-sell TV copy. Conference also heard Washington lawyer Robert Altman report that officials of many regulatory agencies have almost "missionary zeal" to regulate. He saw vital need for officers of companies to become involved in govt., even at financial sacrifice.

**"Considerable audience fractionalization"** results through importation of distant signals into 3-station markets, according to NAB-commissioned study authorized in June 1976 (Vol. 16:25 p2). Research Vp John Dimling told recent NAB Exec. Committee meeting that early findings show these results of cable carriage of 5 distant independents: (1) In early fringe time, local stations get 51% of audience in cable homes, distant independents 49%; (2) in prime time, local stations get 71%, outside signals 29%; (3) in late night, local stations 83%, outside signals 17%.

**ABC-TV plans to return 40 sec.** of network prime time (10:30 p.m.) to affiliates for news updates 4 nights weekly (Tues., Wed., Thur., Sat.), starting next spring. Affiliates would be permitted to sell 10 sec., couldn't devote all 40 sec. to commercials.

**Sale of WZZM-TV Grand Rapids to Wometco** has been approved by FCC. Commission said it would allow Wometco 4th station in a top-50 market because buyer made adequate showing of plenty of competition in area.

Because "I want to get back into an active role in broadcast management," Thomas Swafford resigned as NAB senior vp for public affairs after 11 months on job. Swafford, one-time CBS-TV program practices vp, headed both Code & PR at NAB; dual job (created for Swafford) will be abolished. NAB Vp-Code General Mgr. Jerome Lansner (N.Y. hq) becomes Code chief exec., reporting to NAB Exec. Vp-Gen. Mgr. John Summers; new PR dir. will be hired and Candy Green remains dir. of media relations. Swafford receives half-year severance pay, \$27,500; senior officers get half-year pay regardless of length of service. NAB exec. committee member said this is likely to be changed.

**Federal Election Commission** has voted 4-2 that corporations and/or labor unions may contribute directly to non-profit, tax-exempt organizations wishing to sponsor debates among candidates, without contribution being charged to candidates. One other specification: Organization must never have endorsed candidate or political party (Vol. 17:47 p4). FEC board, however, still must decide on procedures for staging public debates expected perhaps early next year. Latest FEC decision revises last year's ruling that approved corporate and labor union contributions only through political action committees (to League of Women Voters for Carter-Ford debate). League said debates cost \$315,000 but it collected only \$224,000, has sued FEC to overturn last year's decision.

**Catholic League for Religious & Civil Rights** fired 2 salvos at TV last week: (1) Presented Walter Cronkite and CBS News "Elmer Butz Bigotry Award" for what League called biased and inaccurate coverage Nov. 29-30 of abortion debate in Congress, and (2) asked TV networks for more sympathetic portrayal of Catholics, stating there seems to be increasing showing of Catholicism in unfavorable light. These include such things as prostitute with crucifix over bed, criminal families holding Catholic funerals, child-abusing mother saying rosary before statue of Mary.

**Cable earth-station grants:** Opp, Ala.; Sea Ranch, Cal.; Ketchum, Ida.; Moline, Ill.; Columbus, Miss.; Kansas City & Sikeston, Mo.; Catskill, N.Y.; Clinton, Okla.; Greer & Surfside Beach, S.C.; Memphis, Tenn.; Edna, Tex.; Beloit, Wis. Applications: Atmore & Birmingham, Ala.; Globe & Smith Peak, Ariz.; Springdale, Ark.; Coeur d'Alene, Ida.; Peoria, Ill.; Booneville & New Albany, Miss.; Reading, Pa.; Dyer, LaFollette, Paris & Tullahoma, Tenn.; Rocky Mount, Va. (For details, see CATV Addenda.)

**Speakers at annual meeting of Computer & Communications Industry Assn.** Feb. 28-March 1, Madison Hotel, Washington, include: Sen. Hollings (D-S.C.), Justice Dept. antitrust chief John Shenefield, Alfred Dougherty, head of FTC Bureau of Competition.

**Settlement of dispute** has been reported by Kansas State Network & Heritage Communications. They'll negotiate for purchase by KSN of Heritage's 24%, KSN will drop suit, and Heritage will place 4 dirs. on KSN 17-member board.

## Personals

**David Scribner**, Doubleday Bcstg. pres. & NAB radio board vice chmn., resigns both posts; he's succeeded at Doubleday by **Gary Stevens**, senior vp-gen. mgr. of group's KDWB(AM) Minneapolis-St. Paul, and corp. hq will move from Denver to Minneapolis; **William Hanson**, WJOL(AM) Joliet, Ill., succeeds Scribner on NAB board; new vice chmn. will be selected before Jan. 18 board meeting in San Juan... **Arnold Becker** promoted to vp-national TV research, CBS, L.A. hq... **Barbara Gallagher** promoted to vp-specials, ABC Entertainment.

**David Nelson** promoted to vp-gen. mgr., WBBM-TV Chicago, succeeding **Neil Derrough**, now WCBS-TV N.Y. vp-gen. mgr... **Merritt Rose**, general sales mgr., advanced to station mgr., WIIC-TV Pittsburgh... Promoted to vps at KCCI-TV Des Moines: **Nolan Quam**, gen. sales mgr., & **Guy Koenigsberger**, creative services dir.; **Paul Fredericksen** advanced to treas... **Jim Wessel**, AP national broadcast exec. for eastern U.S., retires Jan. 1.

**John Moseley**, pres. of Moseley Assoc., Goleta, Cal., receives NAB Engineering Achievement Award at convention in Las Vegas April 9-12; country singer **Charley Pride** will entertain at closing luncheon, **Mormon Tabernacle Choir** at opening session.

**William Tricarico**, Office of Exec. Dir., appointed FCC secy., succeeding **Vincent Mullins**, retired in Oct... **Mike Vitale**, dir. of FTC regional office which has been absorbed into hq operation, named special asst. to Chmn. **Michael Pertschuk**; **Nancy Chasen**, ex-White House, named FTC asst. gen. counsel.

**Ron Eisenberg**, ex-OTP & one-time CPSC, joins Marston & Rothenberg (PR) as senior vp, Washington office... **William Adams**, aide to MPAA congressional liaison chief **Edward Cooper**, nominated to Railroad Retirement Board, will become chmn... **Walt Goldstein**, ex-WPIX-TV N.Y., joins Teleprompter as dir. of affiliate accounting... **Donald Cobb** promoted to production mgr., Systems Wire & Cable.

**Jerry Jones**, ex-WFAA-TV Dallas, joins Blair TV NBC Red Sales Team, N.Y.; **Stephanie Pressman**, ex-NBC TV Stations Div., named Blair asst. program dir... In expansion of Boston Katz office, **Thomas Lauchner** appointed sales mgr.; **Edward O'Rourke**, Boston mgr. since 1967, moves to Katz TV Continental Sales.

**Robert Grassi**, ex-Panasonic, appointed mgr., test & measuring products for TV equipment, Philips... **Henry Klerx** promoted to business planning mgr., RCA Commercial Communications Systems Div.

"**N.Y. Times Encyclopedia of TV**"—490 pages of facts & figures about programming, personalities, executives & historical events—has been published by Times Books. Compiled by Times TV Editor **Les Brown**, it sells for \$17.95 until Dec. 31, \$20 thereafter.

**Correction:** British Viewdata isn't similar to CEEFAX & ORACLE (Vol. 14:47 p5). Viewdata is 2-way, using TV & phone; others are one-way.

"The issues that I find the most exciting are in the area of telecommunications and common carrier," FCC Chmn. **Charles Ferris** told Washington Post. He said this is what attracted him to Commission—"only agency" which interested him—although "the broadcast issues are very important and significant and I think the electronic media have tremendous effect upon society." In telecommunications, Ferris added, "what we're having is a mushrooming technology... I don't think it's 'Buck Rogers' to conceive of a system in the very near future of homes and certainly businesses having not only voice communications with each other but access to data banks, even video communications." He said that his lack of experience in communications hasn't been hindrance as FCC chmn., that he plans to expand Office of Plans & Policy significantly and to create Office of Chief Economist.

**FCC Comr. Fogarty**, speaking to USITA convention in Las Vegas: "If government is to regulate effectively in the dynamic & complex field of telecommunications, it must monitor the industry continuously and review regulation as a whole, rather than in the isolation of a single order or policy... I believe this ongoing responsibility is best performed by the FCC... Wisdom counsels caution in reviewing legislative proposals which pre-empt existing policy or unduly restrict the Commission's ability to respond to new telecommunications issues as they arise."

**Commercial KTVP** (Ch. 29) Fayetteville, Ark. returned to air Dec. 8, and educational **WLEF-TV** Park Falls, Wis. started Dec. 5, raising operating TV total to 981 (715 commercial, 266 non-commercial). KTVP is satellite of **KFPW-TV** Ft. Smith, had been dark since Dec. 1973.

## Obituary

**Peter Goldmark**, 71, noted inventor, died in auto accident Dec. 7. His car collided with another as he drove between **Harrison & Rye**, N.Y.; he was thrown out and apparently killed instantly. Born in Budapest, he came to U.S. in 1933, was associated with CBS for most of his career. Most recently, he headed own firm. Best known for invention of LP record, Goldmark also developed sequential color TV system. In major struggle before FCC during late 40's & early 50's—against virtually all TV makers and most broadcasters—he first won FCC approval of system but it never got started, and Commission later approved current system, developed primarily by RCA. A major handicap of Goldmark system was that it was "incompatible"—couldn't be received in black & white on existing b&w sets—while RCA system (which evolved into "NTSC" system) could be received readily on b&w sets as well as color. Survivors are 3rd wife, 4 sons, 2 daughters.

**Harry Fine**, 65, FCC deputy chief engineer, died of cancer Dec. 5 at George Washington U. Hospital, Washington. He joined Commission in 1940, became specialist in international conferences, represented U.S. at many, was designated an IEEE Fellow in 1968. Survivors include widow, 3 sons.



# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

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 Dec. 12 (47th week of 1977):

	Nov. 19-25	1976 week	% change	Nov. 12-18	11 mo. 1977	11 mo. 1976	% change
Total TV.....	441,818	402,478	+9.8	409,550	13,111,143	11,403,426	+15.0
color.....	232,344	234,596	-1.0	240,923	8,079,068	6,791,136	+19.0
monochrome...	209,474*	167,882	+24.8	168,627	5,032,075	4,612,290	+9.1
Total radio.....	1,401,047	1,407,502	-0.5	969,576	49,217,986	37,697,023	+30.6
home, portable	1,138,217	1,160,183	-1.9	718,697	37,750,557	26,324,508	+43.4
AM-only.....	602,613	406,098	+48.4	236,780	9,604,574	8,223,834	+16.8
FM & FM-AM	535,604	754,085	-29.0	481,917	28,145,983	18,100,674	+55.5
auto.....	262,830	247,319	+6.3	250,879	11,467,429	11,372,515	+0.8

Color TV 5-week moving average: 1977—245,600\*\*; 1976—215,637 (up 13.9%).

\*Highest of 1977

\*\*Record for 47th week of any year.

**GE, HITACHI POOL U. S. TV SUPPLY:** Multinationalization of U. S. TV industry became complete last week with GE's announcement that it will spin off set & tube manufacturing operation to new subsidiary owned 50-50 with Hitachi. Now every U. S. manufacturer is either foreign-owned or relies on imported chassis for substantial part of output. Conversely, move leaves Sharp & Toshiba as only significant color brands here without U. S. production base.

Subject to approval by U. S. Justice Dept. & Japan's MITI, GE would transfer its Portsmouth TV assembly plant, Syracuse picture tube plant & Singapore component facility to new General Television of America Inc. (GTA), with Hitachi buying 50% of shares for undisclosed cash amount. GTA would produce (and import) TVs & associated products for sale under GE & Hitachi brands by U. S. sales operations of the 2 firms—GE Major Appliance Group & Hitachi Sales Corp., respectively. GTA would take over private-label business of both partners (GE now sells to Montgomery Ward, Hitachi to J. C. Penney), also seek to sell picture tubes to other manufacturers.

President of new firm would be Fred Wellner, currently gen. mgr. of GE TV Business Dept. Board would consist of 6 directors from GE, 6 from Hitachi. Announcement was made Dec. 7 in N. Y. at GE meeting for security analysts and about same time by Hitachi in Tokyo. Justice Dept. received request for business review while GE was making announcement. Review normally takes 15-30 days. Justice is now very familiar with industry, having probed Warwick-Sanyo & Motorola-Matsushita sales and currently investigating antitrust implications of Japan's check price.

Advantages of deal to Hitachi are obvious: It gets U. S. manufacturing base, can sell full line here, including consoles, and avoids adverse effect of quota on color sets from Japan. For GE, Wellner told us last week, it brings advantage of "leverage" created by additional volume in Portsmouth plant, as well as combination of technology of both companies. "As a worldwide company, Hitachi can make big investments in long-range technology which we have difficulty financing," he said. Known as strongly technological firm, Hitachi has done much work on optical videodisc (is also RCA disc licensee), plans to make VHS recorders, is developing projection TV (as is GE). Not mentioned by GE officials is fact that new deal makes it far easier to drop out of TV business completely if it should decide to do so.

Negotiations were carefully guarded secret; announcement came as complete surprise. Wellner told us talks started 1-1/2 years ago with discussions looking toward cross-licensing, began taking current form last May or June. Interestingly, GE owns 10-11% of Toshiba, and it's believed GE also negotiated with Toshiba—making it 2nd time that company had first shot at U.S. firm (other was Warwick). Hitachi bought 80.5% interest in GE permanent magnet plant in Edmore, Mich. in 1973, has several other small joint ventures with GE. Hitachi launched U.S. color console assembly operation in San Bernardino, Cal. in 1973, quietly ended project 2 years later.

GE Chmn. Reginald Jones hailed agreement as enabling GE to "become an even more meaningful participant in the TV industry," especially with 1978 color sales expected to hit new record of 9.5 million. Vice Chmn. Walter Dance said GE made money in TV business in 1977, will continue to be profitable in '78, "but not as much as we'd like—this will help us stay in the TV business."

Zenith Exec. Committee Chmn. Joseph Wright told us he was surprised by announcement, and it was too early to say whether GE or GTA would be made part of Zenith antitrust suit against Japanese manufacturers, Motorola & Sears in Philadelphia. If it is, suit won't go to trial before 1980.

Contract would make GTA exclusive supplier of color & b&w to both Hitachi Sales Corp. (HSC) & GE, meaning HSC wouldn't be negotiating directly with Hitachi factories any more—nor would GE be free to buy from any other Far East or U.S. supplier. HSC now buys from Hitachi plants in Japan, Taiwan & Singapore, and presumably GTA would have same option, in addition to manufacturing here. HSC Sales Vp Ron Friedlander expressed strong satisfaction with deal.

All 4,000 current GE TV business employees (3,000 in Portsmouth, 1,000 in Syracuse) would be transferred to GTA. Wellner said tube plant would remain in Syracuse, but would be modernized & expanded, would actively seek OEM business—not particularly auspicious sign for Sylvania, the tube maker most dependent on outside business. GE currently makes all color TV components in Singapore, assembles and welds them to its own cabinets & picture tubes in Portsmouth, "and we plan to continue this way," Wellner told us. He said b&w production also would remain in Portsmouth, being switched overseas "only if color keeps growing and we need the plant space." Date for closing deal depends on govt. approval; GE lawyers think it could come around April 1.

In latest Trendex retail survey (3rd quarter), GE was given 5.1% of color market, Hitachi 1.7%, exclusive of private-label business. Both companies feel new joint venture will help them increase market share substantially.

GE-Hitachi deal would leave only 4 large U.S.-owned TV firms (Admiral, RCA, Sylvania, Zenith) plus 2 smaller ones (Curtis Mathes & Wells-Gardner). Foreign-owned producers here currently are Magnavox, Matsushita (Quasar & Panasonic), Sanyo Mfg., Sony. Of 15 U.S.-owned companies producing TV as recently as 1972, only 5 remain in business under same ownership.

**1977 COLOR SALES WITHIN 2% OF RECORD:** With nearly 8.1 million color sets sold to dealers in 1977's first 11 months, it's now certain that year's sales are going to graze all-time record of 9,263,503 sets in 1973, not missing it by more than 2%. Nov. sales of 934,004 set record for that month, following record Oct., and 9.1 million now seems to be good ballpark number for 1977.

Color sales for final week of Nov. were actually down from year earlier by 1%—not in the least startling if you remember that Nov. & Dec. were best months of last year, sales in both cases running 33% ahead of same 1975 months. Nov. monochrome sales (678,591) were highest for any month since Sept. 1974; monochrome sales in Nov.'s final week, 209,474, were highest for any single week in more than 3 years.

Color sales to dealers were at annual rate of 9.53 million, up from 9.43-million pace in Oct. Annualized rate for first 11 months works out to 9.09 million. Color TV production-plus-imports for 11 months totaled about 8,540,000, well in line with sales, and inventories at both



factory & distributor levels declined during month. Factory plus distributor inventories at end of EIA's statistical month (Nov. 25) totaled about 2,313,000, up 2.3% from year earlier but down 4.5% from end of Oct. Factory stocks, at 1,261,000, were down 2.3% from year earlier and 5.9% during month. At distributor levels, inventories were 1,052,000, up 7.6% in year, down 2.9% for month.

That retail softness which showed up in late Oct. and continued through early Nov. evaporated toward end of month, and sales now are proceeding at snappy pace, sharply ahead of 1976's excellent Christmas-season sales, according to sampling of retailers last week. Our Early Warning Report for Nov., to be tabulated & mailed Dec. 15, should shed further light on subject. Here are EIA sales-to-dealers figures for Nov., with 1976 & 1975 comparisons:

Product	Nov. 1977	Nov. 1976	% change	Nov. 1975
Total TV . . . . .	1,612,595	1,408,249	+14.5	1,074,530
color . . . . .	934,004	827,546	+12.9	623,252
monochrome . . . . .	678,591	580,703	+16.9	451,278
Total radio . . . . .	4,925,378	3,616,502	+36.2	3,379,091
home, portable . . . . .	3,859,380	2,574,482	+49.9	2,450,867
AM-only . . . . .	1,314,744	1,136,285	+15.7	678,860
FM & FM-AM . . . . .	2,544,636	1,438,197	+76.9	1,772,007
auto . . . . .	1,065,998	1,042,020	+2.3	928,224

**OCT. COLOR IMPORTS DOWN, B&W PEAKS:** Dock strike apparently had little impact on flow of TV imports in Oct., according to Commerce Dept. which showed b&w at 4-year monthly high, while color dropped, reflecting Japan's export quota. In related activity last week, AFL-CIO Pres. George Meaney promised an all-out anti-import campaign for 1978, while U.S. trade officials said difficulties over U.S. color exports to Taiwan have been resolved.

Month's total TV imports of 808,000 were down 17.4%, with color off 45.3% to 274,500—but declines are exaggerated by fact Oct. 1976 saw all-time monthly highs for both, and current figures represent 2nd best Oct. in history. In b&w, imports were up 13% to 533,500, 2nd highest monthly level in history. For 10 months, total TV was up 19.5% to 7.33 million, with color up 25.3% to 3.18 million, b&w up 15.4% to 4.15 million. Full-period totals include just over million color chassis (768,000 from Mexico), 115,000 incomplete b&w, mainly from Taiwan.

