

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

PROBLEMS SEEN IN TV-RADIO efforts to form broadcaster-owned rating services. Advertisers not worried; problems may come from Hill. TvB committee to seek bids for feasibility study. (P. 1)

NAB BUDGET GOES PLUS after 2 years of deficit financing if Exec. Committee approves staff plans. Las Vegas convention expected to provide \$726,000. Major revenues, expenses, detailed. (P. 2)

EXPANDING RURAL SERVICE: OTP-sponsored committee recommends cable-phone cross-ownership, more translator flexibility, expansion of REA loan program. (P. 3)

NAB'S HEALING ATTEMPT: Wasilewski writes conciliatory letter to Van Deerlin, says NAB will cooperate on rewrite, adds that comments about 'trade-offs' worried broadcasters. (P. 4)

PROXMIRE BUCKS SBA on loans for TV-radio & cable ownership; claims it's too risky for govt. to get into 'opinion business.' (P. 4)

MORE ON HUT DROP: SRI study for NAB discloses Nielsen HUT loss of 4.1% in 59 markets, Arbitron 4.7% in 60 cities. (P. 5)

ACTION ON RATINGS: Quickened movement toward establishment of broadcaster-owned or dominated rating services for both TV & radio is facing potential problem: Congress. Despite assurances that TV & radio advocates received from lawyers, Capitol Hill sources insist that if such rating services develop, Congress will be "interested" in ensuring that there's nothing anti-competitive in activity. "We would be very concerned if the broadcasters establish their own service," Senate official told us.

Norman Walt, McGraw-Hill, chairman of TvB committee on ratings, said question of anti-trust liability has been in members' minds since beginning, but lawyers see nothing illegal.

Advertisers & agencies apparently don't consider broadcast activity eyebrow-raising. Interviewed shortly before his sudden death of heart attack (see p. 5), John Crichton, AAAA pres., said "by itself" he didn't think broadcast ownership is illegal. Traditionally, he noted, rating surveys have been "tripartite" (broadcaster, advertiser, agency). He said objectivity & reliability are essential, regardless of ownership. William Kistler, ANA vp, said question is "purely speculative" now since it depends on how new service is structured, who is in control and "amount of independence" it will have.

Walt's TvB committee has prepared specifications for feasibility study, will seek bids week of Jan. 9 from 8 firms—Arthur Anderson; A.D. Little; Arthur Young; Booz, Allen & Hamilton; Haskins & Sells; Hurdman & Cranston; McKinsey & Co.; Touche Ross. Purpose will be "to determine the feasibility of establishing a new local TV audience measurement service that will

Consumer Electronics

TECHNOLOGY EXPECTED to dominate CES again, with shift to Las Vegas marking complete break from Persian-bazaar image of former winter shows. (P. 6)

VTR SHIPMENTS from Japan in Nov. topped 60,000. Color & b&w exports sagged. Finance Ministry reports steep decline for CB, an indication figures for previous months were overstated. (P. 7)

1978—NEW RECORDS in consumer electronics seen in our annual forecast of year ahead. Color TV & stereo both headed for record year, with advanced new products adding at least \$600 in new factory sales. (P. 7)

MYSTERY OF 23-CHANNEL units confuses CB industry as pre-Jan. 1 panic sales fail to materialize. Answer may be inventories held by smaller dealers. (P. 11)

SONY BROADENING U.S. operation as Hi-Fi Div. adds first stereo tape decks. New Magnetic Tape Div. formed for audio tape sales. (P. 11)

NEW ATARI MPU GAME, priced below VCS program-mable, debuts at CES, along with keyboard data-entry system. Four new cartridges also shown. (P. 12)

fulfill the needs and interests of broadcasters, advertisers and agencies at an affordable price and will be accepted, supported and utilized by all segments of the industry."

Among study's objectives are to determine profitability of existing services, present & future needs of local TV audience research, viability of any new service owned by broadcasters, probability of acceptance by advertisers, agencies & stations and ownership & control considerations. "The entire project is still very nebulous and uncertain," according to member of TvB committee. Estimated cost of feasibility study ranges from \$100,000-\$250,000.

On radio side, RAB-sponsored committee is organizing broadcaster-owned Radio Marketing Research Inc. (RMRI), with Herbert Zeltner, N.Y. consultant, acting dir. RMRI will set standards, contract for survey by outside rating firm. Tentative target for first survey is March 1978.

TV & radio broadcasters have talked of setting up own rating services, or services under their control, over last decade or more. Talk turned into action this summer when Arbitron asked for hike in fees, ranging in some cases up to 40%. Also spurring activity apparently were latest sweeps showing households using TV (HUT) down. A 3rd element in bite-the-bullet atmosphere in rating situation is fact that broadcasters pay up to 90% of charges by present services, yet feel that advertisers & agencies have more input than they.

Advertiser reaction has been minimal, principally because broadcaster-controlled services are still in talking stage. Crichton observed: "Actually, we're always in favor of encouraging the gathering of more information and improving methodology. But until something tangible is presented to us, we have no comment."

Kistler reported similar attitude among his members, declined to comment "until we see specific plans." He added that it would be important to know who is going to govern operation of new rating service—broadcasters or independent professionals; what role advertisers & agencies would have in establishing criteria; what improvements over existing rating services there would be.

Jackie DaCosta of Ted Bates, a leading exponent of 52-week interviewing with quarterly reports, said she favors any move "that will give me the information I need and back it up." Thomas Dunkerton of Compton said he's "generally well-pleased with existing services" but was awaiting more detail before making up his mind about new services.

NAB BUDGET MOVES TOWARD BLACK: After 2 years of deficit financing—totaling \$374,140—NAB staff will present fiscal 1978 budget (starting April 1) for approval by Exec. Committee Jan. 4, and it calls for surplus of \$137,175. At Dec. meeting, Committee had told staff to refigure projected income, cut some expenses (Vol. 17:51 p3). Original proposed surplus was only \$1,000.

As result, staff cut a little here & there (including \$15,000 research proposal), added nearly \$100,000 to projected net income for April convention, came up with projected income of \$5.63 million, expenses of \$5.5 million. "I'm a hell of a lot happier with the budget now," said Chmn. Donald Thurston—who had led criticism of staff's earlier effort. Exec. Committee members were critical of Assn. for dipping into reserves for \$600,000 last 2 years to cover extra spending—much of it for legal fees in family viewing case and extra board travel last year.

Washington convention last spring netted \$545,606; staff now projects profit of \$726,000 on Las Vegas convention. Most of it will come from 144 exhibitors, renting 120,000 sq. ft. at \$7 per ft. Other major NAB income sources: TV dues, \$2.3 million; radio, \$1.9 million (plus \$243,750 from Radio Code subscribers—Exec. Committee is expected to approve proposal that Code dues be combined into general fund); associate members, \$235,000; building rental, \$185,000; interest, \$48,000.