Oct. imports by country, with 10-month results in parentheses: Japan, total 320,200, down 35.5% (3.28 million, up 6.9%); color 135,500, down 62.5% (1.94 million, down 9.5%); b&w 184,700, up 36.6% (1.34 million, up 20.5%). Taiwan, total 327,500, up 3% (2.53 million, up 8.9%); color 73,900, up 200.9% (337,300, up 83.6%); b&w 253,700, down 13.6% (2.19 million, up 2.4%). Korea, total 87,100, up 66.1% (649,000, up 69.7%); color 6,200, up 11.6% (60,200, up 50.7%); b&w 81,000, up 72.5% (588,800, up 71.9%). Newcomers this year as suppliers of color in commercial quantities, Canada supplied 13,000 in month for 40,700 total, Singapore 573 for 10,600. Imports of color cassette VTRs jumped 12-fold in Oct. to 34,100, for cumulative total of 125,900, up 395%.

"Closed-door for closed-door" is union answer to jobs-vs.-imports problem. Japan's color export quota "came too late to save the last [U.S.] color TV plant," said Meaney, who asked whether microwave-oven quota will be negotiated "before or after the last U.S. plant closes." He called for new legislation to restrict imports from countries which block U.S. exports. "The answer is fair trade," rather than free trade—"do unto others as they do to us."

U.S. trade negotiators announced closing of unfair competition charge leveled against Taiwan by RCA distributor Lai Fu Trading, which complained that 1974 duty-rate hikes priced U.S.-made products out of local market (Vol. 16:16 p8). As result of talks, Taiwan has lowered duty on color TV imports to 35% from 60%, on radio-phonos to 33% from 45% and on most other consumer electronics to 39% from 58%.

\* \* \* \*

Problem of 23-channel CBs is fading, but it just won't go away. Commerce reports 72,400

imported in Oct., up from 61,600 in Sept., while imports of 40s rose to 389,300 from 331,900. Total transceiver imports in month fell 33.9% to 1.58 million, with hand-held up 5.2% to 1.04 million, mobile & base stations of all types down 61.4% to 554,400. Total 10-month transceiver imports of 15.69 million were down 13.2%, with hand-helds up 64.7% to 7.79 million, others down 40.8% to 7.89 million. Mobile CBs for full period were down 41.2% to 5.7 million.

**GAMES—RETAIL CONFUSION:** With 2 weeks left, Christmas games market still doesn't have definable shape—particularly in high-end programmables. Quick survey of stores across nation revealed extensive regional variations in sales, pricing and general retail mood over Christmas prospects. "There are hot spots & cold spots," said buyer for major chain with outlets scattered throughout country. "In some cities, sales have been good because we've promoted hell out of them. In others, promoting hasn't helped even with some very sharp pricing."

Sharp pricing is order of day in some regions, and major victim in programmable field seems to be RCA, which apparently dropped list price on Studio II to \$90, dealer cost to around \$60. Game has already shown up as low as \$78 (Chicago), but L.A. dealer said RCA was too slow in cutting price—"that game crashed at \$150, but they're coming in too late with the lower price." Other low prices: Atari Video Computer System with \$190 list, \$145 (Houston) & \$160 (N.Y.); Fairchild VES, \$170 list, \$130 (Cincinnati); Coleco Telstar Arcade, \$99 list, \$79 (L.A.).

"I've got a bad case of the nerves," dept. store buyer in Southwest told us. "With \$400,000 tied up in inventory, I've got to get rid of them any way I can by Christmas, 'cause after that they're dead." Highly seasonal nature of game business, in fact, is contributing to retail concern over market. "My programmables won't be worth a nickel on Jan. 1," southern retailer griped. "If TV sales slowed down over Christmas, it'd be bad but not disastrous because I could make it up. With games, it's a one-month go-for-broke deal."

In some areas, discounters are adding to confusion by blowing games out over 2- & 3-day periods. Major west coast department store buyer complained that discounter recently promoted Atari heavily at \$157. "I had to match him at \$157, but now he's out and I'm back to \$179, which I was advertising as a good deal in the first place. If he gets some more, I'll have to go back to his price."

Programmables haven't turned into Christmas demand item many in industry were predicting, majority of retailers agree, but several said feature-oriented promotions coupled with judicious buying had paid off. "I walked gingerly on programmables, and I didn't buy a lot. But I ran an Atari ad just after Thanksgiving at \$169 and it was dynamite. It slowed down toward the end, though, and I'm glad I didn't have any more. Now, if I can order just enough for a quick hit, I might try it again."

Lowball game market appears to be stronger than programmable field, but most dealers said sales were being made at little or no profit. "I finally turned it over to the toy dept.," electronics buyer for west coast store said. "Those toy guys have a magic formula: They sell a game at \$2 below cost and end up with a 10% markup."

**CPSC TV FIRE STUDY:** Having decided no comprehensive federal TV safety standard is needed (Vol. 17:43 p9), Consumer Product Safety Commission is developing plan to study still-open question of TV fire-only standard, with emphasis on keeping fire inside cabinet.

Staff is proposing 2-part investigation: (1) Analyze TV fires, looking at heat generation, burning characteristics and how they relate to TV construction & materials. (2) Fire containment, practicality of standard development. Project would run to April 1979—no standard could be expected until 1980.

In other actions, CPSC approved Sylvania's corrective action plan for modifying 15" & 19" Philco color sets with color-control buttons that could pose shock hazard (Vol. 17:29 p11), extended to Dec. 21 comments deadline on proposed labeling rules for CB & TV antennas & support structures. EIA had requested postponement.

Meanwhile, Magnavox is recalling 4 MX-brand tuner-amps (11,200 units) made between May 1974 & March 1975 for possible fire hazard. Spokesman said possible malfunction in circuitry of power amp could cause cones in non-MX speakers to overheat. Problem doesn't exist when MX speakers are used, he stressed. Firm is asking dealers to give purchasers toll-free number so modifications to models involved (1580, 1581, 1620 & 1630) can be arranged. Magnavox is also contacting purchasers directly, using warranty registration cards.

Hitachi shelved controversial plan to build color TV plant in U.K. (Vol. 17:35 p12)—whether for political or economic reasons isn't clear. Proposal to locate facility in economically depressed N.E. England, which would have entitled Hitachi to receive some financing from U.K. govt., was bitterly opposed by domestic industry & unions. They said industry already had excess capacity—2.7 million vs. 1.7 million demand—and that Sony & Matsushita plants already operating there had captured 10-20% of market. They claimed another color plant would result in loss of 2,500-6,000 industry jobs. In addition to hostile atmosphere, Hitachi was battling proposed U.K. requirement that sets use locally made tubes. Hitachi had planned to buy them from Finland.

Sylvania ad campaign, which company says may be largest ever undertaken by a TV manufacturer in first quarter, will be themed "Sylvania Beats Them All." Multi-million-dollar drive will be based on results of independent consumer survey which indicated Sylvania had "best over-all picture." Test was conducted by Leferman Assoc. at Trumbull Mall, Bridgeport, Conn., involving 2,022 consumers who judged pictures on various TVs with brand names & cabinets masked out. Results show strong preference for Sylvania Supersets as compared with other high-end 19" & 25" brands.



**JAPAN—BETA 5, VHS 5:** Last Japanese TV maker, General, has chosen sides on videocassette format (Beta), leaving score even among the 10 manufacturers. Here's who's who: Beta—General, New Nippon (NEC), Sanyo, Sony, Toshiba. VHS—Hitachi, JVC, Matsushita, Mitsubishi, Sharp. In addition, 3 hi-fi manufacturers—Aiwa, Akai & Pioneer—have chosen Beta. In U.S., all TV makers & marketers except Admiral have chosen now, as reported last week (Vol. 17:49 p10).

General Corp., whose TVs are sold here under Teknika label, signed pact in Japan with Toshiba for Beta VTR supply beginning next spring, and with Sony for VTR technology. General said it hopes to start production of VTRs when its sales exceed 2,000 monthly, may export to U.S. & Middle East.

In U.S., meanwhile, informal dealer survey showed videocassette recorders in all formats selling fast and some indications that price-cutting was declining as Christmas approaches (although new low of \$799.95 for 2-hour Betamax including timer was advertised in N.Y.). While dealers complained of short supplies, Sony issued statement that Betamax VTRs were in "excellent" supply at retail and that it had shipped more than 100,000 units to dealers since late-1975 introduction.

Cassettes continue to be in short supply, particularly those for VHS system, although Beta cassettes are scarce in some areas. Retail Products Mgr. Don Rushin told us 3M was shipping Beta cassettes in large quantities nationwide and "getting out of back-order position." Company hopes to be supplying VHS cassettes in first quarter, is working on LP versions (3 & 6 hours) of both formats.

Magnavox plans to test dealer reaction to VTR-color TV combos at CES, will show 3 "VTR theaters"—vertical (armoire) & horizontal consoles with 25" STAR remote set and console with 25" Videomatic—no pricing or delivery dates. Reflecting reality, JVC last week cut list price of its 2-hour VHS from \$1,280 to \$1,050.

**Sharp cutbacks** in picture-tube bulb production are planned by Owens-Illinois over next 6 months "because of adverse conditions affecting TV manufacture in the U.S." Company plans to lay off about 1/3 of its 1,550 workers at Pittston, Pa. (color) & Columbus, O. (color & b&w) plants, reduce engineering & hq staffs in Columbus & Toledo. TV Products Div. Vp-Gen. Mgr. James Cobb said: "The level of business we now expect for 1978 is not great enough to justify our current employment levels." He added that leveling of growth of consumer demand for TV sets along with greater foreign competition have made profitable operation increasingly difficult. He pointed out that new move is latest in "series of steps" taken since 1973 to try to keep TV operation in black. Picture tube glass is made in U.S. by Corning, RCA & Lancaster Glass, in addition to O-I.

**Sources for movies** on home videocassette for mats are listed in new directory by Video Programs/Index, 923 6th St. NW, Washington 20024. "Video-Movie Supplement No. 1," listing 19 sources, is \$1; complete Spring-Fall '77 Index, including supplement, is \$3.

**ZENITH PLANT CLOSINGS:** Zenith employees got word last week that plants at Watsontown, Pa. & Sioux City, Ia. will be closed permanently as result of decision to transfer large segment of production to Mexico & Far East (Vol. 17:40 p8), and most workers losing jobs in those & other plants were declared eligible for import adjustment assistance.

This is 2nd such shock in 3 years for Watson-towners. They all lost jobs in early 1974 when Ford sold Philco TV & stereo business, but not U.S. plants, to Sylvania, got reprieve later that year when Zenith took it over, transferred all stereo & some TV cabinet work there. Zenith will increase cabinet purchases from outside vendors. Sioux City supplied color TV components & subassemblies which Zenith will be making in Taiwan & Mexico next year. Watsontown, Zenith said, will close by end of April, Sioux City in 2nd quarter.

Labor Dept. aid approval was for 1,800 in Chicago plants, 700 in Paris, Ill., 200 in Glenview, Ill., 1,000 each in Springfield, Mo. & Watsontown, 800 in Sioux City. Some 350 losing jobs at Chicago & Lansdale, Pa. picture tube plants and at 2 Evansville, Ind. facilities won't get aid since Labor found layoffs there weren't import-related. In separate case, group losing jobs when Zenith closed Chicago warehouse in spring of 1976 were declared ineligible because they filed too late.

In other actions, Labor: (1) Approved aid for former workers at GE Semiconductor Products Dept., Syracuse, said it found GE had increased imports of LEDs & transistors from its plants in Singapore & Ireland where most of its labor-intensive operations had been shifted. (2) Rejected bid by workers making private-label smoke detectors at Electro Lab's Rockland, Mass. plant because production there has increased.

**Sony's new projection TV** will be super-bright one-piece unit, as we forecast last Feb. (Vol. 17:9 p10). As announced in Tokyo, Sony will have 2 new projectors, bright enough for viewing in lighted room; 50"-screen version will have peak brightness of 60 ft.-lamberts, 72" 30 ft.-lamberts. No prices were given, but Sony America official said new projector (presumably in 50" version) will replace current single-tube unit at about same price, or \$2,500-\$3,000, and will be introduced at sales meeting next April. It won't be shown at CES. Matsushita's 3-tube 60" projection set went on sale in Japan last week at surprising \$5,200 (1.25 million yen). It will be shown at CES by Panasonic & Quasar. MGA will show own 2-piece unit with \$3,000 price tag at CES.

**Advent** report to shareholders says sales of video projectors rose 67.3% in 2nd quarter to \$5.68 million, was up 56.3% in half to \$9.22 million... **Warner Communications** reports toy & game operation (Atari & Knickerbocker) had sales of \$38.6 million, loss of \$401,000 in 3rd quarter, sales of \$62 million, loss of \$7.28 million for 9 months... **Pathcom's** \$7.3-million 3rd-quarter loss was all from operations; 9-month loss includes \$4.9-million CB inventory writedown. Company wrote down \$2.2 million in 3rd quarter last year.

# WEEKLY Television Digest

with  
**Consumer Electronics...**

**PUBLISHED BY TELEVISION DIGEST, INC.**

Copyright © 1977 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

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

## EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036  
Phone: 202-872-9200

### WASHINGTON HEADQUARTERS

Albert Warren Editor & Publisher  
Dawson B. Nail Executive Editor

### Television Factbook

Mary Appel Editorial Director  
Mila Albertson Associate Editor  
Melinda McFarlin Asst. Editor

### Business

Edward L. Sellers Sales Dir.  
Donald J. Roy Business Mgr.  
Paul R. Levine Asst. Sales Dir.  
O. L. Raymond Circulation Mgr.

### NEW YORK BUREAU

510 Madison Ave., N.Y. 10022  
Phone: 212-355-5611

David Lachenbruch Editorial Dir.

Robert E. Gerson Senior Editor

Arthur Levis Associate Editor

### JAPAN REPRESENTATIVE

(Editorial & Business)

### Hideo Eguchi

5-12-32, Hiyoshi, Kohoku-ku  
Yokohama, 223 Japan  
Phone: 044-61-6605

## Trade Personals

**Melvin Moore** advanced at Zenith from corp. quality control exec. dir. to TV & audio mfg. exec. dir., succeeding **Carl Petersen**, retired... **Thomas Shepherd** appointed vp-gen. sales mgr., GTE Consumer Electronics, recently formed to market Sylvania & Philco products; **Paul Terhaar**, mktg. planning mgr., adds post as product services dir.; **Peter Dawson** advanced at Sylvania Canada from mktg. vp to vp-gen. mgr., succeeding **Shepherd**... **Jeffrey Keller** advanced at Sylvania Entertainment Products from ad supervisor to ad & sales promotion mgr., succeeding **Victor Parker**, now gen. mdsg. mgr.

**Edward Cooper** appointed Montgomery Ward national catalog mdse. mgr. for consumer electronics & major appliances, replacing **John Cunningham**, named national mdse. mgr. for MW ovens & other appliances... **Tim Rooney**, ex-Heathkit, joins Electro-Voice as ad & sales promotion dir... **George Petetin** resigns as Audio Dynamics mktg. vp, plans unannounced... **William Sutherland**, ex-Electro-Voice, joins GC Electronics as ad & sales promotion mgr... **Robert Barnes**, ex-Lloyd's sales vp, appointed York Electronics sales & mktg. vp.

**E. Floyd Kvamme**, National Semiconductor Semiconductor Div. gen. mgr., advanced from vp to senior vp, named head of new Div., Office of Gen. Mgr., which also includes Semiconductor Products Vp-Gen. Mgr. **John Finch** & Vp-Tech. **Pierre Lamond**... **William Heye** promoted at Texas Instruments from Video Systems program dir. to TI Asia pres., succeeding **James Hubbard**, now Digital Circuits Div. mgr... **Tom Straight**, ex-Motorola Taiwan, appointed Fujitsu America Midwest region mgr... **Gary Stein** advanced at General Instrument Discrete Semiconductor Div. from national sales mgr. to mktg. vp.

## 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>Tektronix</b>			
1977-24 wk. to Nov. 12	260,699,000	25,528,000	1.43
1976-24 wk. to Nov. 13	189,550,000	17,141,000	.97 <sup>a</sup>
1977-12 wk. to Nov. 12	140,287,000	13,570,000	.76 <sup>a</sup>
1976-12 wk. to Nov. 13	100,007,000	8,722,000	.49 <sup>a</sup>
<b>Telemation</b>			
1977-9 mo. to Sept. 30	7,074,000	489,000 <sup>b</sup>	.47
1976-9 mo. to Sept. 30	7,148,000	(856,000)	--
1977-qtr. to Sept. 30	2,401,000	231,000 <sup>b</sup>	.22
1976-qtr. to Sept. 30	2,463,000	(320,000)	--
<b>Tocom</b>			
1977-qtr. to Sept. 30 <sup>c</sup>	726,767	5,477	.01
1976-qtr. to Sept. 30 <sup>c</sup>	673,158	(36,313)	--

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

**J. Jan Collmer**, Varo pres., elected 1978 WEMA chmn., succeeding **Kenneth Oshman**, Rolm pres.; **Edward Ferrey** elected pres.; **Kenneth Hagerty**, govt. affairs dir., named staff vp; **Edwin Zschau**, System Industries, named secy.; **Michael Arndt**, TRW Electronics, elected treas... **Martin Rosenblum** promoted at Electronic News from vp-ad dir. to publisher, succeeding Exec. Vp. **Daniel Newman**, who retains over-all responsibility for publication.

**David Polley** promoted at Buckbee-Mears from east sales mgr. to operations dir., Industrial Reproductions (IC masks & screens).

**V-M is in bankruptcy**, has until Jan. 1 to find buyer or new financing, will then have to ask federal court to extend operating deadline or face liquidation. Trustee Philip Brown told us V-M still has handful of employees filling orders—mainly from Latin American customers—and processing parts & service requests. Company's problem is capital, he said, noting bankruptcy petition lists about \$7 million assets, \$2 million liabilities. He said V-M has prototype of record changer which would be competitive with those offered by chief rival BSR, and has been showing it to potential OEM customers. But, he said, V-M can't afford to go into production. Brown said he's seeking buyer, has contacted U.S. & Japanese companies, but hasn't acceptable offer yet. V-M is last of long list of U.S. popularly-priced changer producers which included Admiral, GE, Magnavox, Maestro, RCA, Webcor. Only other active U.S. manufacturer is Avnet, which makes BIC hi-fi line, but is considering offering low-priced model to phono OEMs. Details on availability of V-M operation from Brown, 600 Main St., St. Joseph, Mich. 49085 (616-983-5697).

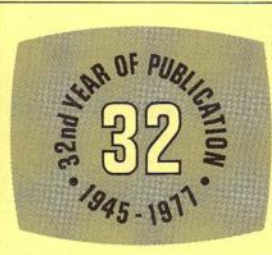
**Distribution notes:** Sony appoints Bryhar Corp., Pittsburgh... Philco appoints Lee Distributing, Bufalo & Lynn Koehlinger Co., Ft. Wayne... **Sampo America** names Flesen-Moscoe, Minneapolis & Cavanah-Feir & Assoc., L.A. as reps... **Sylvania** names Appliance Products, Lubbock, Tex.