Major expenses by depts.: General administrative, \$1.8 million; station services, \$1.2 million; TV Code, \$727,900 (payments to scientific consultants of Code will drop from \$29,500 to \$2,500); govt. relations, \$538,450; public affairs, \$315,030; legal, \$264,920; research, \$262,980; engineering, \$151,620. In each dept., salaries are a major expense—govt. relations, \$351,150; legal, \$189,520; public affairs, \$138,380; station services, \$532,070; engineering,

\$85,900; research, \$97,380; Codes (including N. Y. & Hollywood offices), \$335,966; general administrative, \$595,226. Two other major expense items are \$120,000 for board meetings and \$505,200 for building operations.

EXPANDING RURAL SERVICE: OTP-sponsored Interagency Committee on Rural Communications, headed by OTP's Vincent Sardella, has delivered its report, concluding that service may be improved by:

(1) Relaxation of FCC ban on cable-telephone cross-ownership. (2) Increased flexibility in translator operations. (3) Expansion of REA phone program to include cable.

Committee suggests 5-year "demonstration programs" with 3 possible levels—\$20 million, \$8 million, \$2 million. These would be "designed to emphasize and test the economic viability of aggregating entertainment, information and public service delivery on telecommunications systems."

Group concludes: "The Committee is confident that it has identified both the need and the practical directions for new Administration initiatives in rural communications. There are no technological developments on the horizon that would eliminate the importance of federal involvement in rural communications growth, nor will technology solve all of the public service problems of rural America. In fact, the disparity in rural & urban communications services may grow with new technology (as is the case, for example, with the initial development of satellite-distributed pay-TV principally to urban cable systems). . ."

Report is 250 pages, plus large volume of appendices, available from OTP, Washington 20504.

Unusual seminar at April NAB convention in Las Vegas will be on estate planning. Discussion will include HR-9484, introduced in Oct. by Rep. Udall (D-Ariz.), to revise tax laws by permitting publishers of independent local newspapers to establish trust funds that would be exempt for inheritance tax purposes from assets figured on death of principal owner. In many instances today, inheritance taxes are so high, newspaper must be sold. To support Udall bill, ANPA has established task force; NAB may follow suit to look after broadcasters. Although many TV stations are owned by conglomerates and public corporations there are a significant number that are family owned. In radio, individual proprietorships or partnerships are much more prevalent. NAB seminar will be conducted by Washington lawyers Jason Shrinsky & Benito Gaguine.

Aubrey Sarvis, legislative aide to Sen. Cannon (D-Nev.), is expected to become staff dir. of Senate Commerce Committee when Cannon becomes chmn. early this year. Sarvis will replace Edward Merlis, who will move to Appropriations Committee with Sen. Magnuson (D-Wash.) when latter gives up Commerce to chair Appropriations. Also joining Commerce staff will be Edwin Hall, currently with Rules Committee now headed by Cannon. Changes were brought about by death of Sen. McClellan (D-Ark.) (Vol. 17:49 p5).

Coalition of TV-radio groups seeking to man their own pool cameras in proposed coverage of House proceedings (Vol. 17:52 p5) received 2 strong allies last week. Rep. Anderson (R-Ill.), chmn. of House Republican conference, wrote Speaker O'Neill (D-Mass.) that "it would be a terrible mistake to permit the legislators to control the broadcasting of legislative debates. And that's really what is at issue." (O'Neill and others favor using House employees to operate pool cameras.) Anderson said House "rose to its highest level of public esteem in recent years" during 1974 televised Nixon impeachment hearings, when coverage was handled by network personnel. "I don't know of anyone who argued that those proceedings were controlled by the network pool which covered them," he added. Anderson urged O'Neill to permit House vote on proposal. Pres. George Meany said AFL-CIO supports position taken by broadcasters, observed that "the goodwill that would result from TV & radio coverage would be negated by the public's knowledge that the House was controlling what they saw and heard."

GAO audit of major public broadcasting institutions should expand to include analysis of major stations' fiscal practices on non-federal—as well as federal—funds, Rep. Van Deerlin (D-Cal.), House Communications Subcommittee chmn., told GAO last week. In letter, he added one station—KQED San Francisco—to list Senate Subcommittee wanted examined when audit was ordered in Oct. Other stations: WNET N.Y., WETA-TV Washington, WGBH-TV Boston, KCET L.A. Van Deerlin said GAO should examine: (1) Adequacy of stations' accounting personnel. (2) Procedures for staff allocation and overhead costs. (3) Disposition of donations earmarked specifically for TV or radio. (4) Independent auditing procedures. (5) Participation in fiscal affairs by stations' boards. Van Deerlin also asked that CPB's oversight of stations' fiscal affairs be examined.

Major item on CPB board's agenda at Columbia, S.C., meeting Jan. 6 is likely to be forming committee to find successor to Henry Loomis, who is retiring as CPB pres. (Vol. 17:51 p1). There's sentiment among some board members, however, for waiting until 5 new dirs. are confirmed. This would give Carter appointees 8 of 15 seats, presumably insuring that new president is of Carter persuasion. There's speculation that decision has been made to move ahead with search committee immediately; among names mentioned for group: W. Allen Wallis, CPB chmn., and Dirs. Sharon Rockefeller, Lillie Herndon, Clyde Reed, Gloria Anderson.

As expected, FCC has extended deadline for reply comments in VHF drop-in rulemaking to March 6 (Vol. 17:52 p6). In other actions, Commission extended comments deadline in proposal to change annual employment report form to March 24 (replies April 1) and to Jan. 30 in FM quadraphonic rulemaking.

NAB's HEALING ATTEMPT: NAB last week tried to apply balm to wounds left by broadcasters' rewrite committee after committee refused to suggest changes in Communications Act (Vol. 17:50 p1). Unguent came in form of letter to Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee, from NAB Pres. Wasilewski, who said NAB will cooperate on rewrite.

Wasilewski said he hopes "past misunderstandings" can be "wiped off the slate," stated that broadcasters' rewrite committee wasn't empowered to draft legislation or negotiate for industry.

Wasilewski added he understood how a broadcast rewrite committee could come by its decision, noting that comments about "trade-offs" needed from broadcasters, made by Subcommittee Counsel Harry Shooshan, "did not give comfort or encouragement." "The feeling was expressed," said Wasilewski, "that most of the 'trade-offs' advanced... were potentially very damaging to the fabric of commercial broadcasting."

Letter was written at direction of NAB Chmn. Donald Thurston, who wants rift between broadcasters and Van Deerlin bridged. Thurston also plans to meet this week with Shooshan to talk over dispute.

In other healing gestures, several members of broadcasters' rewrite committee called Van Deerlin to apologize after latter voiced displeasure about hearing first of committee's decision from Television Digest. (Van Deerlin still hasn't received formal notification in letter.)

Whether Van Deerlin is being soothed, however, isn't clear. He declined to give detailed reaction to Wasilewski letter, said no decision has been made whether, or how, to respond.

Four San Francisco TV stations are fighting search warrant issued by Marin County seeking outtakes of news film & tape not aired of Dec. 12 police fight with people living on house boat. Officials appeared at stations Dec. 27 with warrants. KRON-TV & KTVU refused to give them anything; KPIX & KGO-TV reportedly turned over footage that had been aired. "It's absolutely outrageous," according to KRON-TV Mgr. Francis Martin. "It harks back to the dark ages of Nazi Germany."

NAB has been invited to White House Jan. 3 to explain operations & goals of newly-formed Minority Task Force. Expected to attend from Administration are Martha (Bunny) Mitchell, asst. to President for special projects, OTP's Allan Hammond. NAB Chmn. Donald Thurston & CBS Washington Vp William Leonard, both Task Force members, will lead NAB delegation. Hammond is working on White House position on minority ownership of broadcasting & cable, due later this month (Vol. 17:49 p4).

Inviting President Carter to Las Vegas convention, NAB suggested he hold "world news conference," because theme is international broadcasting. Assn. said it expects several hundred representatives from 50-60 countries.

PROXMIRE BUCKS SBA MOVE: Strong opposition to Small Business Administration's proposed ruling to permit loans & guarantees for TV, radio & cable came from Sen. Proxmire (D-Wis.) last week. He says it's "simply outrageous" for govt. to get into "the opinion business." Furthermore, he said, appeal of TV & radio is so strong for politicians & supporters that they would gobble up limited SBA funds, diverting resources from more legitimate businesses.

An earlier objection was filed in Oct. The Conservative Caucus Inc., Falls Church, Va., registered "strong protest" to use of federal funds "to promote political, ethical & moral beliefs." All other comments supported change in loan rules (Vol. 17:51 p5).

Other filings received after Dec. 12, 1977 deadline included one jointly from NAACP & NABOB supporting proposal but asking that rule be clarified to emphasize help for minority small businesses and to ensure that loans and guarantees relate to applications & for making major improvements in existing facilities, not just for acquisition. NAACP & NABOB also asked that SBA provide assistance to full limit of its authority—\$500,000 for guaranteed loans, \$350,000 for direct loans.

Among other late comments—all supporting proposal and some recommending clarifications along lines of NAACP-NABOB—were those from National Citizens Communications Lobby, Office of Minority Business Enterprise, Dept. of Commerce, National Council of Churches of Christ.

SBA has almost \$3 billion for business loans in fiscal 1978 (ending Sept. 30, 1978), of which \$190 million is for direct loans.

Mid-Florida TV won still another round in long contest for Ch. 9 Orlando—one of original ex parte cases of late 1950's. Mid-Fla. originally won grant in 1957, later reversed because of ex parte allegations. FCC made 2nd grant to Mid-Fla. in Oct. 1972, remanded by D.C. Appeals Court (upheld by Supreme Court) in 1973. Court ordered re-hearing to determine character qualifications of Mid-Fla. stockholder Martin Segal, under indictment at time for illegal gambling, and told FCC to consider proposed black participation in ownership of Comint Corp., one of 3 competing applicants. In supplemental decision last week, FCC Judge David Kraushaar again awarded Ch. 9 to Mid-Fla. Applicants have been operating WFTV jointly on interim basis since April 1969.

Cosmos Bcst. Pres. Charles Batson said last week that he "is shocked" that WCOV-TV (Ch. 20) Montgomery has proposed deintermixture of market by shifting Ch. 12 to Columbus, Ga. (Vol. 17:52 p5). Cosmos' WSFA-TV is on Ch. 12. Batson argued that "Montgomery, as a state capitol, is clearly entitled to a wide-coverage VHF station operating at maximum height and power."

KMPH Fresno appoints Bolton Bcstg. national rep; latter specializes in independent stations.

Personals

Donald Dahlman promoted to exec. vp-sales, Multimedia Program Productions, and vp-dir. of parent Multimedia Bestg.; **James Tandy**, vp-gen. mgr., WXII Winston-Salem, also elected Multimedia vp-dir.; **Richard Thrall** named exec. vp-Program Productions, Richard Mincer vp of subsidiary Donahue Productions.

Bruce McKay promoted to west coast dir., variety programs, NBC... **M. Dale Larsen**, KTVH Wichita vp-gen. mgr., elected asst. vp of parent Minneapolis Star & Tribune, will oversee operations of recently acquired WDRB-TV Louisville; **Elmer Jaspan** promoted to WDRB-TV pres... **Jeff Sohinki**, ex-WABI-TV Bangor, appointed promotion mgr., WTAJ-TV Altoona.

Allen Cooper, ex-NBC & PBS, named MPAA vp-planning & evaluation... Exec. Vp **George Gallup** promoted to pres., TVS Network, subsidiary of Corinthian Bestg... **David Mumford** advanced to assoc. dir.-sales research, Katz TV.

Clark Kimball joins Washington law firm Putbrese & Kennedy... **James Cownie** promoted to pres., Hawkeye Cablevision, succeeding **James Hoak**, who remains chmn... **John Palasciano**, ex-Phelps Dodge, joins Times Wire & Cable as marketing mgr.-industrial products.

William Andrews advanced at Viacom Enterprises from domestic syndication vp to domestic sales vp in restructuring; **James Kellner**, named first-run syndication & development vp; **Todd Gaulocher** continues as sales development vp.

Right to impose cross-ownership rule was defended by FCC in brief filed with U.S. Supreme Court last week—fortnight before Jan. 14 argument. Commission claimed right to formulate regulation prohibiting future newspaper-broadcast cross-ownership in same market, said rule doesn't infringe on freedom of press, isn't "irrational" as suggested by NAB & ANPA (Vol. 17:47 p5). Supporting FCC was NCCB which, however, disagreed with FCC decision to grandfather existing combinations. Also attacking FCC rule was group of small-market TV-radio-newspaper combinations, which questioned whether FCC had made sufficient record to order them to divest by Jan. 1, 1980. Justice Dept. filing is due Jan. 3; it's understood JD will state that lower court is correct, but will question mandate to FCC on how rule should be written. FCC cross-ownership rule was adopted in 1975; appeals court last March held that FCC had authority to promulgate regulations but said it had erred in grandfathering most combinations without holding hearings (Vol. 17:10 p1).

In move to become "a full service association" for small cable systems, CATA has opened Washington office (1100 17th St. NW, 20036; 202-659-2612) with attorney **Stephen Effros** as exec. dir. Former Exec. Dir. **Robert Cooper** will continue to hq in Oklahoma City, handle technical matters, conventions & publications. Board meets in Washington this month.