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

DECEMBER 19, 1977

VOL. 17, NO. 51

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**LOOMIS RESIGNS; CPB LEADERSHIP** hit by re-tiring board member Hughes in article to be published next month. Criticizes quality of board members & staff, 'internecine struggle' with PBS, CPB program interference, White House plans. Tax on commercial broadcasting pushed. (P. 1)

**QUELLO'S CALL FOR UHF ACTION:** Urges moves on tuner noise rulemaking, conference with antenna & lead-makers. Says Varian near 'tremendous advance' in transmitter efficiency. (P. 2)

**CONFUSION AT NAB ON BUDGET:** Exec. Committee and staff fail to agree on proposed expenditures for year starting April 1. Network dues increased. Staffers to get 'merit' raises. (P. 3)

**VAN DEERLIN & REWRITE:** Blasts broadcasters' committee for not offering suggestions on law change, says he'd have thought they'd want help from Congress vs. tough regulators. (P. 4)

**SBA PLAN** to provide funds for radio-TV ownership wins unanimous support. Urged to keep govt. out of programming, raise ceiling. (P. 5)

**UNION, FCC EMPLOYEE SUE FERRIS** on change in work hours, charging he didn't follow mandatory govt. procedures or prepare environmental statements. (P. 5)

**LOOMIS RESIGNS; CPB 'LEADERSHIP' HIT:** Henry Loomis said last week he'll retire as CPB pres. when term ends in Sept., or sooner if successor is found early. Action comes just 2 weeks before magazine article is to be published—written by CPB Dir. Robert Hughes—which contains ringing charges of poor leadership by CPB executives and board members. (Hughes is veteran of Pa. public broadcasting commission, is head of Mellon Bank & Mellon Foundation in Pittsburgh. He was appointed to CPB board as a Republican.)

Article will be published in Nov.-Dec. issue (due out first week in Jan.) of NAEB Telecommunications Review and calls for Loomis' resignation, says his replacement "must come from within the [public broadcasting] system" and without interference from the White House or Congress. "The Carter Administration may have another Frank Mankiewicz [new NPR pres.] waiting in the wings, but whether public broadcasting can absorb or endure the appointment of 2 such politically motivated leaders is doubtful."

Hughes is a CPB incorporator and original member of its board; his term expires in March (along with 4 others). He has little good to say about Corp., blaming it for "internecine struggle" with PBS, for program interference, says it has become politicized, and he doubts competence of current CPB board. He says continued warfare between CPB & PBS "is taking its toll [and] there is a stultifying leadership vacuum at the Corporation due in large measure to

### Consumer Electronics

**TOSHIBA INVESTING** \$8.3 million to build color plant on 100-acre site in Lebanon, Tenn. Facility will have 300,000-set yearly capacity by 1980, employ up to 1,000, with expansion provision. (P. 7)

**GROWING VTR** strength shown in survey of Early Warning Report dealers: 86% were selling it in Nov. Quick buildup of retail sales reported by those who were handling it before Nov. (P. 8)

**FCC OKs BALLY GAME.** Shipments to start this week, first units going to Ward & JS&A. Bally forecasts strong sales in first quarter, due to unsatisfied demand. (P. 9)

**ZENTH'S SHARE** of consumer electronics market slipped this year, according to Labor Dept. study showing color sales growth less than industry average, with b&w & stereo volume down in first 9 months. (P. 10)

**NO RECALL of J.C. Penny** 18" color sets needed, staff to tell CPSC. Engineering study shows models sold in 1970-72 aren't dangerously fire-prone. (P. 10)

**CAR RADIO COST** study by Booz, Allen for NAB & CPB indicates little profiteering by auto makers on FM units, price differential over AM mainly representing added manufacturing costs. (P. 12)

the steady decline in the stature of its board members...The deterioration in quality and ability has been steady and uninterrupted...The present board is largely an aggregation of unknowns." He attacked "politics" involved in appointments to board, said it has become "a plum to be pursued through political channels and awarded on the basis of political considerations."

In article titled "A Heat Shield or a Crucible? A Blueprint for Carnegie II," Hughes suggests future CPB boards consist of 6 White House appointees, chmn. of PBS & NPR, 7 ex officio members. They should include Atty. Gen., Secys. of Commerce & HEW, 2 senators, 2 congressmen. Henry Kissinger should be chmn., according to Hughes.

"A compelling reason" for a change in CPB presidency is "the continuing warfare" with PBS, and sometimes NPR, article states. "The constant tension that exists...is seemingly without an end...The conflict has as much to do with personal differences as with philosophical...The incessant feuding...has debilitated the Corporation in both its role and its image. It's time for a change."

Article attacks high salaries paid CPB execs.—Loomis gets \$70,000, others are in \$50,000-\$64,000 range. CPB, Hughes charges, has "become notorious for choosing senior staff from the ranks of government or off Madison Avenue rather than from within public broadcasting." He was particularly bitter about recent firing of public broadcasting veteran Donald Quayle as a senior vp, said move "served to further undermine the confidence of the public TV stations" in CPB.

Hughes urges that CPB be totally divorced from programming—except for grants—and that its program dept. be abolished. Of board, he adds: "There are 15 would-be Hollywood producers on the CPB board."

Carter Administration isn't spared criticism. Hughes says proposed \$200 million appropriation annually (starting in 1981) "falls far short of the total amount needed to achieve a viable system." He says public broadcasting needs \$1 billion annually by next decade, suggests this method for raising it: 3% tax on revenues of TV, radio & cable (raising \$243 million annually, based on 1976 figures); federal govt. to provide similar amount; \$325-\$500 million from state, local & private funds. To get federal govt. clear out of financing, commercial stations could be taxed 6%, he says, justifying such a tax with:

"Why should this extremely valuable national resource [spectrum] continue to be made available without cost when public broadcasting is starving for funds and must beg for survival. To impose a license fee on the airwaves is to place the tax on those who benefit most from their use—commercial broadcasters." Hughes says cable should be taxed also because it uses TV programs. He feels NAB opposition can be overcome with AFL-CIO support—particularly if union representative is appointed to CPB board.

**QUELLO'S CALL FOR UHF ACTION:** Renewed interest in helping UHF may be developing at FCC. Comr. Lee has been leading advocate for many years, and Comr. Quello sounded like lively convert last week. Newly-designated "education commissioner," he met with PBS Vice Chmn. Hartford Gunn and engineering chief Daniel Wells, came back and fired off vigorous memo to Chmn. Ferris—who responded warmly.

Quello noted that 2/3 of all public TV stations and 37% of all stations are UHF; that "the Commission is under great pressure from a wide variety of minority interest groups whose concerns we can address partially through attention to UHF..."; that "the technology is available now to begin to set UHF right." He called for: (1) Quick action on pending rulemaking to reduce noise figure in UHF tuners (on FCC agenda last week, put off until early Jan.). (2) Calling together antenna & lead-in manufacturers, urging improved standards. (3) FCC meeting with Varian—sole maker of UHF transmitter klystrons—which "seems on the verge of making a tremendous advance in the efficiency of UHF broadcast apparatus..."

**Responded Ferris:** "I appreciate your constructive memorandum...In particular, I share your concern that we encourage the growth of strong UHF outlets in order to assist the development of public broadcasting and to provide additional ownership opportunities for minorities and other new entrants in commercial broadcasting."



Richard Block, head of Council on UHF Bestg. (CUB), briefed Ferris and Comr. Brown last week. Block was accompanied by Philip Rubin, CPB engineering chief; Jonathan Blake, attorney for MST; Elizabeth Shriver, attorney for PBS. Said Block: "We're pleased with the response of Ferris & Brown. We're sanguine about renewed progress in UHF."

One commissioner, however, wondered whether Ferris is taking away with one hand what he wants to give with other. Said this member: "Yes, he wants to help UHF—then he talks about getting rid of non-duplication." Commission discussed latter last week, and Ferris asked why reception shouldn't be left essentially to marketplace. Some UHF stations complain that they lose audience through duplication of their schedules by distant signals imported by cable.

**CONFUSION AT NAB ON BUDGET:** After 2-day meeting in Washington last week, NAB Exec. Committee & staff failed to come up with fiscal 1978 budget (starting April 1) to recommend to board at Jan. 17-20 meetings in San Juan. Exec. Committee didn't like fact only \$1,000 surplus was planned in \$5,528,000 budget (Vol. 17:50 p3), said staff had been too conservative in estimating income; staff executives countered that's what they were told to do.

Example: Exec. member said staff predicted "unreasonably low" income for April convention in Las Vegas (NAB made \$545,606 on 1977 convention in Washington). Staff officials said that's what they thought Committee wanted. Exec. Committee also didn't like inclusion of interest income, proceeds from sale of legal manual (\$47,510), among other items, in projected income. Staff was told to cut some expenses, more realistically estimate income, for follow-up Exec. Committee meeting Jan. 4.

Committee also directed that several funds formerly budgeted separately be combined (such as radio membership & Code) and split legal dept. from govt. relations in budgeting process (recommended by staff). New TV & radio network dues were established to conform with consolidation move. Networks formerly contributed separately to pay-TV committee, minority affairs, Codes, etc. New TV network dues are \$42,000 (up from \$3,000 but representing only net increase to NAB of \$18,700). Radio network dues increased from \$3,000 to \$7,000, with special fee of \$1,000 for "small" networks such as National Black Network (several months in arrears in dues payments, but problem reportedly has been "satisfactorily" worked out between NAB Chmn. Donald Thurston and Black Network Pres. Eugene Jackson).

NAB staffers generally will receive "merit" increases in new budget, instead of percentage increases generally used in past. NAB Pres. Vincent Wasilewski & Exec. Vp-Gen. Mgr. John Summers will open Jan. board meetings with report of NAB "goals" for 1978, a departure from past. Change was made to improve the "visibility & accountability of the principal executives," according to Thurston. Exec. Committee also plans to consider new employment agreement with Wasilewski at Jan. 4 meeting.

For 7 months of current fiscal year (April 1-Oct. 31), NAB radio dues of \$1.01 million were \$65,391 above budgeted figure, while TV dues income of \$1.23 million is \$55,448 below expected. General administrative expenses of \$914,182 are \$95,267 over budget—primarily because of extra fall board meetings in Washington and shift of June meetings to Williamsburg entailing additional staff expenses. Total income from all sources has been \$3.2 million (\$72,159 over budget, most from sale of legal guide), while expenses of \$2.99 million are \$61,686 over budget figure.

\* \* \* \*

Broadcast industry's political action committees—TARPAC & TARPEC—are due to get prominent exposure at Las Vegas convention, following complaint of their Chmn. Richard Dudley (Forward Communications) that they were ignored at fall conferences. He complained to Thurston that the "close kinship" between TARPAC & NAB seems to be a "closely-guarded secret" on NAB board & staff level. "For our convention and meeting planners, it is time to bite the government bullet and forget about show-biz, skits and provocative panels," Dudley said. "We should quit sugar-coating our problems and stack them up so that all can see the height of the pile."

**VAN DEERLIN & REWRITE:** Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee, was really ticked off at broadcasters' rewrite advisory committee for failing to suggest changes in Communications Act (Vol. 17:50 p1). Speaking at last week's meeting of cable state & regional officers in Washington, he said:

"If congressmen aren't sent here to write legislation, let alone oversight of how the existing law is working, I don't know why we are sent here... The 1934 law is not adequate to deal with modern technology..."

He said broadcasters met with Subcommittee in June, then all day in San Diego, and he thought they were going to be very cooperative, then: "I could hardly believe it when they decided to tell the Subcommittee 'Just go away. Just leave things as is'... You cable people could take the position you don't want a rewrite. You're doing OK in court, yet your representatives are talking about rewrite as if it's something coming off. You're taking seriously the idea that the American public isn't getting all it can out of the service..."

"The appointments made by this Administration might lead broadcasters to move toward working with Congress. I'm beginning to have some good thoughts about Ferris. Pertschuk wants to get into more regulation over broadcasting. Geller is in position to convey Administration policy. I'd have thought that broadcasters would feel a little more confident dealing with Congress."

Van Deerlin reported that Sen. Hollings (D-S.C.), his Senate counterpart, "says he will be interested in moving. He's one of tomorrow's men, not yesterday's men." Van Deerlin also said:

(1) He expects pole legislation on Carter's desk by end of Feb.—"help is on the way." (2) Cable coverage of House proceedings "might be a hell of a plus for cable," though audience might "not be quite the same as for the first showing of 'Deep Throat.'" (3) "Broadcasters have clout, but you've got a lot of customers—our constituents—out there."

**First black-owned cable system starts construction** in Columbus, O., plans to be in operation in fall. Headed by attorney William Johnson, KBLE Ohio Inc. has local bank financing, also is offering public sale of stock. It's 4th system in Columbus, has 60,000 homes in franchise area. There are other black-owned franchises, but Columbus group is first to start construction.

**Milda Sandstrom** has been convicted of first-degree murder in May 3 shooting of husband Thad Sandstrom, vp-gen. mgr. of Stauffer Communications. She had pleaded not guilty because of temporary insanity; conviction, carrying mandatory life sentence (possible parole after 15 years), will be appealed.

**Cable earth station grants:** Jasper, Ala.; Sierra Vista, Ariz.; Cleveland, Tenn.; Midland, Tex. Applications: Fayette, Ala.; Hilton Head Island, S.C.; Amarillo & Olney, Tex. (For details, see CATV Addenda.)

**Minority groups** detailed complaints about rating services, and latter offered their defenses, in testimony last week before House Communications Subcommittee. Among charges by minorities: (1) Blacks & Spanish-speaking groups have fewer phones, have more unlisted phones, are less likely to complete diaries—yet rating services don't take adequate account of these facts. (2) Minority stations have lower rates, so ad agencies prefer white-owned stations with higher rates, producing higher commissions. (3) Inadequate attention is given to non-English-speaking homes. (4) Different services give different ratings to same programs. (Subcommittee Chmn. Van Deerlin [D-Cal.] said Pulse & Arbitron differed by 3.5-to-1 in one case in San Diego.) (5) Too few diaries are placed in some markets. Representatives of Arbitron, Nielsen & Pulse argued that each technique has virtues & shortcomings—and defended their own as best available in cost & results. Near end of hearing, Van Deerlin asked Rene Anselmo, head of Spanish TV Network, if he has asked FTC to look at problem. Said latter: "I've been that route. Maybe they've changed. They take good care of Nielsen." Said Van Deerlin: "There's a guy named Pertschuk there now."

**"Affiliates" to handle pay-TV decoders, billing, etc.,** are now being designated by Wometco, operator of subscription-TV station WTVG-TV Newark. Wometco handles many areas itself, presumably will add Manhattan after translator begins operating from World Trade Center; it now sells in N.J. counties of Essex, Hudson, Union & Middlesex and Staten Island. Its first affiliates are: (1) Box Seat Subscription TV, for Bergen, Passaic & Sussex counties, N.J. & Rockland county, N.Y. It's headed by Fred Horowitz & Richard Levinson, both ex-UA-Columbia. (2) First Cine-Tel, for Morris, Somerset & Hunterdon counties, N.J. Pres. is Peter Sutro. (3) Helfer's Antenna Service, Tele-View Cable TV, W.B. Heavener & Co. & Signal Code Inc.—for various apartments.

**Threat to NBC's 1980 Olympic Games rights** was settled when network and Satra Corp. reached agreement that saw Satra (Soviet-American Trading) drop its \$275 million lawsuit against NBC. Satra claimed NBC interfered with its contract to broadcast games by acquiring rights from USSR for \$85 million. Details of settlement weren't publicized, but NBC said Satra had acquired U.S. rights for closed-circuit, theater and cassette TV and "opportunity to acquire U.S. theatrical distribution rights" to official film of games.

**Spanish TV Network** begins satellite interconnection of 8 of its 10 U.S. affiliates Dec. 19, using Westar, originating from KWEX-TV San Antonio, feeding 21 hours weekly. Group reports plans to spend \$2 million on network, including new center in San Antonio.

**WDRB-TV (Ch. 41) Louisville** acquisition by Minneapolis Star & Tribune for \$6.5 million has been closed; Elmer Jaspán continues as gen. mgr.

**SCTE & CATA** hold 2-day technical conference in St. Cloud, Fla. Jan. 5-6.



**ALL FAVOR SBA PLAN:** Small Business Administration was told unanimously last week that it's on right track in proposed rules to lend money for TV-radio acquisition & building (Vol. 17:36 p1). Score of comments filed last week supported move, principally as aid to minorities. There were some caveats: (1) SBA must not consider program content in deciding whether to grant loan. (2) Funding limits must be raised to \$500,000 (now sliding scale as low as \$150,000). (3) Funds must be "committed" before FCC grants application, not after, as proposed.

Among comments: NAB asked how SBA plans to dispose of broadcast station when borrower fails to meet repayment schedule, and how SBA will choose where 2 applicants for same facility seek funding. NCTA asked that SBA amend proposed rule to make financing effective on grant of franchise, not when cable system becomes "operational." Assn. of American Publishers asked that ban on publications also be lifted.

NAACP request for extension of deadline was granted informally to that organization. Among others filing were Cablecommunications Resource Center, Minnesota Cable Communications Board, National Citizens Communications Lobby, Jason Films, National Radio Broadcasters Assn., Citizens Communications Center, McKenna, Wilkinson & Kittner for group of clients, Spanish International Communications.

**Unusual screening** is taking place at FTC where chmn. and that agency's staffers are interviewing candidates for appointment to commissioner. FTC vacancy will be left by Comr. Collier who leaves Dec. 31. Presidential appointments are usually cleared with agency chairman, but FTC Chmn. Michael Pertschuk has been referring visitors to key staffers such as Albert Kramer, dir., Bureau of Consumer Protection; Alfred Dougherty Jr., dir., Bureau of Competition, and Michael Sohn, gen. counsel. Collier's term runs to 1982.

**"Real loser"** in 3-year court fight to broadcast Watergate tapes has been American public, NBC Chmn. Julian Goodman said at ceremony marking 50th anniversary of KHQ(AM) & 25th of KHQ-TV Spokane. Even if Supreme Court frees tapes, "the public would have been better served if we could have broadcast the tapes in Nov. 1974," rather than now, he said. He called Nixon's actions in blocking release of tapes "another case of denial of the right of broadcasting to inform the public freely."

**Public TV stations** raised over \$4.5 million in national on-air membership drive Nov. 27-Dec. 6. This compares with \$3.95 million last year. During this year's 4 national on-air campaigns, coordinated by PBS, over \$17 million total has been raised, aiding public TV in receiving additional \$6.8 million from federal government which provides \$1 for every \$2.50 raised locally or from non-federal sources.

**First cable system**—Astoria, Ore.—achieved another first: Pressed charges under state's new theft-of-service law, and first culprit was sentenced to 10 days in jail.

**Discussing TV violence** in address to National Assn. of Attorneys General in San Francisco, CBS Senior Vp John Schneider concentrated on those who would control TV: "The popular approach is to select a show, mount some sort of campaign and attack the advertisers. The theory, of course, is that, without economic support, a show will die or will never make air. In practice, it doesn't work that way. No series has been killed, no special has failed to go on, because of such threats. If the program is good enough, another advertiser will buy it. But the problem is not economic; it's much deeper than that. It's the willful individuals who wish to inflict their standards on everyone... If a program is so bad, or is so evil, the viewers will turn it off. We don't need any watchdog committee to make those decisions."

**"The day has indeed arrived** when television is commonplace in our daily lives," Fla. Judge Paul Baker reported to state Supreme Court. Baker presided at murder trial of Ronny Zamora who claimed insanity by virtue of excessive TV watching but who was convicted by jury (Vol. 17:41 p4). He said TV coverage had no adverse effect on witnesses, defendant, attorneys or jurors. "Technical advances 'over the last 10 years,' he said, 'have made equipment less obtrusive, and the majority of media personnel have come to view their role as the conscience of the community with greater responsibility.'" State approved TV coverage of court trials earlier this year (Vol. 17:15 p3).

**In rare move**, British court issued injunction against parts of documentary following protests by Tate & Lyle Ltd., British sugar company, that claimed its operations in South Africa were "grossly distorted." Program was to be shown on TV, but producers decided to delay broadcast for week after court order. Sugar company said producers had agreed to delete 3 sequences "after they were proved by us to be faked."

**FCC Chmn. Ferris** has been sued in federal court by National Treasury Employees Union and Commission employee Valerie Cox for "arbitrarily" changing agency's work hours without consulting employees (Vol. 17:49 p2). Suit charges Ferris didn't follow mandatory govt. procedures, didn't prepare environmental impact statement. Union represents 87,000 federal employees but has "just a handful" of members at FCC, according to Union official.

**Forum Communications**, competitor for WPIX N.Y.'s Ch. 11, asked FCC Chmn. Ferris to "ascertain the reasons for [an] unconscionable delay" in scheduling oral argument. Forum pointed out that initial decision came 3 years ago, that summary of exceptions was "expedited," yet argument still hasn't been scheduled.

**NAB Minority Task Force**, at first meeting last week, set "realistic goal" of doubling number of stations owned by minorities within 3 years. At present, there's one black-owned TV station, over 50 radios; in addition, Spanish Americans own undetermined number of TVs & radios.

**HBO service to Boston** via MDS on Prudential Tower & satellite began Dec. 8. Affiliate is Colony Communications, group CATV system operator.

## Personals

**Benno Schmidt**, managing partner of J.H. Whitney & Co., elected to CBS board; **Alfred Di Giovanni** & **John Brooks** promoted by CBS-TV to dir.-news & late night sales and dir.-daytime & childrens' programs sales, respectively... **Barry Solomon** advanced to mgr.-corp. information, NBC, new post; **Jane Crowley** named program policy mgr., dramatic & daytime programs, NBC-TV; **Jeff Sagansky** to west coast mgr., film programs.

**Michael Mallardi**, ABC vp-chief financial officer, given added responsibility for administrative functions; **John Tiedemann** elected vp-dir. of daytime sales; **Paul Coss**, ABC-owned TV stations programming vp, named dir.-feature films & late-night series, ABC Entertainment; **Pamela Warford** appointed ABC mgr. of community relations; **Robert Apter** promoted to dir. of information & financial control, ABC Sports; **Denise Burke** promoted to ABC awards mgr.; **Michael Fisher** to dir.-equipment planning, broadcast operations & engineering.

**Shaun Sheehan**, Edelman International PR firm, joins NAB as vp-public affairs; Radio Dir. **Richard Painter**, KYSM-AM-FM Mankato, Minn., appointed NAB radio vice chmn., succeeding **David Scribner**, resigned; **Richard Burch** promoted to asst. gen. mgr., NAB Code Authority, N.Y. hq; **Henry Roeder** advanced to mgr., Washington Code office, succeeding **Burch**. . . **Stephen Labunski**, one-time NBC radio pres., named IRTS exec. dir., succeeding **Robert Boulware**, retired.

**Henry Rieger**, NBC Hollywood, elected pres., new Academy of TV Arts & Sciences; **John Mitchell**, John H. Mitchell Co., first vp; **Diana Muldaur**, actress, 2nd vp; **Douglas Duitsman**, Columbia Pictures TV, secy.; **Jack Shea**, director, treas... **Terry Simpson**, WTTV Indianapolis, appointed pres.-elect of BPA, succeeding **Kenneth Taishoff**, now gen. mgr. of WTVG-TV Newark; BPA has shifted June convention in Minneapolis from 25-28 to 7-11.

**James Hart**, vp-gen. mgr. of WXII-TV Winston-Salem, promoted by Multimedia to vp-gen. mgr. of WLWT Cincinnati, succeeding **Walter Bartlett**, who remains pres. of Multimedia Bcstg.; Hart is replaced at WXII-TV by **James Tandy**, Multimedia Radio vp and gen. mgr. of KAAZ(AM)-KEZQ(FM) Little Rock... **J. Fey Rogers**, vp-gen. sales mgr. of WCYB-TV Bristol Va.-Tenn., retires Jan. 31; **Joseph Conway**, ex-Storer Bcstg., succeeds Rogers as gen. sales mgr.

**George Babick**, WLVI-TV Boston, named gen. sales mgr., WFLD-TV Chicago... **Suzanne Toner** advanced to promotion mgr., KBHK-TV San Francisco... **James Morgan**, ex-WOWK-TV Huntington, W. Va., appointed dir.-special projects, KIRO-TV Seattle... **William Madden**, ex-Syndicast Services, joins Corinthian Bcstg. TVS TV Network Div. as affiliate relations & production mgr.

**Martin Malarkey** takes leave of absence from Malarkey, Taylor & Assoc. to become pres. & a dir. of cable operator Telesis, now controlled by Equitable Life Assurance Society as fiduciary of Teamsters' pension fund; among other dirs. are

## WEEKLY Television Digest

with  
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1977 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

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

### EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036

Phone: 202-872-9200

### WASHINGTON HEADQUARTERS

**Albert Warren** Editor & Publisher  
**Dawson B. Nail** Executive Editor

### Television Factbook

**Mary Appel** Editorial Director  
**Mila Albertson** Associate Editor  
**Melinda McFarlin** Asst. Editor

### Business

**Edward L. Sellers** Sales Dir.  
**Donald J. Roy** Business Mgr.  
**Paul R. Levine** Asst. Sales Dir.

### NEW YORK BUREAU

510 Madison Ave., N.Y. 10022  
Phone: 212-355-5611

**David Lachenbruch** Editorial Dir.  
**Robert E. Gerson** Senior Editor  
**Arthur Levin** Associate Editor

### JAPAN REPRESENTATIVE

(Editorial & Business)

**Hideo Eguchi**  
5-12-32, Hiyoshi, Kohoku-ku  
Yokohama, 223 Japan  
Phone: 044-61-6605

**Byron (Doug) Jarvis**, Metz & Jarvis; **Steven Halsted**, Daniels Properties... **Rex Bradley**, ex-Telecable, recently consultant, joins Liberty Communications as corp. development dir., concentrating on franchises, with offices at 1035 W. 25th St., Norfolk, Va. 23517 (804-627-8666); his former asst., **Beverly Land**, joins Cox Cable to assist **John Gwin** in franchise acquisitions.

**William Psaras** named Cerro sales mgr. for Northeast & part of Midwest... **Joseph Taylor**, ex-OVC Telecommunications, named vp-gen. mgr., CATV construction div., Jackson Communications... **Richard Wald**, ex-NBC News pres., joins PBS after Jan. 1 as consultant on public affairs programming... **George Stein**, station coordinator, CPB's public TV satellite interconnection project, promoted to CPB dir. of planning... **Carol Emerling**, dir. of FTC L.A. office, resigns to seek "new and different challenges."

**Modern Telecommunications Inc.**, N.Y., has been formed, specializing in videotape services, including electronic editing, film-to-tape and tape-to-film transfers, color correction, video duplication. It also provides production facilities as well as video services to ad agencies. For non-broadcast market, Modern Talking Picture Service is exclusive sales agent.

**TV stations** in Joplin, Mo.-Pittsburg, Kan. market are under investigation by federal grand jury and FCC for alleged price fixing & collusion, double-billing and network clipping, according to Washington Post.

**Accounting changes** for cable industry have been recommended by American Institute of Certified Public Accountants, and NCTA Chmn. Daniel Aaron reports that industry is busy analyzing them, is very likely to oppose many provisions.



# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

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 Dec. 2 (48th week of 1977):

	Nov. 26- Dec. 2	1976 week	% change	Nov. 19-25	1977 to date	1976 to date	% change
Total TV. . . . .	333,625	277,990	+20.0	441,818	13,444,768	11,681,416	+15.1
color . . . . .	191,776	164,114	+16.9	232,344	8,270,844	6,955,250	+18.9
monochrome . . .	141,849	113,876	+24.6	209,474	5,173,924	4,726,166	+9.5
Total radio . . . . .	1,733,853	554,698	+212.6	1,401,047	50,951,839	38,251,721	+33.2
home, portable .	1,447,231	358,114	+304.1	1,138,217	39,197,788	26,682,622	+46.9
AM-only . . . . .	361,594	205,395	+76.0	602,613	9,966,168	8,429,229	+18.2
FM & FM-AM .	1,085,637	152,719	+610.9	535,604	29,231,620	18,253,393	+60.1
auto . . . . .	286,622	196,584	+45.8	262,830	11,754,051	11,569,099	+1.6

Color TV 5-week moving average: 1977-225,156; 1976-198,332 (up 13.5%).

**TOSHIBA REVEALS U. S. COLOR PLANT PLANS:** First reversal of color-TV dropout trend which started in 1960s should come next year when number of companies producing color in U. S. increases from current 11 to 13 as Mitsubishi starts operation in Irvine, Cal. (Vol. 17:48 p8) and—on basis of announcement in Japan last week—Toshiba opens facility outside Nashville.

Last new plant to open here was Sony's in San Diego in 1972, same year TMA went bankrupt and Delmonico halted operations before being acquired by JVC. Significantly, all new major investment in American color manufacturing has been foreign: Matsushita's acquisition of Quasar, Sanjo's of Warwick, Dutch Philips' of Magnavox and Hitachi's planned 50% buy of GE's TV operation (Vol. 17:50 p7).

Following Sony's lead, Toshiba is building from scratch. It contracted Dec. 16 to buy 107-acre site in Lebanon, Tenn., about 20 miles east of Nashville, for about \$406,000. It plans construction of 150,000-sq.-ft. plant, expandable to about 210,000 sq. ft., has room for 2nd plant of equal size. Initial investment in plant & equipment will be as much as \$8.3 million, according to Toshiba America Pres. Motoo Shinjo. When operations start late summer or early fall, plant will be producing color sets at 10,000 monthly rate, employ about 200. Production capacity should be 200,000 annually in 1979, 300,000 in 1980, when 700-1,000 may be working there. Facility will produce both Toshiba & private-brand sets.

Growth schedule, as outlined by Shinjo, has facility beginning with assembly of 19" models using single-board chassis imported from Japan. Some 13" may be added by year's end, other portable sizes in 1979. Small compact stereo assembly operation, now turning out about 80,000 systems annually in Flushing, N. Y., will be moved to Lebanon. Second plant, if built, would probably be used for appliances.

Toshiba's decision to build facility is only partially related to Orderly Marketing Agreement limiting Japan's annual color exports to U. S. to 1.75 million. "This is a long-range project, and the OMA expires in 1980," he explained. "Toshiba is an international company and it's not enough for us to be manufacturing only in Japan and Southeast Asia. We must have other production points," closer to market. Tenn. plant, Shinjo said, will be Toshiba's first for consumer electronics in any developed country excluding Japan; company employs about 300 at industrial motor & control operation in Houston.

Facility will operate "within the spirit of the OMA," Shinjo told us, meaning that American-made components & labor will account for about 50% of the value of sets assembled there. That

indicates Toshiba, one of Japan's largest picture tube makers, is likely to become U.S. picture tube customer just as Quasar sources tubes here rather than from Japanese parent. GE-Hitachi's planned General TV of America (GTA) will have own tube plant, as does Sony San Diego. Mitsubishi is expected to use U.S.-made tubes. Sanyo, whose parent doesn't make them, also buys from U.S. tube makers. Signing on to run plant as vp-gen. mgr. of Toshiba America's new Mfg. Div. is Robert Trager, former head of GE's Singapore TV components operation, more recently a Sony vp.

Pending more change, exactly half of all color manufacturers operating in U.S. next year will be foreign-owned. There are 6 all-Americans (Admiral, Curtis Mathes, RCA, Sylvania, Wells-Gardner & Zenith), one Dutch, 4 Japanese, with GTA half U.S., half Japanese. Market itself, however, breaks down somewhat less evenly, with U.S.-owned factories accounting for 55-60% of sales.

Toshiba move leaves Sharp as only own-brand color marketer without U.S. supply source; Teknika-brand 19" & 25" sets are being assembled from kits imported from Japan's General by Wells-Gardner for distributor C. Itoh Electronics. M. Akamatsu, Sharp Consumer Electronics exec. vp, said his company "has no specific plan at this moment," for U.S. facility, "but we are always looking at the options open to us." However, sources outside company say Sharp has actively searched for TV plant site over past 18 months, expect it to announce U.S. production plans next year. Japan's other major color producer, Nippon Electric, exports some private-label sets to U.S., supplies Curtis Mathes with chassis, but has no consumer electronics distribution operation here. (For rundown of changes among manufacturers since 1970, see p. 11.)

**SURVEY SHOWS GROWING STRENGTH OF VTR:** Nov. was landmark month in spread of home videocassette recorder from specialty-store item to regular TV-dealer product, which now is spreading very rapidly to virtually all stores which handle TV.

Special survey of dealers on our Early Warning Report panel revealed that 85% were selling home VTR in Nov.—indicating quicker penetration of pipelines than dealers themselves had forecast just 2 months earlier. In Sept., 72% of EWR dealers handled VTR, while total of 78% expected to have it by year's end (Vol. 17:43 p12). EWR dealers operate 800-1,000 retail outlets in all parts of nation, have proven to be representative of nationwide retail trends.

We asked EWR panelists about growth of VTR market—and only 15% skipped the question and gave no indication whether they were handling VTR. Another 15% said they were just getting started with VTR or received first shipment in Nov. and so could give no comparative data.

Remaining 70% answered questions, which involved comparison of Nov. sales with those in Oct. Median response of those replying indicated Oct.-to-Nov. VTR sales increase of 66% in units, 40% in dollars—reflecting decline in average prices. Dollar sales of VTR accessories (cameras, cassettes, etc.) increased 48% from Oct. to Nov.

Because of heavy penetration of VTR among our EWR panelists, we plan to include video-cassette tabulation in our monthly Early Warning Report. This coincides with 3rd anniversary of start of EWR service. After 3 years, it has proven itself reliable trend-spotter and indicator of retail sales & inventory situation in color, b&w TV & stereo. It also employs built-in forecasting technique which gives good indication of following month's business. We're proud that service has gained such acceptance in 3 years—and is still only generally available monthly retail survey. It's compiled & mailed on 15th of each month, for rapid picture of trends in month which just ended. For information about subscriptions to this supplement to Television Digest's newsletter service, please call our Washington sales office collect (202-872-9200).

Thomson-CSF videodisc system is being demonstrated again to potential U.S. govt. & industrial users. Units shown are microprocessor-equipped for various types of automatic operation, use flexible 12" disc. Current demonstrations include use of 2-sided disc, which extends playing time to full hour. Because disc is transparent, it doesn't have to be turned over for playing 2nd side—it's simply matter of changing focus of laser readout. Thomson-CSF

believes big advantage of its system over reflective optical system (Philips/MCA) is simplicity of uncoated disc. MPU-equipped industrial unit will cost about \$4,000 in lots of 300, could come down to \$2,000 in somewhat larger quantities. Company says it's in discussions with U.S. manufacturers for production here. Consumer version, under development by Thomson-Brandt, will accommodate either 8", 10" or 12" flexible disc.



**PET'S PROGRESS:** Delivery schedule has now stretched to 60-100 days for Commodore's PET (Personal Electronic Transaction) home computer, despite fact firm hasn't spent cent on consumer advertising, according to Mktg. Vp Sam Bernstein. Virtually all orders have come directly from end users, Bernstein said, with only those accompanied by full payment accepted. So far, only half dozen dealers have been appointed—on nearly random basis—to provide feedback on problems. "We're in a new industry, and we're one of the pioneers. We want to learn what the problems are."

PET, introduced at 1977 Winter CES (Vol. 17:3 p9), is now offered in 2 versions—4K unit at \$595, 8K at \$795. To date, 600-700 dealers have applied for PET, Bernstein said, and Commodore will begin appointing dealers on national scale at end of Jan. Of major retailing categories, Bernstein sees computer specialists & TV-stereo dealers as 2 of most promising. Hi-fi stores are particularly attractive, he said, since "that kind of retailing lends itself to this product."

Commodore isn't ready for national retailers (presumably, major catalog houses), "even though they're ready for us," Bernstein believes. He said involvement with national chains requires more merchandising knowledge of product than Commodore has developed on computer—"at this point, we must rely on the dealer's know-how." Retailers selected won't be offered exclusive territory, but Bernstein said there would be limited number of dealers in any given area.

Production rate is "slower than we'd hoped, but it's increasing satisfactorily," Bernstein said. Although he wouldn't discuss specific output, it's understood firm is shooting for 1978 total of about 100,000 units.

APF will formally introduce PeCos (Personal Computer System) 1016 at Winter CES, updated version of prototype shown privately at June CES (Vol. 17:24 p12). Self-contained system (9" monochrome CRT display, 51-key keyboard, dual cassette tape decks) now carries \$1,495 price, up about \$500 from original estimate. APF plans to make 5,000 by end of March, 25,000-50,000 in 1978. Two more PeCos systems are planned for 1978, 4th is "on drawing boards," according to Pres. Sy Lipper.

**AM stereo** test results will be filed with FCC this week by National AM Stereo Radio Committee, according to Chmn. Harold Kassens. Document will make no recommendations, give technical measurements of 3 systems tested—Belar, Magnavox, Motorola. Complete text will be available around Jan. 1 from EIA for \$20. NAMSRC will ask FCC to extend Dec. 21 deadline for comments on AM stereo feasibility & desirability for about 2 weeks to give interested parties time to read its report before commenting. At least 2 other AM stereo systems, not tested by NAMSRC, are in the running—Kahn Communications & Harris Corp. After current proceeding, FCC is expected to propose AM stereo system or systems—probably all systems. Kassens believes AM stereo system could be chosen within year.

**BALLY GETS FCC OK:** Bally finally won FCC approval for \$299 programmable game, and Mktg. Dir. Robert Wiles said firm won't waste any time getting unit on market. Production was scheduled to start this week, with limited shipments scheduled through remainder of 1977. Though virtually entire \$7.4-million Christmas contract with Ward was lost, Wiles said Ward & mail-order specialist JS&A will get bulk of supplies this year, with other accounts receiving game samples.

JS&A—which mounted ad campaign in Sept. (Vol. 17:38 p12)—"naturally got a lot of cancellations," since first shipments were scheduled for Oct., Pres. Joseph Sugarman told us. But Sugarman said JS&A hopes to begin shipments this week, catch up with backlog by 3rd week in Jan. Bally expects "good numbers" in Jan.-Feb., according to Wiles, due to unsatisfied demand.