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MORE ON HUT DROP (cont.): More evidence that HUTs were down in Nov. from 1976 has been provided by NAB, through Statistical Research Inc. study of fall sweeps. SRI picked 59 Nielsen markets, 60 Arbitron, found Nielsen drop-off in HUT of 4.1% for total day, 4.7% for Arbitron.

Both surveys showed major HUT losses in afternoon (Nielsen 8.2%, Arbitron 6.9%), early fringe (Nielsen 6.2%, Arbitron 4.5%) and prime time (Nielsen 5.8%, Arbitron 4.7%). Nielsen showed larger percentage drops in late news and late fringe time than Arbitron.

"Reluctant Regulators" is title of book by **Barry Cole**, former FCC consultant, and **Mal Oettinger**, former trade press reporter. Authors find Commission generally unwilling to try to get higher performance out of licensees. Book is 310 pages, published by Addison-Wesley, \$10.95.

Obituary

Percy Russell, 69, retired member of Kirkland & Ellis communications law firm, died of cancer Dec. 29 at George Washington Hospital, Washington. Veteran communications counsel graduated from Harvard Law School in 1932, clerked for U.S. Supreme Court Justice Benjamin Cardozo 4 years, joined Kirkland firm in 1936. He headed D.C. Bar Assn. administrative law section in 1947, was FCBA pres. in 1955-56, member of ABA House of Delegates 1956-57, retired April 1974. Survivors include widow, 2 daughters, son.

John Crichton, 58, pres. of AAAA, died Dec. 27 in his N.Y. office of heart attack. Former reporter, he joined Ad Age in 1941, was named editor in 1958. He had been pres. of AAAA since 1962. Survivors include wife, 4 children.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 16 (50th week of 1977):

	Dec. 10-16	1976 week	% change	Dec. 3-9	1977 to date	1976 to date	% change
Total TV.	384,391	367,964	+4.5	351,356	14,180,515	12,393,385	+14.4
color	232,638	243,752	-4.6	225,198	8,728,680	7,396,025	+18.0
monochrome . .	151,753	124,212	+22.2	126,158	5,451,835	4,997,360	+9.1
Total radio	1,162,592	708,554	+64.1	1,023,132	53,137,563	39,675,141	+33.9
home, portable	856,911	513,306	+66.9	736,424	40,791,123	27,680,562	+47.4
AM-only	265,105	287,100	-7.7	237,123	10,468,396	8,975,556	+16.6
FM & FM-AM	591,806	226,206	+161.6	499,301	30,322,727	18,705,006	+62.1
auto	305,681	195,248	+56.6	286,708	12,346,440	11,994,579	+2.9

Color TV 5-week moving average: 1977—224,576*; 1976—208,863 (up 7.5%).

*Record for 50th week of any year.

CES—A TECHNOLOGY SHOW AGAIN: Metamorphosis of Winter Consumer Electronics Show from Persian bazaar of closeouts to technological tour de force—which started just a year ago in Chicago—should be complete this week in Las Vegas. Change in venue from broken-up hotel exhibition spaces to vast convention hall should help complete break with past.

Last winter's show saw first concentration of sophisticated computer & game products, along with home VTRs (Vol. 17:3 p9)—followed by heavily video-oriented show in June (Vol. 17:24 p8). This year's winter show is virtually certain to see heaviest emphasis to date on technology. Several new programmable games and home computers—including games convertible to computers—are scheduled to debut. With VTR an established hit, show should see start of big VTR accessory markets, could serve as launching pad for major VTR announcements. Debuts of brand-name projection TV sets also are due—by MGA, Panasonic, Quasar, perhaps others. There will be surprises, too, with manufacturers holding announcements for CES in hopes of getting maximum impact.

You'll see products which aren't yet in production—and possibly some which never will go into production. "Sets-of-the-future" idea is usually a good one for getting headlines. For example, Americans will be exposed for first time to European "picture-in-picture" concept as Sharp displays set it showed at Japan Electronics Show (Vol. 17:42 p9); it has 21" color tube with 6" b&w picture from another channel in corner. Sharp also will show microprocessor-programmable TV set which can pre-program up to 8 shows. Panasonic is expected to demonstrate MPU programmer accessory for VTR.

Move to Las Vegas is expected to cut into attendance. Traditionally, at Chicago shows eastern & midwestern dealers often come for day or 2 of browsing; they can't afford to do that in Vegas, so we think many companies which formerly sent 2-3 people will be down to one this year—particularly in view of transportation problems from East. Smaller dealers from Midwest, of course, will be missing, their place presumably taken by many west coast dealers who rarely attend CES. (Dealer attendance at last winter's CES was 50% from midwest, 40% east, 10% west.) At last week's end, CES Senior Vp Jack Wayman said pre-registration totaled 22,137, up 22% from last year's figure.

Based on last week's weather, at least something at this week's CES should be reminiscent

of Chicago—it's been cold (for Vegas) & wet, with snow clearly visible (in surrounding mountains).

JAPAN NOV. VTR EXPORTS SOAR: Home VTRs provided only major bright spot for Japanese video equipment exporters in Nov., according to Finance Ministry totals, which show both color & b&w shipments to U.S. slipped from year-earlier levels. Figures also show severe decline in CB shipments, may indicate exports in earlier 1977 months were inflated somewhat and that business in U.S. was, if possible, even worse than generally believed at time.

Japan's Nov. VTR exports to U.S. hit 60,400, up 542.5% from same 1976 month, topping previous monthly record of 49,000 set in Oct. by 23.3%. Full 11-month total of 281,900 was up 276.2%; we estimate it includes about 195,000 home units.

Total TV exports dropped 35.5% in Nov. to 267,100, as color sank 50.1% to 139,200, b&w slipped 2.4% to 127,800. Month's results raised year-to-date TV exports to 3.53 million, almost identical to 11-month 1976 record, but with different mix, with color down 15.2% to 2.02 million, b&w up 31.6% to 1.51 million. If Dec. color export decline matched that of Nov., Japan will have closed year with U.S.-bound shipments of 2.17 million, down 36.5% from record 2.96 million of 1976, but still some 75% higher than 1.24-million shipment level of 1971, Japan's 2nd best color export year.

CB exports in Nov. were reported at 196,300, down 74.2% from same 1976 month and off 58.5% from Oct., and at lowest level since March 1975. Severity of month-to-month decline supports criticism voiced by CB makers in Japan that Ministry figures have been overstated for months, haven't accurately reflected declining market demand in U.S. and resulting depressed state of Japanese industry (see p. 11). For 11 months, figures show CB exports of 5.97 million, down 48.2%.

1978—NEW RECORDS IN CONSUMER ELECTRONICS: Consumer electronics sales will push through to new records in 1978. Even without exotic new products, major standbys—color TV & stereo—should carry industry to new highs. But advanced products will become big business this year—VTRs, games, computers and their accessories & software adding at least \$600 million in factory sales.

Some of these factories are in Japan, which will continue to dominate home VTR industry. But video game & home computer markets will remain almost exclusively American, at least through 1978. And even with important sales in new product categories added to new records in old ones, industry still will have to scratch hard for profits.

In this first issue of new year, we customarily attempt to forecast the next 12 months. This bit of soothsaying generally follows by week our survey-forecast of industry. Last week, that survey indicated manufacturer consensus of 8.8 million color, 5.3 million monochrome, TV sales to dealers in 1978, slight declines from 1977 (Vol. 17:52 p8). We disagree mildly, feel that strong replacement market and excellent competitive values will maintain color TV sales momentum, pushing sales to new high of at least 9.5 million units, up some 5% from 1977's estimated 9.05 million. Given strong economy, 1978 could well go down in history as first year of 10 million color TV sales to dealers. We see b&w staying pretty much in 5.6-million groove, give or take couple hundred thousand.

TV prices: Industry will re-learn lesson it learns every year: Only way to increase prices is to add features and sell up. And it will be year of major step-up features—electronic tuning taking over most of color TV, remote control pushing closer to 20% of console sales. As result of step-up trend in both domestic & Japanese sets, average color TV factory price will rise about 7%, but basic price points will remain unchanged.

Technology & innovation: Microprocessors already are cropping up in audio gear and, of course, games & home computers. New year will see first halting steps toward their use in U.S. color TV. MPUs could begin taking over some tuning & color-adjusting functions, possibly replacing AFT on some high-end sets. Some pre-programmed sets will be shown, if not actually sold, this year, and Japanese manufacturers won't be able to resist showing "picture-in-picture" TV sets here to let you view 2 pictures at once. Sets will continue to get better & bet-

ter—and by year's end industry will be facing strong demands by FCC to make them much better with little or no price increase.

Foreign trade: This could be biggest year yet for foreign trade lawyers, who'll be fighting anti-import movement on congressional level, as well as in more-familiar halls of Treasury & International Trade Commission. Japan's inability to cut trade surplus instantly will spark many House hearings on impact of imports in this congressional election year.

Three anti-Japan probes will be resolved: (1) Treasury will adopt stiffer posture on TV dumping. (2) It will find rebates to private-label color importers generally were important enough to require legal action or significant penalties. (3) Justice again will find Japan's minimum export check-price system didn't violate U.S. antitrust laws. Zenith-NUE \$1-billion antitrust suit against Japanese still will be awaiting trial as year ends.

Despite inability to develop accurate market picture, ITC will recommend that domestic CB producers be given requested protection from excessive import competition. But relief will be basically meaningless for battered manufacturers here, and imports will retain dominant market position.

Japan's voluntary color TV export quota will be reflected in slightly lower imports, complete color receivers dropping to 2-2.3 million as Korean & Taiwanese producers make up for some of Japan's fall-off. Offsetting this will be steep increase in imports of color chassis & subassemblies. B&w imports should rise slightly to 4.6-5 million area as domestic producers continue to wind down manufacture. Last major Japanese TV manufacturer without a U.S. production base—Sharp—is expected to rectify situation in 1978.

Home video recorders: Market will explode in 1978, deck sales exceeding 500,000 and possibly even 750,000. Media (including TV) will discover it and possibly make it most talked-about product since TV itself. This year will see new models—both step-up & step-down decks and accessories such as programmers, new remote controls, etc. Prices of basic low-end decks will be down. Longer-playing cassettes will be available for both major formats.

Color camera prices will come down—but only to about \$1,000—with CCD cheap-color breakthrough still in future, although there will be plenty of talk about it. "Portable" VTR models will be available in both Beta & VHS formats, but true lightweight a la LVR won't debut in 1978 (it will be demonstrated), and by year's end it will appear unlikely that 1979 is year for change in home VTR format. Prerecorded videocassette sales will grow rapidly, keyed mainly to feature movies, and competition will bring prices down. There'll be no resolution of MCA-Disney copyright suit against Sony this year.

Consumer videodiscs: You won't be able to buy one this year.

Video games: A year of consolidation & refinement is in store for programmable end of business, with just one significant new name entering field. Emphasis will be on increased functions, and at least 2 suppliers now offering programmables will upgrade systems to level of simple computers. Prices will begin inevitable downward slide, average tickets dipping to \$69-\$79 on quasi-programmables, \$119-\$139 on true programmables.

Ball-&-paddle will complete shift to lowball toy business, with several makers & importers dropping out of field entirely. Average prices will drop to \$20-\$25, pulling range of non-b&p single-game dedicated units down to \$35-\$55. Magnavox will remain sole major in combination TV-game field.

Computers: Concept—if not market—will catch fire in 1978, hottest competition centering in \$500-\$800 range. Year should see one major vertically integrated semiconductor house entering consumer end of business, joined by at least one leading game supplier. Emphasis will remain on combined small business-consumer market, but consumer will take on more importance as software & hardware suppliers begin presenting clearer picture of in-home benefits. Major catalog house will join field in 1978, probably with system sourced from supplier now offering own-brand computer. And Sears may rethink decision to drop test-marketing, jump into business in limited way before year is out.

Projection TV: Will gain in respectability, if not numbers, as major brands finally embrace concept. Quasar, Panasonic & MCA 3-tube projectors will be priced so high that they'll scarcely qualify as consumer products. Sony will introduce extra-bright 3-tube unit, and GE (and possibly Hitachi) will present innovative models in slightly more popular price range. But low end of market will continue to get bad name from junk and fly-by-night operators. Sales: Probably no more than 60,000. Definitely not projection TV's year. But watch 1979!

CB: More grief, but with fewer firms to share it. More than one major company will fold—or drop CB in favor of more lucrative communications products—as pressures of comparatively slow sales, high inventories & depressed prices continue through first half.

Even though FCC shut door on legal sales of 23-channel units Jan. 1, they'll be part of CB scene first 5-6 months of 1978; smaller retailers caught with 23s will quietly offer them cut-rate under-the-counter. Combined with generally overstocked market, this will keep 40-channel prices down at least through midyear—and there may not be any significant upward movement for entire year. Industry will be lucky to top 6.5-million sales.

Audio: Continuation of last year's sales growth, but under increasingly chaotic market conditions. We see 5-10% increase from estimated 1977 sales of 5.6-6 million compact systems and 900,000-1,000,000 consoles. Woes will come as established mid-fi marketers jockey to keep from being squeezed out between hi-fi companies moving down into under-\$200 systems and new importers bankrolled from Taiwan & Korea entering \$100-&-up field. We look for dropouts, including one or 2 big names, closeouts at bargain-basement prices.