Four game cartridges, including demonstrator with sales pitch & sample of cartridge library, will be shipped during rest of 1977, 3 more in Jan. Game will be upgraded to home computer (Vol. 17:17 p11) in June-July with shipments of computer module. Game will "nestle" inside module, Wiles said. If normal pattern holds, programmable market will look like this in 1978, according to Wiles: 10-15% of year's volume in first quarter; 15% in 2nd; 25% 3rd; rest in 4th. Bally will do better than industry as whole in first quarter, he said, due to unsatisfied demand.

Other developments: Mattel said reports it's planning programmable for private-label sale next year are "wrong in many respects." Mattel will show new products at CES, others at hotel suite on invitation-only basis.

**Reports on U.S.-Japan** trade talks in Washington last week, indicating U.S. negotiators found Japan's list of concessions inadequate, dropped yen-to-dollar exchange rate below 238 for first time in history. While rate climbed back to 239 by week's end, decline was upsetting to U.S. importers who've been using floor of 235 in planning purchases for early 1978. Most expect to raise prices in Jan., and any further slippage in value of dollar could mean unexpectedly higher prices when new lines are introduced in 2nd quarter.

**Cybernet's workforce** is now down to about 1,600, some 900 less than Jan. level, and salaries are being trimmed 20% in reaction to U.S. CB slump. Japan's—and world's—largest CB maker is now down to production of about 50,000 monthly, compared with million-a-month during peak 1976 period. Cybernet cut production to about 300,000 monthly last spring, dropped back to 80,000 in Aug. Earlier this month, Uniden, world's 2nd biggest CB maker, said it was closing Japanese plant, moving all production to Taiwan.

**Mail-order** consumer electronics retailer JS&A "will establish a position in VTR" next year with approach completely different from any tried before, Pres. Joseph Sugarman told us last week. He said approach involves both hardware & software, but declined to elaborate.

**ZENITH RECORD, '75-'77:** Zenith's market share slipped in all TV & stereo areas in first 9 months this year, according to Labor Dept. (LD) report which shows sales down for b&w TV & audio, up less than industry average in color. Data on sales & production is contained in LD studies leading to its determination that most of 5,600 workers slated to lose jobs as result of Zenith's expansion of foreign production are eligible for import adjustment assistance (Vol. 17:50 p11).

In color TV, unit sales dropped 1.4% in 1975, rose 11.7% in 1976, were up 11% through 9 months this year. Production was up 10.3% in 1976, 12.3% this year, while output of color console cabinets rose 40.1% in 1975, 26.7% in 1976, 0.9% this year. Color tube output rose 10% in 1975, was off 0.5% in 1976, climbed 14.9% this year.

In b&w, unit sales dropped 21.5% in 1975, rose 16.4% in 1976, slipped 6.3% in 1977. Imports from Zenith's Taiwan b&w plant dropped 36.6% in 1975, rose 4.3% in 1976, increased 17.8% this year. As result, LD says, Taiwan sets filled 55% of Zenith's b&w requirements in first 9 months this year, up from 45% in same 1976 period.

Value of Zenith total stereo equipment sales was down 12.6% in 1975, rose 6.7% in 1976, slipped 1.5% in 1977. Sales of modular & compact systems, in units, was off 28.2% in 1975, up 37.9% last year, down 17.6% this year, while production rose 18.3% in 1976, 5.8% this year. In console stereo, unit sales were down 28.5% in 1975, up 5% in 1976, down 5.9% this year. Production was up 4.7% in 1976, 2.1% this year.

LD said value of Zenith's imports of components from owned plants in Mexico leaped 114.3% in 1975, was up 40.7% in 1976, 15.5% through first half 1977. Over-all value of imports from Taiwan subsidiary rose 78.6% in 1976, was off 12.9% through last Sept., but value of color components from there, which rose 15% in 1976, was up 22% in 1977.

In separate notice, LD said it was opening import aid investigation for workers formerly making vidicon tubes at GE's Syracuse plant. Earlier this year, GE announced it was moving all activities of Imaging Devices Operation to Owensboro, Ky.

**Court of Appeals** ruling on request for stay of controversial FCC ruling on 23-channel marketing date is expected early this week. Arguments on stay and appeal of FCC action were heard Dec. 16. Action was brought by NARDA & Arthur Fulmer Inc. (Vol. 17:49 p7). Barring stay or reversal, sales of CBs produced under old specs must stop by Jan. 1.

**Speaker manufacturing** venture is being launched in India by Electro Audio Dynamic's European Peerless Group, with output destined initially for Asian, African & some European markets, though some may be imported into U.S. later. EAD plans to have speaker plant in Brazil for Latin America sales next spring.

**Magnavox** has revamped radio line, will show 9 new Philips-designed models at Winter CES.

**PENNEY OFF TV FIRE HOOK:** For 2nd time in 3 years, J.C. Penney apparently has succeeded in convincing Consumer Product Safety Commission engineers that group of Matsushita-made 18" color sets don't pose significant safety hazard, needn't be recalled.

Involved are some 13,000 sets sold in 1970-72, similar to 42,000 sold then by Penney & Panasonic and ordered recalled & modified by CPSC in 1974. Then Penney won recall exemption for sets now in dispute because they didn't suffer from focus resistor overheating problem that CPSC said created potential fire hazard in other models.

Following new reports of fires in previously unrecalled sets, CPSC conducted engineering tests, opened "substantial hazard" case, notified Penney (Vol. 17:34 p10). With help from Matsushita engineers (Panasonic isn't involved in this case), Penney proved to satisfaction of CPSC engineers that sets aren't fire-prone, and CPSC staff is recommending case be dropped. Final action is up to commissioners.

CPSC analysis of past recall cases shows TV industry is most effective in getting products in field repaired. In 15 TV-related recalls, 75% of units involved were modified to correct defect. Industry has lower success level in modifying sets to eliminate potential radiation hazard. In 26 FDA-ordered recalls, only 50% of sets were modified.

In related action, Wilmington U.S. Dist. Court Judge James Latchum granted TV manufacturers permanent injunction barring release of TV fire safety data CPSC collected from industry files. Data had been demanded under Freedom of Information Act by Consumers Union. Still pending is industry's request that Supreme Court block rehearing of similar suit demanding access to material and dismissed by D.C. Dist. Court (Vol. 17:44 p11).

**Last financial echo** of Cartridge TV's (Cartrivision) \$100-million collapse in 1973 was stilled last week with announcement by Avco, formerly parent & chief financial supporter of defunct home VTR pioneer, that it completed paying arrears on cumulative preferred shares, could now resume paying dividends on common. Avco had net losses of \$22.6 million & \$20.7 million respectively in fiscal 1973 & 1974 including writeoff of some \$48 million for investment in Cartridge TV, plus additional losses connected with related litigation & plant closings. Avco suspended dividends in 1974, made partial payment in 1976, began making up arrearage earlier this year.

**RCA went through** motions of price increase, as expected (Vol. 17:48 p7), but meaningful boosts now seem out of question in view of Zenith's decision to leave most prices unchanged. RCA raised factory prices of some models 2%, resulting in 1% average increase in color prices (including prices which were unchanged). RCA declined to identify models affected. Company has no suggested list prices. Officials of Zenith, which earlier had announced "very modest" increases on some models Dec. 29, declined to comment. Major mid-Jan. promotion is planned by RCA—details unannounced.



**INSIDE MIDLAND:** Midland took \$2.6 million in kickbacks from Japanese color TV suppliers in 1972-76, parent Beneficial Corp. says in registration statement for planned \$150-million bond offering. Statement doesn't specify suppliers or number of sets involved.

Midland got \$2 million in rebates in 1972-73, last 2 years of Japan's enforcement of check-price agreement setting minimum export prices on color exports. Beneficial says at least part of refunds are shown on company books, and that all were disclosed in filings with U.S. Customs. Midland no longer accepts them, statement says.

Customs is investigating refund issue which appears mainly to involve private-label customers of Japanese color exporters. Officials of retailer Gamble-Skogmo received some, SEC charged in suit settled in Sept. (Vol. 17:38 p10). From Customs standpoint, rebates aren't necessarily illegal, but they would be unlawful if they're not reported and drop true price of set below dumping level. In such cases, importer could be charged with evading dumping duties.

Beneficial also reported Midland's sales in half to June 30 this year dropped 43.6% to \$70.1 million from \$124.4 million. All of decline was result of CB volume drop of 58.8% to \$41.8 million from \$101.6 million. Though Midland no longer has any 23-channel CB inventory, it's continuing to suffer from depressed market conditions.

**INDUSTRY'S CHANGING FACE:** Industry will have 13 color TV manufacturers in operation here next year, highest number since 1970, which started out with 16. But there's big difference between now & then in names & ownership. Of the 16, 6 are out of business, 5 have new owners (4 all or half-foreign), leaving just Curtis Mathes, Sylvania, RCA, Wells-Gardner & Zenith conducting business as usual. Here's rundown on how industry developed:

1970—NUE halts Emerson-DuMont production to buy from Admiral. 1970—Admiral buys Cortron from Montgomery Ward. 1970—Olympic halts production. 1972—TMA files for bankruptcy before liquidation. 1972—Sony opens San Diego plant. 1973—Emerson-DuMont lines discontinued. 1974—Teledyne Packard-Bell closes. 1974—Sylvania buys Philco TV line from Ford. 1974—Matsushita buys Quasar TV from Motorola. 1974—Philips acquires Magnavox. 1974—Rockwell International acquires Admiral. 1976—Sanyo buys Warwick TV operation. 1977—Hitachi agrees to buy 50% of GE TV business. 1978—Mitsubishi to open Irvine, Cal. plant. 1978—Toshiba to open Lebanon, Tenn. plant.

**Mergers & acquisitions:** American Can is acquiring Sam Goody, N.Y.'s oldest audio hardware & software retail chain, for shares valued at about \$4.8 million. The 28-outlet chain will become part of Pickwick International, phono record & tape distributor & retailer acquired by American Can last April. . . Aero Resources, aircraft maker, has agreed to acquire Sunerux Inc., Cal.-based LCD-producing subsidiary of Japan's Dai Nippon Toroyo, price undisclosed.

**Conferences at Winter CES** in Las Vegas, all slated for 8:30 a.m. in Rotunda of Convention Center, start opening day Jan. 5 with CB & Personal Communications session chaired by EIA Communications Div. VP John Sodolski. Speakers: Milton Friedberg, Antenna Inc.; Ted Andros, Hy-Gain; Lou Kornfeld, Radio Shack; William Thomas, Pathcom; Gus Wirth, Kris. Jan. 6, Video Systems, chaired by William Boss, RCA, with manufacturers' panel including Joseph Lagore, Sony; John McCallister, Zenith; Dick O'Brien, JVC America; Jack Sauter, RCA; Alex Stone, Quasar; Irwin Tarr, Panasonic. Retail panel: Will Fisher, Fisher's, Rockford, Ill.; Jack Luskin, Luskin's, Baltimore; Keith Powell, Federated Group, L.A.; Warren Zorek, Bloomingdale's, N.Y. Jan. 7, Audio, starts with car stereo panel: Don Coleman, Clarion; Jack Doyle, Pioneer; Jerry Kalov, Jensen; Larry Kraines, Kraco; John Shalam, Audiovox; Paul Stary, Audio Mobile. Speaking on merchandising: Joseph Cohen, NARM; Stanley Gortikov, RIAA; John Hollands, BSR. Jan. 8, Personal Computers panel: Chuck Peddle, Commodore Business Machines; Mike Markkula, Apple Computer; John Roach, Radio Shack; Robert Wickham, Vantage Research; Rich Melman, VideoBrain Computer.

**New associations:** CAMEO (Creative Audio & Music Electronics Organization) has been formed by producers of equipment for semi-professional market. Members include AKG, BGW, MXR, Phase Linear, Tapco & TEAC. Chicago attorney David Schulman is acting exec. dir. CAMEO, which has support of NAMM & AMC, plans general membership meeting March 25 at Chicago's O'Hare Hilton, has temporary office at 180 N. LaSalle, Chicago. . . **Industry trade groups** NARDA, NATESA & NESDA have formed Consumer Electronic Service Council to represent them in dealing with manufacturers' warranty service policies. Ed Reich of Wholesale TV, Indianapolis, is chmn. Hq: 2 N. Riverside Plaza, Chicago.

**Radio watching** may become new pastime on basis of program identification system developed by Technical Radio Service of Netherlands Bcstg. Foundation (NOS). System uses changing display on radio receiver to indicate such information as frequency, call letters, location, broadcasting company or organization, type of programming (classical, rock music, etc.), exact time. NOS said it has submitted idea to European Bcstg. Union for standardization, could put system in use in 4-5 years. In addition to identifying nature of transmission, system could be used as automatic tuning aid—for example, proper button could be used to locate all classical music stations without tuning anything else.

**New audio cassettes** from BASF: (1) Professional II, chromium dioxide, claimed to have less noise, better signal-to-noise ratio, much better high-frequency response, with lower head-wear than cobalt-doped tapes, priced \$3.49 for C-60, \$4.99 C-90, \$6.49 C-120. (2) Professional I, oxide type biased for Japanese equipment, with claimed improvement in signal-to-noise & output level. Prices are 20¢ per cassette below Professional II.

## Personals

**Howard Graham** advanced from Zenith component operations controller to mfg. & material financial control dir. . . **Gary Wooten**, ex-Ampex, named Hitachi southern gen. mgr., with hq in College Park, Ga., near Atlanta. . . **William Dunmyer**, ex-Sharp, joins BASF Systems as San Francisco area sales rep; **Michael Healy** named for Washington, D.C. area; **R. Stanton Bauer** appointed northeast mgr., assuming some duties from **Jerry Hubeny**, who continues as audio mktg. dir. . . **Arthur Blackburn**, Lafayette pres., adds title of chief exec., succeeding **Leonard Pearlman**, who continues as chmn.

**Wilfred Larson**, Switchcraft pres., named Electronic Distributors Research Institute man of year. . . **Jack Rice**, former retailer & NARDA staff member, joins National Retail Hardware Assn. as dealer services & education dir. . . **Steve Rackets** promoted at Motorola Data Products from central-south sales mgr. to national sales mgr., succeeding **Lawrence Brady**, resigned; **Donald Matthiesen** advanced from applications engineering dir. to program mgr.; **Cathy Whitson**, former inside sales & customer service mgr., named northwest sales mgr.

**Helmut Schwab**, Siemens (U.S.) Components Div. group vp, named Litronix pres., succeeding **Bruce Blakkan**, who continues as consultant; **Friedrich Baur**, Siemens (Germany) Components Group head, named Litronix chmn.; **David James**, Siemens (U.S.), named Litronix vp. . . **Wayne Peterson** resigns as Cornell-Dubilier pres. to take same post at Superior Electric. . . **Reto Braun** promoted at Memorex Europe to vp-gen. mgr. for Middle East & Africa Group, succeeding **William McCalmont**, resigned to join Intel as Memory Systems Div. gen. mgr.

**George Heilmeyer**, ex-U.S. Defense Advanced Research Projects Agency, named Texas Instruments vp with responsibility for new technology lab. . . **Gary Hurst** promoted at National Semiconductor to senior product mktg. mgr. for custom large-scale ICs. . . **Tim Propeck** named Mostek major accounts mgr., new post; **Dennis Case**, ex-Texas Instruments, succeeds Propeck as north central mgr. . . **Joseph Yee** promoted at International Rectifier Semiconductor Div. from Equipment Group operations mgr. to mfg. vp; **Robert Keane**, former high-power product line operations dir. named major accounts vp. . . **Ron Goga** promoted at Amperex from discrete semiconductor mktg. mgr. to Slatersville Div. (solid state, active & electro-optical devices) gen. mktg. mgr., assuming duties formerly handled by Vp-Gen. Mgr. **Louis Arpino**.

**VTR Production Plans:** Reports from Japan indicate Toshiba VTR production in Dec. will total about 8,000 units, up from 7,000 in Nov., increasing to 10,000 next spring. Included in figures is steady production of 1,000 V-Cord II units monthly and gradually increasing output of Beta-format decks. . . **Mitsubishi** reportedly will start own production of VHS units starting next summer at about 1,000 monthly; it's currently buying about 3,000 monthly from JVC. Note: Last week we erroneously listed Akai as proponent of Beta format. Akai will market VHS decks as noted in earlier issues.

## 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>AEL Industries</b>			
1977-39 wk. to Nov. 25	33,673,400	878,485	.52
1976-39 wk. to Nov. 27	24,766,220	232,176	.14
1977-13 wk. to Nov. 25	12,658,835	437,734	.26
1976-13 wk. to Nov. 27	8,537,037	96,307	.06
<b>Electro Audio Dynamics</b>			
1977-qtr. to Oct. 29	16,980,000 <sup>a</sup>	741,000	.34
1976-qtr. to Oct. 30	14,167,000 <sup>a</sup>	275,000	.11
<b>General Instrument</b>			
1977-39 wk. to Nov. 27	378,190,392	18,911,562	2.36 <sup>b</sup>
1976-39-wk. to Nov. 28	349,310,858	13,555,013	1.66 <sup>b</sup>
1977-13 wk. to Nov. 27	130,946,572	7,150,040	.90 <sup>b</sup>
1976-13 wk. to Nov. 28	125,071,871	5,408,169	.67 <sup>b</sup>
<b>Harvey Group</b>			
1977-39 wk. to Oct. 29	30,043,000	544,000 <sup>c</sup>	.26
1976-39-wk. to Oct. 30	23,880,000	27,000 <sup>c</sup>	--

Notes: <sup>a</sup>From continuing operations. <sup>b</sup>Adjusted. <sup>c</sup>Includes special credit.

**CAR RADIO COST STUDY:** Despite widespread charges to contrary, little profiteering on sales of FM-AM car radios by auto makers was found in special study by Booz, Allen Applied Research for CPB & NAB. Study, made in connection with the 2 organizations' push for all-channel radio law and scheduled to be made public shortly, reached these conclusions: (1) Most of price difference between FM-AM & AM auto radios "is directly related to manufacturing cost." (2) Percentage markup for FM-AM radio averages 15% more than for comparable AM-only set. (3) New technologies—single-chip FM-AM radios and universal application of electronic tuning—have potential for some over-all cost reduction in long run.

Study involved OEM radios provided with 3 domestic & 2 import auto brands. It found sticker prices ran \$66-\$80 for AM radios, \$135-\$154 for FM-AM mono radios, with 80% of price differential justified by higher manufacturing cost. For all OEM car radios, differential runs \$50-\$80.

While 86% of all new cars are purchased with radios, only half of these are equipped to receive FM, report notes. Interestingly, report doesn't uphold contention of some all-channel radio law advocates that FM-AM prices could come down close to AM-only with large-scale production; report states "additional economies of scale are not expected to be significant since AM-FM radio production is currently well over 6 million units per year." Analysis indicates that if all car radios were FM-AM, bottom-of-line mono radio price could be cut \$15-\$30, or average of 15%—but this is based on applying AM profit ratios to FM-AM manufacturing costs.

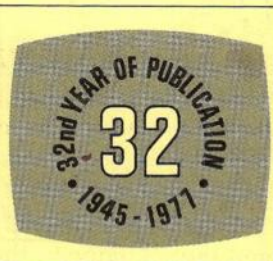
Technological advances may permit further retail price cuts of \$11-\$30 through use of ICs in RF, IF & audio stages, based on \$2-\$5 cut in manufacturing costs, report states.



WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

DECEMBER 26, 1977

VOL. 17, NO. 52

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**NAB SHOPPING LIST FOR FCC:** Wasilewski advises Ferris on FCC's 1978 priorities, has fee refunds at top. Fogarty gets NAB views personally. Ferris working on Jan.-March calendar, many NAB items included. (P. 1)

**NOV. SWEEPS CONFIRM HUT DROP:** Nielsen & Arbitron report 8% fall drop in HUT levels. CONTAM hires Metzger to find out why. NAB's Dimling doing own analysis. (P. 2)

**TIME-ATC MERGER:** Time Inc. acquiring 3 million ATC shares in addition to one million it owns, in \$140 million stock exchange deal. Would have 740,-000 subscribers. (P. 3)

**6 SEATS UP ON NAB TV BOARD:** Only 2 incumbents are among 12 candidates. On radio side, 28 seek 12 seats, including 7 incumbents. Many ex-board members running. (P. 4)

**BACK REWRITE** of Communications Act or suffer consequences, Van Deerlin tells broadcasters. Sees advances by cable, videocassettes, discs, etc. jeopardizing over-air broadcasting. (P. 4)

**'TORTURED HISTORY' OF ALA. TV** cited by Montgomery UHF in seeking deintermixture of that market and Columbus, Ga. (P. 5)

**NAB SHOPPING LIST FOR FCC:** Knowing that new FCC Chmn. Ferris is "studying issues and determining priorities," NAB Chmn. Wasilewski last week suggested 9 "long-pending matters that would seem ripe for [FCC] action." NAB pres. also expressed concern over "rumors" that Commission will be "reconsidering proposals rejected by previous Commissions [such as children's TV and financial disclosure] or figuring out new ways of making government regulations more onerous."

Leading NAB's shopping list is refund of fees—something broadcasters have sought ever since court ruled them-illegal for cable systems (whose fees were refunded). Broadcasters, Wasilewski said, should get a "full refund" of \$47 million that's been paid since 1970. Among other points made by NAB:

UHF (Vol. 17:51 p2)—"Here is an area where the FCC might take the initiative—rather than focus only on ways of parceling out the UHF spectrum to other users. The Commission staff might be directed to reorient its energies on ways to foster the development and growth of UHF."

Over-all radio allocations policy—Should be developed in preparation for 1979 WARC and should take account of long-standing rulemaking to break down Class A clear channels.

Automatic transmission systems—Noted that year ago, Commission said it expected to extend such authority to TVs & directional AMs by end of 1977; this hasn't been done.

### Consumer Electronics

**PRICING PUZZLE**—when is an increase a decrease? Nobody seems to know, as color TV makers announce minor hikes along with major promotions. RCA's \$20-\$75 cash rebate to customers. Admiral up 2% on some models, throws in remote free. (P. 7)

**JAN. 1 DEADLINE** on sale of 23-channel CB upheld by Appeals Court, which rejects bid for stay or reversal of FCC rule. FCC turns down request for new amateur band. (P. 7)

**LOWER TV SALES FORECAST** by manufacturers in our annual survey—8.8 million color, 5.3 million b&w. Color prices seen rising 4%, VTR sales put at \$487,500. (P. 8)

**TRADE DEFICIT** in selected consumer electronics topped \$1 billion in first 9 months, despite 3rd-quarter fall-off for color imports. Industry exports for 9 months dropped 18% to \$178.8 million. (P. 9)

**SONY RECORDS** for sales & earnings reported for fiscal 1977, which closed with strong 4th quarter. Hy-Gain shows \$20-million loss in 4th quarter. (P. 10)

**MOST VIDEO GAMES** won't damage TV screen if used properly, FTC says. Agency issues suggestions for use, cautions consumer against buying games having excessive modulation settings. (P. 10)

Eased restrictions on rebroadcasts—FCC's "literal interpretation" of requirement prohibiting the taping of phone conversations for rebroadcast without first informing the caller has "severely limited, and in some cases destroyed, the spontaneity of several forms of radio broadcasting." NAB also noted that FCC hasn't acted on its petition pending to permit the broadcast of CB & ham radio transmissions.

Tax certificates for station sale to minorities—"There is no need for a protracted rule-making... Indeed, the FCC can implement the proposal immediately merely by issuing a declaratory ruling." NAB noted that every comment on proposal, filed in Sept. (Vol. 17:36 p5), was favorable.

Petitions to deny—NAB noted that over 10 years have passed since D.C. Appeals Court—in ruling that public had standing in WLBT Jackson renewal case—urged Commission to develop standards on who has standing to file petitions to deny. FCC still hasn't responded to Court's suggestion, NAB noted.

Cable—"Prompt action" by FCC is warranted on cable carriage of radio signals and on "full syndicated exclusivity protection in all TV markets." Zone of protection for TV should be extended from 55 to 75 miles.

Ex parte restrictions—Subsequent court decisions since HBO "demonstrate that the Commission may adopt a less restrictive policy on ex parte contacts." NAB & NCTA have filed unprecedented joint pleading seeking such action (Vol. 17:50 p3).

Meanwhile, Comr. Fogarty, considered by many to be anti-broadcasting on most subjects, spent several hours at NAB last week at his request. "I wanted to learn what their problems are," he said. "I found it very worthwhile and educational." Legal aides James Graf & Lawrence Katz accompanied Fogarty. Among subjects brought up by NAB execs.: 45-day notice on sale of station, citizens' participation before FCC, FTC-FCC relationship, fee refunds, legal issues. Fogarty—who generally has concentrated on common-carrier matters since joining FCC—plans similar session at NCTA.

\*

\*

\*

\*

At FCC, Ferris and aides are working on Jan.-March calendar, hope to have it ready this week. Several subjects which made NAB list will get early consideration—ex parte contacts ("maybe Jan. 11-12"), fee refunds ("early in quarter"), cable carriage of radio, tax certificates ("late Feb."), UHF reception problems "generally."

WJLA-TV Washington-KOCO-TV Oklahoma City swap will be considered Jan. 12, along with reconsideration of Commission top-50 rule (prohibiting same owner from acquiring more than 3 TVs in top 50 markets; rule has been waived many times, will have to be waived again if swap is approved). FCC official said network and children's TV inquiries—both at top of Ferris' priority list—are "very much up in the air." He also said there are "an awful lot of common-carrier matters that are backed up which we've just got to get to" in first quarter 1978.

Other broadcast-cable matters due for Jan.-March consideration: Minority ownership, financial reporting forms, "significantly viewed" criteria relating to cable carriage, translator policy, reconsideration of definition of cable system (with stress on proposal to raise exemption from 500 to 1,000 subscribers), cable obscenity on access channels, franchise standards reconsideration.

**NOV. SWEEPS CONFIRM HUT DROP:** "I have a very hard time accepting the fact, but the evidence is piling up," veteran broadcast researcher said last week regarding drop in homes using TV (HUT) this fall. "In the context of history, it seems very unusual." He said population habits historically change gradually, not "dramatically" as HUTs have—according to Arbitron & Nielsen.

Both firms released HUT statements last week based on Nov. sweeps. Arbitron said total day HUTs are down 8% from Nov. 1976, 3% from Nov. 1975. This fall, all 19 markets on which Arbitron reported showed HUT decreases from year ago. Arbitron found morning HUTs down 11%, afternoon 7%, early fringe 8%, news time 6%, access time 4%, prime time 5%, late fringe



2%, late night 5%, Sat. morning 10%.

Nielsen also showed 8% HUT drop-off this fall, but only 3% in prime time. Network researchers quickly pointed out that Dec. HUTs have returned to 1976 level, said they're trying to determine reasons for substantial viewing decrease through Nov. "I am now absolutely certain that the decline is real," researcher told us.

In attempt to determine what's happened and why, networks (through CONTAM) sent Statistical Research Inc.'s Gale Metzger to Nielsen's Dunedin, Fla. facility for complete look at methodology, etc. He has issued preliminary report to networks; all sides refused to comment. Nielsen official said HUT decline isn't problem in methodology or sampling. NAB Research Vp John Dimling is making his own study of top 100 markets, hopes to have results this week.

**TIME INC. BUYING ALL OF ATC:** Acquisition of ATC by Time Inc., long expected, neared consummation as parties agreed to merger in stock transaction valued at \$140 million. Time already has about one million of ATC's 4 million shares outstanding. Announcement ballooned ATC stock from 31 Dec. 22 to 43 at Dec. 23 closing.

Time Group Vp Richard Munro was ebullient. Asked about plans for ATC, he said: "It's running just fine. It's a going concern, to say the least. As you know, it's the best run outfit in the business. [Chmn.] Monty Rifkin has been very, very active in acquisitions, and I expect that to continue. I've talked to an awful lot of people in the industry since the announcement, and they're terribly positive."

ATC has more than 650,000 subscribers, is 2nd only to Teleprompter, which has 1,073,000. Tele-Communications (TCI) is 3rd with 560,500. Adding Time-owned Manhattan Cable, with its 90,000 subscribers, Time will have 740,000—and begin getting TPT's leading position in its sights. And, of course, Time owns Home Box Office, pay-cable originator which expects to have one million subscribers by year end—and just showed a profit for first time in 5-year existence.

Time-ATC deal provides for exchange of 1.55 Time convertible preferred for each ATC common share. Convertible has cumulative annual dividend rate of \$1.575 per share, liquidation value of \$30, will be convertible into 0.72 Time common shares. Preferred shares won't be redeemable before Dec. 1, 1984. Merger is subject to reaching definitive agreement, approval by both boards and shareholders of ATC.

Merger and striking increase in ATC stock follows mysterious rise of TCI last couple weeks from 6-7 to 10-11. There's much speculation about possible buyers, takeovers, tenders, etc. Chmn. Bob Magness tells us he hasn't slightest idea what's driving price up.

Advisory committee to FCC has been suggested to colleagues by Comr. Quello, who believes Commission would benefit from hearing discussions by broad-based group. He recommends group include many opposing views & philosophies, says Commission's regional meetings have tended to address "narrow range of issues." He believes group could range across all important issues—children's programs, women & ethnic employment, public affairs, etc. He notes that some groups may need govt. financial assistance: "We may have to develop a standard for qualifying for govt. funds—as you know, this is a sensitive area." Chmn. Ferris has asked Belle O'Brien, chief of Consumer Assistance Office, to update previous similar proposals by her office. Quello, "for openers," listed 41 organizations he'd invite, including virtually all well-known trade, consumer, ethnic, labor, religious, charitable, political, etc., groups.

MST board meets Jan. 11-13 at Mauna Kea Beach Hotel, Hawaii. Agenda includes VHF drop-ins, 1979 WARC, improved UHF reception, deintermixture.

United Church of Christ wants revised Communications Act to guarantee TV and radio stations permanent licenses, subject to revocation on poor performance. In proposal to House Communications Subcommittee, UCC also proposed Act include, among other provisions: Guarantees state and local candidates have reasonable access to broadcast facilities; support of public broadcasting by tax on commercial stations; guarantees of equal employment opportunities for minorities & women and use of satellites by general public.

"Life at the FCC—Or What I've Always Wanted to Say About Broadcasters but Couldn't" is title of keynote address by ex-FCC Chmn. Richard Wiley at Ga. Assn. of Bcstrs. Radio-TV Institute Jan. 17-19 in Athens. Also on program: AWRT Pres. Audrey Hunt, CBS correspondent Hughes Rudd.

U. of Va. Law Prof. Glen Robinson, ex-FCC member, is slated to be nominated U.S. Ambassador to 1979 WARC in Geneva. Presidential nomination is expected after FBI clearance, now underway.

**6 SEATS UP ON NAB TV BOARD:** Only 2 incumbents are among 12 candidates for 6 spots on NAB TV board in Jan.-Feb. mail balloting. On radio side, 7 incumbents are among 28 candidates for 12 seats.

TV incumbents seeking election to 2nd 2-year terms are Leonard Swanson, WIIC-TV Pittsburgh, & Forest Amsden, KGW-TV Portland, Ore. Other candidates: Robert Bennett, WCVB-TV Boston; Thomas Cookerly, WJLA-TV Washington; Donald Curran, Field Communications; Robert Gordon, WCPO-TV Cincinnati; Frank Harden, State Telecasting; Ray Karpowicz, KSD-TV St. Louis; Robert King, Capital Cities; Mike McKinnon, KIII Corpus Christi; Mark Smith, KLAS-TV Las Vegas; Walter Windsor, WFTV Orlando. Gordon is immediate past chmn. of TV board (he will have been off board a year, as required by NAB by-laws, before he's eligible for re-election) and Bennett also is a former TV dir.

Radio board candidates (\*incumbent): Dist. 2—William O'Shaughnessy\*, WVOX-WRTN New Rochelle, N.Y.; Martin Beck, WGLI-WBLI Babylon, N.Y. Dist. 4—Carl Venters\*, WPTF-WQDR Raleigh; William Eure, WSSV-WPLZ Petersburg, Va.; Arch Harrison, WJMA-AM-FM Orange, Va.

Dist. 6—Wayne Hudson, WMPS-WHRK Memphis; Adrian White, KPOC-AM-FM Pocatongas, Ark. Dist. 8—Michael Lareau, WOOD-AM-FM Grand Rapids; Dean Spencer, WBIW-WBIF Bedford, Ind. Dist. 10—Robert McKune\*, KTTR-KZNN Rolla, Mo.; Dale Cowle, KASI-KCCQ Ames, Ia.

Dist. 12—Pat Murphy\*, KCRC-KNID Enid, Okla.; Fred Conger, KWBW-AM-FM Hutchinson, Kan. Dist. 14—Jack Chapman\*, KGAK-KQNM Gallup; Roy Mapel, KIML Gillette, Wyo. Dist. 16—Jack Willis\*, KHEP-AM-FM Phoenix; Gordon Mason, KJOI L.A.

Class A—David Morris, KNUZ-KQUE Houston; Cullie Tarleton, WBT-AM-FM Charlotte. Class B—Herbert Hobler\*, WHWH-WPST Princeton; Wendell Mayes, KNOW Austin.

Class C—Walter Rubens, KOBE-KOPE Las Cruces; Frank Balch, WJOY-WQCR Burlington, Vt.; Philip Spencer, WCSS-AM-FM Amsterdam, N.Y.; Julius Talton, WHBB-WTUN Selma, Ala. Class D—Clint Formby, KPAN-AM-FM Hereford, Tex.; William Rollins, WSVM Valdese, N.C.; J. T. Whitlock, WLBN Lebanon, Ky.

Of radio candidates, Morris, Balch, Spencer & Formby are past board members.

**NYU's Alternate Media Center** holds conference Jan. 10 to explain accomplishments of CATV apprenticeship program funded by CATV industry & govt. Some 30 interns worked in systems across nation in 4-year program.

**NRBA sponsors seminars** for sales managers of member stations in Tulsa, conducted by Welsh Co. Feb. 10, April 7, June 9, Aug. 11, Oct. 18.

**BBC & ITT report successful color TV transmissions** over 12-mile optical-fiber loop with 5 repeaters.

**BACK REWRITE OR SUFFER:** Broadcasters were told that unless they backed rewrite of Communications Act of 1934 they were going to find themselves limping behind cable, videocassettes, discs and other technological advances.

Warning came from Rep. Van Deerlin (D-Cal.), chmn. of House Communications Subcommittee, speaking at Time-Life Films lunch in N.Y. He also conceded that there will be no new Communications Act in 1978. He's been getting no support from broadcasters (Vol. 17:50 p1). Obviously stung at lack of broadcast help, he said:

"I'm concerned by OTP forecast that in 5 years there will be no need for over-the-air communications because others are more economical." And, he added, if professional sports wanted to, they could sell whole schedule to pay cable. He noted also that satellites are helping establish regional networks, particularly noting national network picking up WTCG Atlanta.

He said these and other advances show need for new law "to bring us into readiness for the 21st century." He acknowledged delays in rewrite: "The Communications Act of 1934 will not be replaced by the Communications Act of 1978. Possibly 1979, more likely 1980."

**Trip to Japan** in May is planned by chairmen of Senate & House Communications Subcommittees and key staffers, along with similar groups from postal service committees and others. They had planned to go Jan. 8-16 but various problems brought delay. Japanese expect to have satellite-to-home TV satellite launched by May, giving U.S. observers added system to discuss. Communications groups plan to visit operations in broadcasting, cable, fiber optics, consumer electronics, etc.

**San Jose judge** has ordered CBS to give up outtakes of segment of Oct. 23 "60 Minutes." Case involves drug trial of 2 teenagers whose activities relating to drug buy and arrest were filmed by CBS. CBS protested that outtakes order violated First Amendment and 1974 Cal. shield law. Judge denied these claims on ground fair trial for defendants superseded state law. CBS lawyers are considering appeal.

**NAB offers 60-min. cassettes** on FCC rules: "That's Ascertainment," "How to Avoid Those 303-R Blues," "EEO—Serious Business." Copies: \$10 each, \$25 for 3, from On-the-Spot-Duplications, 7309 Ft. Hunt Rd., Alexandria, Va. 22309.

**TV documentary** delayed by British court order went on air last week after order expired. Tate & Lyle sugar company had won order after claiming documentary "grossly distorted" its South African operation.

**Conversion to metric system** of TV & FM field strength curves is covered in FCC Technical Memo #6, and Commission invites comments on it.

**CBS has acquired 80%** of 4th largest medical & science publisher in France, Doin Editeurs, price undisclosed.



**'TORTURED HISTORY' OF ALA. TV:** Citing "unique circumstances" and "tortured history" of TV in central Ala., WCOV-TV Montgomery (Ch. 20) has asked FCC to do something about it. This could be accomplished, station said in rulemaking petition, by shifting Ch. 12 from Montgomery to Columbus, Ga. (making former all UHF commercial, latter all VHF) and Ch. 8 Selma to Tuscaloosa, reserving it for ETV.

To accomplish such "deintermixture," WCOV-TV proposed that WSFA-TV Montgomery shift from Ch. 12 to Ch. 45; WSLA Selma from Ch. 8 to Ch. 29; WYEA-TV Columbus from Ch. 38 to Ch. 12. Reserving Ch. 8 in Tuscaloosa for ETV would give black-owned group—which is contesting renewal of WCFT-TV (Ch. 33) there—opportunity to acquire VHF, according to WCOV-TV.

Net profits of 3 Montgomery TV stations totaled \$8.3 million for 1971-76; WCOV-TV said it lost \$60,558 during period (although station made \$64,666 in 1976, sole profitable year), estimated WKAB-TV (Ch. 36) made \$600,000, WSFA-TV \$7.7 million. WCOV-TV said proposed shifts meet all mileage separation requirements.

**CBS has attacked NBC-Justice** consent judgment in govt. charge that networks violated antitrust laws in program procurement and distribution (Vol. 17:49 p3). CBS asked 9th Circuit Court of Appeals to undo NBC-Justice judgment on grounds that it's anticompetitive, will restrict competition in TV entertainment and drive prices up, overlaps and conflicts with FCC rules. CBS also claimed that it had asked for hearing before final judgment was signed, and no ruling has come down on that. CBS & ABC are still opposing antitrust suit.