In components, price pressures will intensify, particularly in popular-priced receivers & turntables. More companies will move to super-power, super-price products with electronic controls, digital readouts that tell you more than you'll ever want to know in unsuccessful effort to keep profits up. Some will find at least temporary relief by cashing in on continued growth in demand for fancy car stereo units.

FCC will look kindly on concept of AM stereo, but, moving at usual pace, won't finalize on broadcasting standard in time for industry to have product on market this year.

Watches & calculators: This will be crossover year for LCD watches against once-dominant LEDs, as prices on continuous-display plastic models sink to \$10 and LEDs start disappearing from market. LEDs also will continue expanding grasp in calculators, but here, because of better visibility and faster apparent response time, LEDs will continue to be preferred by many buyers. There'll be price stability at low end, more features for less money at high. Growth dollars will come from sale of multi-purpose models which play games, tell time, etc., as well as calculate.

FCC extended to June 1, 1979 deadline for registering privately-owned telephone devices already in use under its certification program, changed date for "grandfathering" previously connected equipment from May 1, 1976 to Oct. 17, 1977... Elimination of most restrictions on customer ownership of terminal devices has optimists predicting market could grow tenfold in next 5 years to \$5 billion at retail, despite fact that virtually every home now has at least one phone. Importers expect to get full share of increase, and one foreign producer, Taiko Electric, expects its exports of pushbutton phones to nearly triple next year to \$5.4 million... **Consumer Reports** estimates that consumer buying own standard phone would save its cost through lower phone company charges in 12-24 months.

Swivelvision is name Sony uses on 5" b&w battery portable with picture tube that can be rotated so set may be positioned either vertically or horizontally. Set is offered only through Sony's special-markets operation (catalog & premium sales, etc.), lists at \$165, and Sony expects to sell about 100,000 this year.

Consumer Reports gives excellent report card to color sets in Jan. issue. "All 15 of the 19-in. sets CU tested for this report delivered pictures of very high quality," it says. "All were judged about equal in over-all quality, and as a result we have rated them simply in alphabetical order." It rated Hitachi, MGA & Sony most reliable on basis of annual survey of Consumers Union members. What brands do CU members own? Based on number of sets of each brand reported on survey ballots, here's share-of-market tabulation among CU members: Zenith 29.9%, RCA 17.2%, Sony 12%, Sears 7.3%, Quasar 5.7%, Magnavox 4.8%, Sylvania & Panasonic 4.5% each, GE 4%, Sharp 2.8%, Hitachi 2.3%, MGA 1.5%, Philco & Penney 1.3% each, Ward 0.8%. CU members' ownership of brands listed totaled 17,023 sets.

Theater Vision Inc., 671-A Southlawn La., Rockville, Md. 20850 (301-762-0420) is making same projection TV line formerly handled by Worldwide Entertainment Systems. Latter company was disbanded after encountering cash-flow problems. LeRoy Girson, veteran in projection TV and one of principals of WWES, heads Theater Vision.

CANADA'S HALF: Canada's color TV manufacturers managed to reduce rate of production & sales decline modestly in 2nd quarter vs. first (Vol. 17:28 p11), but imports sharply increased share of declining market there both for 2nd quarter & half, data from Statistics Canada shows.

In 2nd quarter, Canadian factories turned out 77,200 TVs, down 26.6% from same year-earlier period, with color off 25.3% to 68,500, b&w down 36.1% to 8,700. Total domestic factory sales slipped 12.3% to 76,200, as color dropped 12% to 67,300, b&w declined 14.8% to 8,900. Total imports in quarter rose 9.5% to 241,500, with color down 1.2% to 118,900, b&w up 22.5% to 122,700.

For full period, Canadian TV production dropped 33.5% as color fell 31.1%, b&w 52.7%. Total sales were down 18% to 159,500. Color's 15.2% decline to 143,400 included 19.2% drop for consoles to 63,800, while portables slipped 9.9% to 73,900; combinations & table models together accounted for 5,700, off 28.9%. B&w sales were down 36.7% to 16,100. Total TV imports in period rose 17.9% to 477,900, as color edged up 4% to 235,300, b&w rose 35.6% to 242,600.

Total TV market (production plus imports) in quarter was off 2.2% to 318,700, as 4.6% drop in color to 187,400 offset effect of 15.5% b&w increase to 131,300. For half, over-all TV market was down just 0.3% to 625,400, with color off 12.3% to 370,200, while b&w rose 24.1% to 255,200. As result, imports took 75.8% of total TV market in quarter, 76.4% in half, up from 67.6% & 64.6% in same respective 1976 periods. In color, imports provided 63.4% of new supply in quarter, up from 56.8%, 63.6% in half, up from 53.6%. B&w share held by imports was 93.4% in quarter, up from 88.1%, record 95.1% in half, up from 87.1%.

CANADIAN PRODUCTION

	Jan.-June 1977	Jan.-June 1976
Total TV	147,501	222,321
color	134,918	195,713
monochrome	12,583	26,608
Radio-phono	22,917	45,086

CANADIAN IMPORTS

Total TV	477,864	405,167
color	235,274	226,228
monochrome	242,590	178,939
Total radio	1,412,779	1,647,295
home	888,578	1,014,238
auto.	524,201	633,057
Total phono.	519,474	352,997
radio-phono	430,124	302,347
phono-only	89,350	50,650
Tape rec. & plyr	526,849	531,520

Japan's General has developed b&w TV chassis which uses 20% fewer components than present models, says by March all its monochrome sets will use new design. In March, General plans to boost b&w monthly output 50% to 45,000, increase monthly exports 38% to 33,000.

Gladding's restructuring plan under Chapter XI in Boston bankruptcy court calls for major creditors to receive 50% of claims over 10-year period, 33% in cash immediately after plan is approved, rest in notes. If it has to liquidate, Gladding said, creditors could expect to get less than 28%. Bulk of debt is \$32 million owed banks & insurance companies (Vol. 17:16 p10). . . Frontier has filed for bankruptcy in Santa Ana, Cal., listing \$2.76 million assets, \$4.35 million debts. Move is to protect company from creditor takeover pending Frontier's previously announced acquisition by Commodore International. Commodore has taken over current financing of Frontier, reportedly is offering to buy up creditor claims for 25%.

Heath is broadening line of home study products. It has been offering some basic technical courses, recently successfully tested amateur radio license course, is now into home computers, plans future texts on consumer electronics, may branch out into other non-electronic hobby areas. Courses provide Heath with double sales. Basic radio course was \$30, accessory electronic Morse code practice kit added \$10. Computer course is \$90, including components for experiments. Mini-computer trainer for advanced students is \$190.

"The Video Industry is Booming," says Wall St. Journal ad by Projecta-Vision, offering 2 ways to cash in: (1) Wholesale—be an exclusive Projecta-Vision distributor. (2) Retail—operate a "Video Plaza" store, "part of a chain of stores that sell all major brands of video products: Projecta-Vision, JVC, Quasar, RCA, Sony, Panasonic, Toshiba, Sylvania, Sanyo, Fairchild, Atari, Bally." Projecta-Vision offers "total advertising & marketing program" and "vast chain-wide purchasing power."

Import impact aid for workers who lost jobs when Crystal Systems halted watch crystal blank production at Chardon, O. last May was approved by Labor Dept. LD study noted that value of watch crystal imports leaped from \$2.9 million in 1975 to \$12.9 million in 1976, declined in first half 1977 to \$5.3 million from \$7.6 million in same 1976 months. Former CS customers told LD they had switched from buying blanks for finishing to imported finished crystals.

Superscope was ordered dropped as defendant by judge in \$36-million breach-of-contract suit filed against Japan's Standard Radio by Audiotronics in 1973 (Vol. 13:42 p11). In L.A. Superior Court action, Audiotronics claims that Standard, since renamed Marantz Japan, broke contract to supply VTRs. Superscope owns 50% of Marantz Japan. Audiotronics said it will appeal ruling.

Mergers & acquisitions: P. R. Mallory acquires 40% outstanding interest in Canadian capacitor & timing device producing subsidiary, Mallory Components Ltd., from Johnson, Matthey of U.K. . . Carterfone board has endorsed previously announced \$16.5-million acquisition offer from Cable & Wireless Ltd. (U.K.).

CB WHODUNIT—WHERE ARE 23s? Absence of large-scale panic selling at end of year has CB industry wondering what happened to supposedly "massive" 23-channel inventories. FCC ruling that 23-channel Jan. 1 sales cutoff date would stand (Vol. 17:46 p9 et seq.) was generally expected to open floodgates on panic 23 sales. This apparently didn't happen. Reports from major urban areas indicate little if any pre-Jan. 1 dumps, and price-oriented 23-channel promotions were spotted only in scattered areas of country (Southeast, for example).

Answer might be in conviction of several producers that remaining 23-channel inventories are in hands of thousands of small retailers—each holding 25-100 units. "The big retailers, who do all the noisy price promotions, got rid of theirs," said source close to situation. "But the small guys didn't. There might be a million or more 23s left, but they're all in stores that don't discount heavily—or at least, don't advertise it." Theory now is that many small stores will simply flout FCC rule by selling off 23s to selected customers on word-of-mouth basis.

Even if abundant supply of 23s is left, cessation of lowball 23 promotions & ads has several producers considering price hikes on 40-channel units—and at least one major producer is expected to increase portion of line in next few weeks. Success of that move will hinge largely on size of 40-channel inventories, another mystery to entire industry. Report from ITC staff may shed some light on situation, since investigation of inventory picture was part of over-all probe into Sec. 201 domestic-injury case (Vol. 17:45 p6, 17:46 p11). Report went to Commission last week, will be topic of Jan. 12 public "sunshine" hearing.

If ITC does find in favor of domestic makers, it could be case of too little too late. While surviving domestics fight for life, latest Japanese export totals indicate sharp slowdown and carry hint that export figures may have been inflated for some time (see p. 8). The crunch in Japan is becoming far more evident, with Uniden shifting entire CB production operation to Taiwan late in 1977, Cybernet instituting sharp cutbacks and leading U.S. importers (reportedly including RCA & GE) reducing overseas orders.

In U.S., meanwhile, Pathcom—supporter of E.F. Johnson ITC petition claiming damage to domestic industry—said unless "viable" financial partner is located, firm will be forced out of business. Pathcom succeeded in winning moratorium on unsecured debts of \$1.5-\$2 million, is now seeking to stay \$16 million secured debt with Citybank of N.Y. And Hy-Gain, which reported fiscal 1977 loss of \$19.57 million (Vol. 17:52 p10), is understood to have pulled out of Winter CES at last week's end, canceling all exhibit space & hotel rooms.

New transceiver import classification effective Jan. 1 provides separate figures for unlicensed walkie-talkies operating in 49 MHz band. Last year, FCC ordered halt to manufacture of toy units capable of transmitting in CB band.

SONY EXPANSION: Sony America is expanding marketing staff and corp. structure, preparing for first major push in audio tape hardware & software. This follows Jan. 1 takeover of U.S. marketing rights to stereo 8-track & cassette decks, including Elcasset format, and blank tape from Superscope. Under agreement reached with Superscope in 1973, Sony acquired rights to portable recorders in 1974, takes over Superscope's remaining Sony products, including car stereo & open-reel recorders Jan. 1, 1980.

Inclusion of decks is expected to give important boost to Sony's Hi-Fi Div. marketing effort, according to Gen. Mgr. Gus Ishida. "We have been handicapped" by not having Sony tape decks, he explained, adding retailers found it confusing buying Sony receivers & speakers from Sony, but going to Superscope for tape equipment. He views addition of tape equipment as providing opportunity for expanded hi-fi sales, points out Sony America hi-fi sales "were up substantially in 1977" from 1976, while worldwide Sony sales in that market leveled off (Vol. 17:52 p10). Sony's new stereo line, which will include 3 cassette decks & professional portable recorder at \$200-\$500, plus 2 Elcasset recorders for Spring delivery, will be introduced this week at Winter CES.

Also getting Winter CES unveiling will be Sony America's first blank audio tape line, we were told by Teruaki Aoki, gen. mgr. of new Magnetic Tape Div. He indicated Sony would put emphasis on premium-priced cassettes, would also offer Elcasset and other formats. Through 1978, he said, all blank audio tapes will be imported from parent in Japan, but company expects to start marketing tape produced in Dothan, Ala. Dothan plant now manufactures tapes for U-Matic & Betamax VTRs, is being expanded.

Sony wants to get tape into mass market outlets & music stores, is setting up rep organization to handle sales. In addition, Aoki said, he plans to develop special promotional programs to tie tapes into sales activities of Sony's Consumer Products & Hi-Fi Divs.

Watch watch: Texas Instruments purchased former Timex watch plant in Abilene, Tex., indicating it will be used for consumer products. Timex made mechanical watches in plant, halted operations there at end of 1976... Quartz crystals may be next product for which import protection is sought. Domestic producers are considering forming association to fight imports, primarily Japanese. Meanwhile, 3 suppliers are quitting watch crystal business. Speidel's Electronic Research Div., Torotel & CTS Knights are joining Reeves-Hoffman, which announced dropout plan in 1977. Moves will leave Statak & Motorola as last major U.S. suppliers... ITT will leave digital watch IC business when it closes W. Palm Beach semiconductor plant... Latest digital watch casualty is Helbros, which says it has disposed of entire inventory, will offer only analog models this year. Among major domestic traditional watch marketers, only Bulova & Timex remain in digital business... Japan produced just under 3.9 million digital watches in first 9 months of 1977, up from 2.6 million in same 1976 period, Watch Mfrs. Assn. there reports. Group estimates that 75-80% of output is exported.