**Rules for lawyer advertising**, as promulgated by Neb. Supreme Court, have been digested by Neb. Bcstrs. Assn., Box 31802, Omaha 68131. Among rules: "If the advertisement is communicated to the public over radio, it shall be pre-recorded, approved for broadcast by the lawyer, and a recording of the actual transmission shall be retained by the lawyer."

**Advertisers spent \$403 million** on network TV in Oct., up 23.2% from \$327.1 million in Oct. 1976, according to TvB-BAR. For 10 months of 1977, network TV investments of \$2.9 billion were up 21.8% from \$2.4 billion in 1976. Of Jan.-Oct. total, ABC garnered \$985 million, CBS \$959.5 million, NBC \$938.1 million.

**Independent WFFT-TV** Ft. Wayne went on air Dec. 21 as nation's 982nd TV station—617 VHF, 365 UHF; 716 commercial, 266 noncommercial. WFFT-TV is owned principally by Pres. Van Smith (33.4%) & Vp James Nolan (21.3%). Robert Fauli is gen. mgr.

**Spot radio** is expected to post 11-12% revenue gain in 1977, 8-10% in 1978, according to Blair. It gets estimates from computer-based model simulating industry performance.

**BMI has sued WHPL(AM)** Winchester, Va. in U.S. Dist. Court for alleged copyright infringement in airing 11 songs.

**STV RULE-CHANGE INQUIRY:** Substantial changes in subscription TV (STV) rules will be considered by FCC in inquiry & rulemaking. Commission seeks comments on changes, including:

- (1) Permit more than one STV per community.
- (2) Impose cut-off date for STV applications.
- (3) Establish procedures for cases involving more than one application per community, or where one or more are for conventional TV and one or more for STV.
- (4) Establish criteria for choosing between mutually exclusive applicants.
- (5) Resolve technical questions, such as whether single STV system should be required in each community to make all STV broadcasts compatible.

Untouched is present rule requiring at least 4 conventional TV stations operating in community before any STV is granted. Under rules adopted in 1968-69, FCC has authorized 8 STV operations; only 2 have started—Newark, N.J., & Corona (L.A.), Cal. Pending are 14 applications. Comments are due Jan. 30, replies Feb. 21.

**Among major problems** in cable industry, according to General Instrument (Jerrold) Chmn. Frank Hickey, speaking at luncheon in N.Y.: (1) Rising costs of construction—up 8% in 1977, going up 10% in 1978. (2) Need for hardware makers & system operators to help contractors get federal job-training funds to alleviate shortage of qualified labor. (3) Resolve questions of ownership & repair of converters. Hickey thought it foolish to let retailers into ballgame; some operators disagreed, noted practice in Canada where law keeps operators out of selling units, leaving business to retailers. Hickey said Jerrold wrote off \$6 million in 1977, but "our cable operation is going to pay its own way from now on."

**Full 9-judge D.C. Appeals Court** holds rehearing Jan. 4 on Sept. 2-1 decision by one of its panels holding unconstitutional a 1970 amendment to Public Bcstg. Act authored by Sen. Griffin (R-Mich.). Amendment required public TV & radio stations to keep audio recordings of public affairs programs for 60 days for public inspection. FCC & Justice Dept. sought rehearing.

**TvB 1978 sales clinics:** Jan. 24, Dallas; Feb. 9, Pittsburgh; Feb. 14, Atlanta; Feb. 21, N.Y.; March 2, San Francisco; March 3, Seattle; March 14, Chicago. Clinics feature William Brower, Sterling Institute, and Charles Reilly, In-Person Communications. Registration is \$70, through TvB (212-397-3444).

**Persons making news** shouldn't cover it, broadcast coalition says in urging House Rules Committee to reject plans for House to control proposed broadcast coverage of floor debates. Coalition, made up of 13 organizations including major networks & NAB, said broadcasters could also do it better.

**AFCCE annual meeting**, following NAB convention, is set for April 13-16, Maui Surf Hotel, Maui, Hawaii.

**SCTE/IEEE conference** on CATV reliability will be held in Holiday Inn-West in St. Louis March 7 & 8.

## Personals

**Robert Cagliero** elected vp-national dir. of sales proposals, ABC-TV... **Joan Leahy** promoted to vp-daytime program sales, NBC... **Paul Warren**, ex-govt. reporter, Rochester (N.Y.) Times-Union, joins Television Digest as asst. editor; he's son of **Albert Warren**, editor-publisher; **Sean Maloney**, ex-asst. librarian & asst. prof., Keuka College (N.Y.), appointed managing editor, Television Factbook.

**Cox Bcstg. Exec. Vp Stanley Mouse** also named pres. of Bcst. Div.; Programming Vp **Michael Klevman** promoted to vp-broadcast operations, new post; **William Vlands**, WIOD(AM)-WAIA(FM) Miami, named Cox vp... **A. Louis Read**, WDSU-TV New Orleans chmn., retires Jan. 31 after 28 years with station; he's been NAB TV chmn., NBC TV affiliates' chmn., will join Royal St. Corp., former WDSU-TV owner.

**Ronald Steiner** promoted to gen. sales mgr., WIIC-TV Pittsburgh... **Thomas Madigan**, ex-WNET N.Y., joins WQED Pittsburgh as national program development dir., N.Y. hq... **James Chirumbolo**, ex-WTNH-TV New Haven, appointed creative services mgr., WIVB-TV Buffalo; he'll be in charge of advertising, promotion & PR... **Robert Blacher** promoted to local sales mgr., WTVJ Miami.

**USIA Dir. John Reinhardt** will be appointed dir. of new International Communication Agency, expected to be formed in April, according to White House... Black broadcaster-publisher **Earl Graves** (KNOK-AM-FM Dallas) elected to ITT board... Senior economist **Larry Eads** promoted to chief, Policy Analysis Branch, FCC Bcst. Bureau.

**Ronald Brown** appointed vp-counsel, Syndicated Communications, Washington firm formed to foster minority ownership in broadcasting & cable... **Winfield Kato**, ex-J. Walter Thompson, joins HBO as western mgr., San Francisco hq... **James Richardson**, ex-Systa-Matics, rejoins Telemation as sales engineer for southeastern U.S., hq Claremore, Okla.

**James Cute** promoted to northwest sales-service mgr., Nielsen Station Index, Menlo Park, Cal. hq, succeeding **Joe Matthews**, retired... **Suzanne Weil** joins PBS as dir.-arts & humanities programs.

Newly-appointed at NPR: **Thomas Warnock**, ex-CPB, named senior vp-programming & distribution; **Phillip DeLuca**, ex-National Alliance of Businessmen, to asst. treas.-chief financial officer; **Samuel Holt**, consultant, to program vp; **Jess Brodnax**, ex-WFMT (FM) Chicago, dir. of member services.

**Robert Grassi**, ex-Panasonic, appointed mgr., test & measuring products for TV equipment, Philips... **Henry Klerx** promoted to business planning mgr., RCA Commercial Communications Systems Div., new post... **John Leay**, ex-engineering consultant, named engineering and operations dir., Hughes TV Network... **James Ezzes**, ex-HBO, named Showtime program dir.

**Ninety-day extension** for reply comments in VHF drop-in rulemaking (sought by MST) is expected to be granted by FCC Bcst. Bureau this week. Replies now are due Jan. 6.

**First indication** of program philosophies of FCC Chmn. Ferris & Comr. Brown (Commission's only Carter appointees) came in concurring statements—released last week—to renewal of KIVA-TV El Paso (Vol. 17:49 p1). Both noted population was 56.9% Mexican-American, were critical of fact only Spanish-language program aired at 10:30 a.m. Sun. They also noted that Marsh Media had owned station only year when renewal was filed. Said Ferris: "I would expect to take a much harder look 3 years from now when this licensee has held a longer stewardship." He said FCC "concern with total program service dates at least from our 1946 Blue Book," suggested Commission assist stations by developing "clearer guidelines as to when and what degree bilingual service is necessary." Brown said he was "disturbed by the programming questions which lurk behind the surface of the parties' pleadings but which are not directly addressed... I seriously question whether a 30-min. program, particularly one that is aired at 10:30 on Sunday mornings, would satisfy the licensee's obligation."

**Joint study** on how educators can use off-air recordings of TV programs has been undertaken by Assn. of Media Producers (AMP) and Joint Council on Educational Telecommunications (JCET). AMP represents major commercial producers of educational films and programs. Study is expected to take 6-12 months. Sponsors say it's necessary because new copyright law leaves meaning of "fair use" unclear. Co-directors are Daphne Philos, AMP; Frank Norwood, JCET.

**Legal problems of newsmen** will be explored at seminar in Denver Jan. 7, sponsored by NAB, RTNDA, SDX and Reporters' Committee for Freedom of the Press. Seminar leaders: Brenda Fox, NAB, libel, slander, privacy; Jack Landau, Reporters Committee, gag orders, search warrants, outtakes; Laurent Scharff, RTNDA attorney, equipment for "forbidden" areas.

**FCC turned down** application for certificate of compliance filed by black-owned Keystone Cablevision, Pittsburgh. City had opposed application on grounds Keystone didn't have valid franchise. Keystone sought waiver of rules, saying it would be first minority-owned system in a major market. Commission said franchising is up to local authorities.

**FCC has extended** to March 15 from Jan. 2 date for filing comments in Commission inquiry into economic relationship between CATV & TV. Replies are due May 15. Broadcast group recently asked for month to see if it can raise money for major study which would take a year or more (Vol. 17:50 p4).

**Adults 18-29** are public TV's biggest fans, according to Roper survey study, partly commissioned by CPB. Study showed audience consists of 35% of young adults, 22% of viewers are blue collar workers, 30% executive/professional and white collar.

**FCC has extended deadline** for comments on payable rulemaking to Feb. 1, replies to Feb. 16—at request of United Church of Christ, et al.



# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 9 (49th week of 1977):

	Dec. 3-9	1976 week	% change	Nov. 26- Dec. 2	1977 to date	1976 to date	% change
Total TV. . . . .	351,356	344,005	+2.1	333,625	13,796,124	12,025,421	+14.7
color . . . . .	225,198*	197,023	+14.3	191,776	8,496,042	7,152,273	+18.8
monochrome . .	126,158	146,982	-14.2	141,849	5,300,082	4,873,148	+8.8
Total radio . . . .	1,023,132	714,866	+43.1	1,733,853	51,974,971	38,966,587	+33.4
home, portable	736,424	484,634	+52.0	1,447,231	39,934,212	27,167,256	+47.0
AM-only . . . .	237,123	259,227	-8.5	361,594	10,203,291	8,688,456	+17.4
FM & FM-AM	499,301	225,407	+121.5	1,085,637	29,730,921	18,478,800	+60.9
auto . . . . .	286,708	230,232	+24.5	286,622	12,040,759	11,799,331	+2.0

**Color TV 5-week moving average:** 1977—220,468\*; 1976—199,169 (up 11.9%).

\*Record for 49th week of any year.

**PRICING PUZZLE—WHAT IS AN INCREASE?** Year's end is just about worst time to try to raise TV prices because it's also traditional time for special first-quarter promotions, so average prices of some brands can end up lower after announced price hikes.

For example, this may happen to RCA, which increased color-TV prices average of 1%. But for mid-Jan. through Feb. it will be involved in large-scale promotion offering cash rebates of \$20-\$75 direct to buyers of 19" ColorTrak & XL-100 19" & 25" color sets. RCA declined to give specifics of promotion, which is similar to one last summer, but it's understood factory pays major part—but not all—of rebate check. Distributor "participates" in smaller way, and whether dealers pay anything is up to distributor. It's also believed that there is companion b&w rebate program.

Asked for comment, Zenith Sales Co. Pres. Walter Fisher told us: "I can't see where it's a price increase when you raise the price \$4 on one end and give the customer \$75 on the other." Such a climate, he said, prevents Zenith or other domestic manufacturers from instituting major price hikes. He rejected any implication that Zenith is "responsible for depressed pricing in this industry" and pointed out: "The top level better not get too far from the bottom level"—obvious reference to imports.

Minor TV "price increases" continue coming. Admiral announced it would raise prices "up to 2% on selected b&w & color TV receivers" Jan. 1. At same time, it announced "Ship-load of Values" Jan. promotion highlighting "outstanding values," including free remote control on all 6 consumer remote-adaptable color TV models in line.

**COURT AFFIRMS FCC's CB RULING:** D.C. Appeals Court slammed door on hopes for extension of 23-channel CB marketing date, upholding FCC ruling that CBs made under old specs can't be sold after Jan. 1 (Vol. 17:46 p9). Court didn't spell out reasons for decision, simply knocked down plea from NARDA & Arthur Fulmer Inc. for stay & reversal of ruling.

Impact of court decision isn't clear, since industry doesn't have firm grasp on size of 23-channel inventories—at retail, wholesale or supplier level. Estimates range from low of 250,000 to high of 4 million, both obviously way off mark. Best guess at this point is 1-2 million.

FCC cutoff date also applies to "used" CBs (Vol. 17:47 p8), and many in industry are pre-

dicting widespread illegal sales. Though Field Operations Bureau reportedly has been warning stores across country that rule will be policed tightly, staffer at Commission previously admitted that FCC is without effective enforcement power.

Further appeal of ruling is unlikely, according to attorney in case. "The next step would be to go before the Supreme Court, and I don't think we're about to get involved in that."

FCC was active in an other CB area, turning down proposed new special amateur service in 27.5-27.9-MHz range—just above current CB band. Frequencies requested are now allocated to govt., FCC said, and reallocation would require extensive coordination with White House and other govt. agencies—action not warranted in this case. FCC said those wanting service could use current amateur bands after passing technical & international Morse code requirements.

**TV MAKERS FORECAST LOWER SALES IN '78:** Moderately lower color & monochrome TV sales at slightly higher average prices. Fewer color imports but heavy shift to Taiwan & Korea as sources. Home VTR sales close to 500,000 units at lower prices than this year. Continuing scramble to make a buck. This is how domestic & foreign TV manufacturers look at U.S. market prospects for 1978.

Twelve TV manufacturers—all but 2—gave numerical forecast figures for our survey, and show they feel 1978 won't be quite so good a year in terms of volume as 1977. Here's median of manufacturers' forecasts for 1978, as compared with estimated 1977 figures and actual 1976 results:

	1978 (forecast)	1977 (est.)	1978 vs. 1977	1976	1977 vs. 1976
Total TV . . . . .	14,100,000	14,700,000	-4.1%	12,896,127	+14.0%
color . . . . .	8,800,000	9,100,000	-3.3%	7,700,193	+18.2%
monochrome . .	5,300,000	5,600,000	-5.4%	5,195,934	+7.8%

Color forecasts ranged 8.6-9.5 million, and only 2 manufacturers predicted sales would exceed this year's anticipated 9.1 million. In monochrome, forecasts ran 4.8-6 million, and only one exceeded this year's rather surprising total of 5.6 million. Color dollar volume in 1978 is likely to exceed that of 1977, in view of respondents, who forecast median increase of 4%. Nobody predicted color price decrease or unchanged prices, and increase forecasts ran 2-10%.

For first time in recent years, surveyed manufacturers forecast color set imports would show decline. Using our estimates that imported complete color sets represented 29% of color TV market (or about 2.6 million) in 1977, median estimate was that figure would drop to 25%, or about 2.2 million (on basis of 8.8 million sales). Asked to speculate on impact of Japan's color TV export quota, 9 respondents stated it would result in increase of imports from other countries, such as Taiwan & Korea. Other responses: "Increased b&w imports." "Possibly more price stability." "More kits to circumvent quota." "Increased Japanese-owned U.S. facilities." "Prices firming somewhat at low end." "Minimal."

Manufacturers were more bullish on home VTR, with median forecast of 487,500 sales for 1978 (predictions ranging from 250,000 to 750,000). Eight manufacturers forecast further erosion of VTR prices next year, 2 thought they'd remain same, 2 saw increases. Six respondents predicted "significant" market for pre-recorded videocassettes in 1978, five said they didn't know and only one saw no such market.

TV makers continue to view projection as specialized product. Nine of 12 indicated they didn't believe it would be a viable mass-market product in near future; other 3 thought it would. The 7 venturing a guess as to projection TV sales in 1978 came up with a very shaky median of 50,000.

By 8-3 vote, consensus was that consumer electronics sales would increase in 1978 from 1977, but respondents were divided about profitability—4 forecast increase in profits over '77, one saw decrease, 5 predicted no change. Asked to state challenges of 1978, biggest number (7) cited "profitability," 4 mentioned stability, prices & costs, 2 VTR format confusion & VTR profits, one each for productivity, inflation and movement offshore of R&D and new-product development.



**9-MONTH TRADE DEFICIT TOPPED \$1 BILLION:** Although falloff in color TV imports in 3rd quarter kept growth of consumer electronics industry's unfavorable international trade balance in selected products minimal for period, deficit was enough to push shortfall past \$1 billion for first 9 months, our analysis of Commerce Dept. data reveals.

Exports of U.S.-made TV, radios & phonos, including TV & radio kits, were valued at \$69.9 million in quarter, down 7% from same 1976 months, while imports of same products (excluding kits & chassis) rose 2.4% to \$470.7 million, despite 18.8% decline to \$139 million in value of complete color sets brought in. July-Sept. trade deficit edged up 4.3% to \$400.7 million. Full-period results show exports at \$178.8 million, down 18%, imports at \$1.27 billion, up 18.8%, for unfavorable \$1.09-billion balance, up 28.2%.

Analysis of exports by country reveals no surprises. Canada was best customer for color TV (82,100), car radios (214,500), phonos (139,800), radio kits (40,000). Mexico was leading buyer of b&w TV (27,600), followed by Panama (27,300). Mexico also accounted for most TV kit exports (956,400), followed by Taiwan (411,000), but most of those were presumably destined for processing in U.S.-owned factories there and re-exported back here.

Color tube exports, not shown in table below, continued rise for full period, with shipments up 10.7% to 924,900, but total value dropped 15.4% to just under \$68.1 million, as our overseas customers shifted purchases to smaller sizes. Exports of color tubes 22"-&-under leaped 155% to 527,600, value jumping 187.7% to \$35.12 million, while shipments of larger tubes dropped 36.8% to 397,300 and value fell 51.7% to \$32.96 million. Figures reflect stepped-up production of big-screen tubes in Europe. France emerged as leading purchaser of U.S.-made color tubes, accounting for 312,000; U.K. placed 2nd with 310,400. Exports of b&w tubes dropped 49.9% to 34,800, value fell 34.8% to \$900,300.

Changes in average prices for consumer electronics exports for full period were mixed. Rising were TV chassis & kits to \$51.57 from \$46.14, home radios to \$15.87 from \$13.81, auto radios to \$56.03 from \$52.72, radio kits to \$22.07 from \$14.84. On downside were prices for color TV to \$351.06 from \$384.34, b&w TV to \$104.44 from \$123.28, radio-phonos to \$110.76 from \$121.67, phonos to \$56.21 from \$82.25. Average export price of 22"-&-under color tube rose to \$66.56 from \$59.13, while average big-screen tube sold for \$82.96, down from \$108.71. B&w tube average climbed to \$25.87 from \$19.86.