Personals

Robert Dillon promoted at Sony from vp to senior vp, finance... Wayne Morgan advanced at Zenith Sales from national audio mdsg. mgr. to national sales training mgr., succeeding William Ghent, resigned... Robert Katz, ex-BSR & Sharp, joins Leisurecraft Products Webcor Div. as national sales mgr... Michael Fong resigns as Hy-Gain exec. vp-treas... George Wafer, ex-Audiovox sales vp, joins Automatic Radio as mktg. vp, new post.

Hy Tessler resigns as Morse Philharmonic Div. gen. mgr... Lois Whitman resigns as editor of Consumer Electronics monthly to join ad & PR agency HWH Enterprises, which includes BSR, Magna-Vision & Sampo among clients.

Barry Lipsky advanced at Mura to operations vp... Roy Durnwirth promoted at Amperex Hicksville Div. from microwave & scientific products mktg. mgr. to gen. mktg. mgr.

William Pearce promoted at Rockwell Micro-electronic Devices Div. from device development mgr. to engineering dir., succeeding J. Leland Seeley, now American Microsystems R&D vp; Fred Little, worldwide mktg. dir., adds duties as sales dir., assuming post of William Treleven, resigned.

Treasury is intensifying effort to clean up Japanese TV dumping-case backlog, has asked manufacturers there for list prices, sales dates & schematics for all color models sold in Japan since 1973. Data will be used to help determine fair-market value of similar sets exported to U.S. during same period, is due Jan. 14. As home-vs.-export pricing comparisons must be done on manufacturer-by-model basis with allowances for differences in design, periodic price changes & fluctuations in exchange rates, among others—job is slow and Treasury is 4 years behind in liquidation of individual shipments.

Taiwan's color TV exports to all countries in 1977's first 5 months totaled 108,000 sets, up 53.5% from same 1976 period, dollar value rising 66.3% to \$18.89 million, First Commercial Bank of Taiwan reports. Exports of b&w sets totaled 1,189,000, down 2.8%. Some 85% of Taiwan's color TV exports went to U.S. Total of 144,000 color sets were sold on domestic market, up 26%, while b&w sales dipped 18% to 55,000. Survey indicated "brisk" overseas sales of 25" sets in 1977 for first time.

Interference Handbook recently published by EIA Consumer Electronics Group contains photos to help technicians identify & eliminate various types of TV interference, including those originating within set itself. It also provides construction details for interference traps & attenuators, contains outline of FCC rules governing CB-caused interference. Copies from EIA CEG, 2001 Eye St. NW, Washington 20006.

Magnavox will introduce modular stereo systems at \$250-\$380 at CES, as well as Philips-built line of 9 radios from \$15 FM-AM pocket radio to \$80 FM-AM portable cassette recorder and 3 electronic digital clock radios at \$33-\$50.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Bowmar Instrument			
1977-year to Sept. 30	13,107,000	827,000 ^a	.17
1976-year to Sept. 30	12,801,000	(173,000) ^a	--
1977-qtr. to Sept. 30	4,240,000	406,000	.05
1976-qtr. to Sept. 30	2,766,000	(2,752,000) ^a	--
Filmways			
1977-9 mo. to Nov. 30	103,291,000	2,576,000	1.07 ^b
1976-9 mo. to Nov. 30	91,857,000	2,130,000	.90 ^b
1977-qtr. to Nov. 30	36,663,000	1,320,000	.56 ^b
1976-qtr. to Nov. 30	34,000,000	943,000	.41 ^b
National Semiconductor			
1977-28 wk. to Dec. 11	249,807,000	10,960,000	.84
1976-28 wk. to Dec. 12	211,571,000	6,739,000	.51
1977-12 wk. to Dec. 11	118,741,000	5,580,000	.43
1976-12 wk. to Dec. 12	99,309,000	3,397,000	.26

Notes: ^aIncludes special credit. ^bAdjusted.

NEW ATARI MPU GAME: Atari is moving into lower end of programmable market with new "moderately priced" Game Brain scheduled for introduction at CES this week. At same time, firm is expected to show keyboard data-entry system which plugs into current Video Computer System (VCS) programmable. Game Brain price wasn't available at presstime, but it's expected to be well below \$189 VCS.

Two of 4 new VCS cartridges (Concentration & Code Breaker) are designed for use with keyboard system, which obviously is first step in direction of computer functions. Two other cartridges (Hangman & Starship II) will play through VCS joystick controls. Other game firms, including Bally & Coleco, are expected to move into computer field via games—Bally with module for current Professional Arcade programmable (Vol. 17:51 p9), Coleco possibly with discrete unit. RCA and Fairchild have also voiced interest in home/personal computer field.

Home video systems will get spotlight at ITA's 8th annual seminar at Tucson March 5-8. Panels March 6, first day of workshop sessions, will cover general outlook, market opportunities in accessories, including recorded programs, blank cartridges, projectors. VTR marketers speak March 7, retailers March 8. Separate concurrent workshop sessions will cover video programming & production, professional video equipment, audio software, copyright regulations. Preliminary program from ITA, 10 W. 66th St., N.Y. 10023.

Total of 100,000 CBers were issued wrong call signs recently by FCC because of computer error. Error caused previously issued call signs to be issued again. FCC notified all concerned, gave new call signs.

Color TV sales to dealers for 1977 minus one week: About 8,905,000. Sales for 51st week, through Dec. 23, totaled some 176,000, up 9.3% from 161,100 in same 1976 week.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FTC STAFF KID TV PLANS: Staffers expected to recommend ad ban for pre-sweetened foods during children's TV programs if food found 'harmful'; counter-commercials proposed. (P. 1)

FCC TACKLES NEW YEAR: Whopping 41 items on agendas for meetings this week, topped by fee refunds and WJLA-TV & KOCO-TV swap. Ferris plans every-other-week regular meetings. (P. 1)

OPP & WARC GAIN IN FCC BUDGET: Authorized spending starting Oct. 1 goes up \$5.6 million to \$67 million. Bcst. & Cable Bureaus shut out on additional personnel. (P. 2)

NCTA GEARS FOR CONVENTION: Elections slated for Feb. board meeting. Aaron declines 2nd term. Candidates: Hughes, Dittrock, Munro, Schneider, Strange. Budget top topic. Staff seeks new revenue sources. (P. 2)

FERRIS WANTS HOUSE & SENATE to control microphones & cameras for floor coverage; says fairness doctrine isn't 'inordinate burden'; favors 'concept' of required access. (P. 3)

CPB WIDENS PUBLIC TV RIFT? That's immediate reaction to board action on program funding indicating