#### 9-MONTH U.S. CONSUMER ELECTRONICS EXPORTS

	Units		%	\$ Value (add 000)		%
	1977	1976	change	1977	1976	change
Total TV . . . . .	221,683	218,097	+1.6	51,821	56,987	-9.1
color . . . . .	116,242	115,306	+0.8	40,808	44,317	-7.9
monochrome . . . . .	105,441	102,773	+2.6	11,013	12,670	-13.1
TV chassis & kits . .	1,507,282	2,521,348	-40.2	77,737	116,323	-33.2
Total radio . . . . .	656,342	547,877	+19.8	24,215	19,487	+24.2
home . . . . .	312,731	241,543	+29.5	4,962	3,336	+48.7
auto . . . . .	343,611	306,334	+12.2	19,253	16,151	+19.2
Radio chassis & kits.	119,373	290,139	-58.9	2,635	4,308	-38.8
Total phono . . . . .	314,474	223,566	+40.7	22,399	20,941	+7.0
radio-phono . . . . .	86,571	64,713	+33.8	9,589	7,874	+21.8
phono-only . . . . .	227,903	158,853	+43.5	12,810	13,067	-2.0

Magnavox will finally enter programmable video game market in June, with MPU system using alpha-numeric keyboard. Firm is expected to announce plans—but not show product—at next week's CES... RCA says it doesn't plan to introduce color version of Studio II programmable game it intends to continue offering, but is evaluating entire field, including computers.

TV sets and other appliances give off low-level radiation and govt. does poor job in policing such hazards, Senate Governmental Affairs Committee report says. Two years in preparation, report recommends Environmental Protection Agency be placed in charge of radiation safety, taking responsibility from other agencies. Study concluded impact of long-term exposure to radiation isn't known.

**SONY POSTS RECORD:** Sony reported record revenues & earnings in year to Oct. 31. Sales were up 9.2% to \$2.1 billion, net rose 12.9% (see financial table). Company recovered from 3rd-quarter setback when net was off 28%, sales down 0.5%, showing 4th-quarter sales gain of 15%, profit increase of 20%, from year earlier. For full year, Sony said, overseas sales rose 14% to \$1.29 billion, domestic volume increased 2.2% to \$813.8 million. Sony said it plans to increase dividend 2¢ to 12¢ per share as result of gains.

Virtually all Sony sales gains came from VTRs & related products. VTR volume for year rose 49.8% to \$297.7 million, while sales from unspecified "other" products, a classification which includes video tapes & cameras, were up 29.2% to \$448.7 million. Sony's TV sales dropped 1.5% to \$695.4 million, audio recorder & radio sales were off 2.9% to \$426.3 million, hi-fi volume, at \$240.4 million, was up less than 1%. While rate of sales decline increased for audio recorders & radios in 4th quarter, all other product categories showed improvement over first 9 months.

**Hy-Gain** report for year to Aug. 31 indicates 4th quarter loss of \$19.57 million, against \$1.64 million loss in same period last year, on sales of \$5.06 million, down 68.2% from \$15.9 million. Company said CB industry continues to suffer from excess inventories, caused mainly by heavy imports. While it continues to view CB as viable industry for long term, Hy-Gain said it does not expect to show profit in fiscal 1978, added that—because it makes CBs in Puerto Rico—it's in position to benefit if International Trade Commission & President Carter decide to restrict CB imports.

**Capehart** had sharply increased loss in fiscal 2nd quarter on 27.3% sales decline. For full period, firm had \$4.5 million operating loss as sales slid 33.3%.

**Electrohome** has arranged new govt.-guaranteed 15-year \$15-million loan, received 10-year extension on outstanding \$10-million loan.

**Computer Programs:** Compucolor followed through on promise to offer lower-priced version of Compucolor computer (Vol. 17:37 p11), will show new compact Compucolor II priced in \$1,500 range at CES. New unit has 13" color display, keyboard, 27K memory & built-in mini-disc mass-storage system. Firm is shooting directly at home market through mass merchants, will offer complete library of games (StarTrek, chess, etc.) and programs aimed at household management (checkbook balancing, income tax). Language (Basic 8001) uses simple English statements, familiar mathematical notations... Apple (Vol. 17:37 p11) moves all research, production & marketing operations to new 20,000-sq.-ft. hq in Cupertino, Cal... TI reportedly looking for engineers & software designers with experience in personal computer field.

**TI share** of calculator market is about 25%, company says in brief filed in Ft. Wayne, Ind. federal court in Bowmar antitrust suit. TI claims share has never exceeded 30%.

**FTC CLEARS GAMES:** Long-awaited FTC report on video games gave industry qualified bill of health—"reasonable" use of games shouldn't damage TV screens. Agency added, however, that prolonged use of some games may imprint pattern on screen, particularly monochrome sets. FTC will continue to monitor games—especially newer programmables—for imprint problems, will also keep eye on ads & promotions for possible "false or deceptive" representations of burn problem.

FTC advised consumers to: (1) Buy games & cartridges with low-modulation video signals, and games with constantly changing brightness level & colors when game is on but not being played. (2) Adjust set for normal broadcast picture before turning game on. (3) Shut game off when not in use. Though FTC has received no consumer complaints, testing by National Bureau of Standards revealed that games with high modulation settings can imprint monochrome set after 100-200 hours of use, color sets after more than 350 hours.

**UL was nominated** as official U.S. inspection & certification agency for component exports. Approval of UL or some other certifying organization by International Electrotechnical Commission is necessary for U.S. participation in IEC's Quality Assessment System. Latter is intended to simplify worldwide trade in components by establishing internationally recognized quality and standard guarantee program. System is expected to be in operation in 1979, and component manufacturers whose products aren't properly certified will be shut out of many foreign markets.

**GE declined comment** on report that new TV manufacturing subsidiary General TV of America, 50% of which is being sold to Hitachi (Vol. 17:50 p7), will be capitalized at \$38.5 million. Spokesman said financial details were being withheld pending approval of deal by U.S. & Japanese govts. GTA consists of GE's Portsmouth, Va. TV set & Syracuse, N.Y. picture tube plants, Singapore TV components operation. Hitachi is contributing cash & technology, presumably will be responsible for any U.S. plant modernization.

**Ad notes:** GE launches 20-market spot TV campaign for rechargeable batteries... **BBB's** National Ad Div. closed investigation into Marantz claim its components have "vital ingredients" that set line apart from others, when company said ads were being discontinued... **NARDA** has package of five 30-sec. TV spots for use by members. It contains audio cassette, 25 color slides, can be used by servicers to create own ads, is \$50.

**"Phony 4"** alert issued by Harman Kardon warns dealers some HK Model 900 four-channel receivers are being offered without its authorization. Units, presumably overruns & rejects from a Far East supplier to HK, won't be serviced at warranty stations, company says, cautioning retailers against buying goods from other than usual supplier.

**New Admiral sets** for post-holiday promotion: 19" at \$470; 25" consoles at \$700 & (electronic tuning) \$750.



**COMPONENT IMPORTS:** Increases were registered for imports of virtually all consumer electronic components & accessories in Commerce Dept. figures for first 9 months. Notable exceptions were TV tuners, down 6.1%, possibly reflecting increased use of U.S.-made varactor tuners, and radio antennas, down 14.8%, victim of CB slump and growing use of windshield antennas.

Total value of imports of selected components of type primarily intended for OEMs was \$1.34 billion, up 25.4% from value of same items imported in year-earlier period. Figures include \$28.5 million in TV picture tube parts, a classification not shown in table below.

Developing home VTR market provided biggest gainer in accessories area, as blank video cassette unit imports jumped 167.2%. Color cameras were up 51.9%, b&w 35.5%. Audio amplifiers increased 55.8%, microphones 14.3%. Total speaker imports of 59.1 million were up 13.8%, led by 42.3% gain for enclosed multiple systems, while single unenclosed units were up 17.7%, single enclosed unchanged. Audio cassettes were up 56.3%.

Total picture tube imports climbed 42.6% to 606,200, with color up 33.8%, b&w up 47.8%. Virtually all color tubes were sourced from Japan, while Japan & Taiwan divided large-screen b&w tube imports. Taiwan & Korea were main suppliers of small-screen b&w tubes, of which 77.6% entered free of normal 15% duty as products of underdeveloped countries. Also showing increases in component area: ICs 19.6%, transistors 14.1%, fixed capacitors 36%, variable capacitors 2.8%, fixed resistors 48.7%, variable resistors 3.6%. Here are details:

#### U.S. COMPONENT IMPORTS

	9 mos. - 1977		9 mos. - 1976	
	Units	Value(\$)	Units	Value(\$)
Pic. tubes, color .	209,976	11,166,007	156,895	10,482,532
Pic. tubes, b&w over 16.4" . . . . .	34,980	578,881	268,132	2,184,189
Pic. tubes, b&w other . . . . .	361,261	3,060,138	N.A.	N.A.
TV tuners . . . . .	11,066,699	75,274,071	11,790,337	66,909,615
TV antennas . . . . .	7,126,844	6,456,824	6,116,036	4,779,840
TV deflection parts*	3,797,731	18,867,663	N.A.	N.A.
TV cabinets* . . . . .	68,520	710,149	N.A.	N.A.
TV cameras, color .	8,244	21,517,753	5,427	14,275,083
TV cameras, b&w .	45,450	8,551,788	33,535	6,223,861
Radio antennas . . . . .	9,106,322	28,207,749	10,686,553	32,157,711
Microphones . . . . .	7,520,983	18,339,412	6,577,526	15,713,574
Audio amplifiers . .	2,639,537	43,984,426	1,842,164	24,503,629
Spkrs., unenclosed .	36,476,501	53,646,915	30,989,366	37,700,091
Spkrs., lone, encl. .	17,091,098	41,239,931	17,083,278	36,653,841
Spkrs., mult., encl. .	5,576,252	30,045,172	3,918,546	17,326,636
Receiving tubes . . .	40,266,657	23,093,640	39,444,214	18,925,981
Audio cassettes . . .	66,183,902	26,317,392	42,347,562	21,581,855
Video cassettes . . .	2,605,720	17,415,590	975,329	6,947,102
ICs** . . . . .	1,531,951	739,636	1,281,426	582,057
Transistors** . . . .	1,273,511	127,407	1,117,422	107,343
Fixed capacitors** .	2,447,688	118,829	1,800,093	91,924
Variable capacitors**	137,205	9,107	133,525	8,876
Fixed resistors** . .	4,393,462	36,498	2,953,675	25,626
Variable resistors**	198,502	26,831	191,624	18,462

\*Includes July-Sept. 1977 only.

\*\*Units & value in 1,000s.

Two audio brand names will vanish from market next year. Japanese trading company Marubeni-Iida has begun phaseout of Miida stereo compact & console business, will continue marketing calculators & office machines. Company said that while sales set record in 2nd half, profitability was too low to justify continuation. Rectilinear Research Labs has halted operations, may file for bankruptcy. Company said its business had been damaged both by imports as well as startup of many small new U.S. speaker firms in past several years. Earlier this year, RRL filed corporate petition for import adjustment assistance with Commerce Dept., but agency hasn't yet issued final determination. Coming into industry is Audio Mart, recently-formed importer of Taiwan-made Audio King line of radios & stereos. Matthew Chang is pres., David Silverman, ex-Electra Radio, sales & mktg. vp. Firm will offer line at Dunes Hotel suite during Winter CES in Las Vegas.

**Videocassette notes:** Sony is now selling "well over 10,000" Betamax VTRs monthly, we're told by Chmn. Harvey Schein, presumably indicating total sales of nearly 20,000 Beta recorders monthly under all brandnames (Zenith, Toshiba)... Philco will introduce own 4-hour VHS at May sales meeting in Toronto.. Magnavox approach to "VTR theaters" (Vol. 17:50 p11) will be to offer special 25" consoles with compartments for VTR. Prices: \$1,300 for vertical armoire, STAR tuning; \$995 for horizontal console with Touch-Tune; \$799 for conventional horizontal console. Magnavox will also show 3 console "organizers" at CES—each capable of holding 19" color set, VTR & audio system at \$49-\$79.

**AM stereo report** filed with FCC last week by National AM Stereo Radio Committee shows all 3 systems tested—Belar, Magnavox, Motorola—are capable of doing job with fidelity approximating that of FM, utilize economically feasible transmitters & receivers, require little more bandwidth than present AM system, are compatible with existing AM receivers. Kahn Communications & Harris Corp. systems, also being considered as standard by FCC, weren't tested, aren't included in NAMSRC report. Copies of report containing full technical details are \$20 from EIA, 2001 Eye St. NW, Washington, D.C. 20006.

**Gillette's latest effort** to find toe-hold in consumer electronics may be failing. Company cited intense price competition as reason for price cuts of 40% & 45% on Captain Kelly smoke detector line. Battery operated model was trimmed to \$30 from \$50, AC-only to \$22 from \$40. Company is credited with holding 5% market share. In recent years, Gillette entered then dropped out of audio cassettes, calculators & digital watches.

"CES TV Daily," planned 3-day, 90-min. series on KLAS-TV Las Vegas during Winter CES (Vol. 17:45 p11) has been canceled because start came too late for most prospective sponsors' ad budgets, according to partner Oscar Katov. He said project probably would be rescheduled for Summer CES in Chicago.

**Teletronics** holders voted name change to Video Corp. of America.

**Taiwan-owned Sampo Corp. of America** (Vol. 17:48 p11) will introduce 19" & 13" color sets at CES at list prices of \$350 & \$290 respectively.

# WEEKLY Television Digest

with  
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1977 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

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

## EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036  
Phone: 202-872-9200

### WASHINGTON HEADQUARTERS

Albert Warren Editor & Publisher  
Dawson B. Nail Executive Editor

### Television Factbook

Mary Appel Editorial Director  
Mila Albertson Associate Editor  
Melinda McFarlin Asst. Editor

### Business

Edward L. Sellers Sales Dir.  
Donald J. Roy Business Mgr.  
Paul R. Levine Asst. Sales Dir.

### NEW YORK BUREAU

510 Madison Ave., N.Y. 10022  
Phone: 212-355-5611

David Lachenbruch Editorial Dir.  
Robert E. Gerson Senior Editor  
Arthur Levis Associate Editor

### JAPAN REPRESENTATIVE (Editorial & Business)

Hideo Eguchi  
5-12-32, Hiyoshi, Kohoku-ku  
Yokohama, 223 Japan  
Phone: 044-61-6605

## Personals

Gerrit Rohner, former Capehart exec. vp, elected pres.-chief exec., outside dir. Gerald Stone elected chmn.; both posts previously held by founder Robert Kropp, who continues as pres. of subsidiary Capehart Sales Corp., remains on board... John Nevin resumed duties as Zenith chmn. last week following 2-1/2-month hospitalization... James Oblak, ex-Audio Magnetics, joins Pioneer Electronics of America (car stereo, Centrex compacts) as car sound systems product mgr.; Howard Krivoy, ex-JBL, appointed sales promotion supervisor.

Arnold Valencia, RCA Sales Corp. vp adds post as head of sales operations for RCA Canada Consumer Electronics Div., continues responsibility for RCA Distributing branch activities. He replaces former Vp-Gen. Mgr. Robert Mollerstuen, now National Semiconductor divisional services dir., succeeding Greg Harrison, on leave of absence. William Boss, who performed Canadian sales duties on interim basis, resumes full-time post as RCA distributor & commercial relations vp; R. Eugene Eddy, RCA Sales mktg. services vp, adds Valencia's former responsibility for warranty programs.

James Feuquay, ex-United Tool & Antennacraft, appointed Channel Master TV antenna & accessory mktg. mgr.; Ron Falkenstein, ex-Olson, named CB product mgr.; Terry McGrath promoted from engineering mgr. to master antenna systems & electronics product mgr... Ercilio Costa promoted at Acoustic Research from plant mgr. to mfg. vp, succeeding George Benedetti, resigned... John Lowden, ITT corp. relations & ad deputy dir., named vp... Russ Gilchrist, former publisher of Industrial Bulletin, appointed Mart publisher, succeeding Dixon Scott, who continues as consultant... Herbert Rowe, one-time Pemcor chmn., resigns NASA post to join EIA

## 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
AT&T			
1977-year to Nov. 30	36,112,149,000	4,466,823,000 <sup>a</sup>	6.88
1976-year to Nov. 30	32,538,443,000	3,813,371,000	6.05
1977-qtr. to Nov. 30	9,427,423,000	1,164,236,000 <sup>a</sup>	1.77
1976-qtr. to Nov. 30	8,432,376,000	1,030,083,000	1.61
Capehart			
1977-6 mo. to Sept. 30	14,079,000	890,000 <sup>b</sup>	.39
1976-6 mo. to Sept. 30	21,113,000	(1,125,000)	--
1977-qtr. to Sept. 30	8,279,000	(2,156,000)	--
1976-qtr. to Sept. 30	11,394,000	(180,000)	--
Hitachi <sup>c</sup>			
1977-6 mo. to Sept. 30	4,943,300,000	149,900,000	--
1976-6 mo. to Sept. 30	4,490,500,000	145,100,000	--
Hy-Gain Electronics			
1977-year to Aug. 31	50,349,340	(25,552,443)	--
1976-year to Aug. 31	96,869,355	17,258,160	4.70 <sup>d</sup>
National Semiconductor			
1977-28 wk. to Dec. 11	250,253,000	10,960,000	.84
1976-28 wk. to Dec. 12	211,793,000	6,739,000	.51
1977-12 wk. to Dec. 11	119,135,000	5,580,000	.43
1976-12 wk. to Dec. 12	99,716,000	3,397,000	.26
Rust Craft Greeting Cards			
1977-9 mo. to Nov. 27	70,188,000	2,292,000	1.00
1976-9 mo. to Nov. 28	65,591,000	1,632,000	.71
Sony <sup>c</sup>			
1977-year to Oct. 31	2,100,000,000	143,600,000	.67 <sup>e</sup>
1976-year to Oct. 31	1,920,000,000	127,200,000	.59 <sup>e</sup>
1977-qtr. to Oct. 31	569,000,000	25,300,000	.12 <sup>e</sup>
1976-qtr. to Oct. 31	494,000,000	21,100,000	.10 <sup>e</sup>

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

as full-time vp in charge of Parts, Tube & Distributor Products Divs., effective Jan. 15.

Earl Malm promoted at RCA Service to consumer products mktg. dir., succeeding James Badaracco, now Distributor & Special Products Div. vp-gen. mgr.; Dean Chitwood advanced from field sales mgr. to sales mgr., consumer products, succeeding Malm... Vinton Carver, GRT chmn., adds post of pres.-chief exec., succeeding founder Alan Bayley, who remains on board... Kenneth Falkner appointed home products vp-gen. mgr., Union Carbide Home & Auto Products Div... Steve Frederickson appointed mass retail mkt. development mgr., 3M Audio/Video Products Div. in restructuring; Robert Burnett named mgr. for music, hi-fi, military & OEM mktg.; Don Ruehle named supervisor for specified national account programs; John Maye named N. Central retail mkt. sales mgr., Frank Caravitis named for N.E., John Overton for S.E.

Heinz Roessle, ITT European semiconductor operations dir., appointed gen. mgr. for semiconductors worldwide, succeeding Raymond Gill, being reassigned; Ljubomir Micic appointed worldwide mktg. dir.; Joseph Phalen appointed U.S. sales mgr.

## Obituary

Irving Tushinsky, 65, exec. vp and co-founder with brother Joseph of Superscope, died Dec. 5. Wife, daughter, son survive.





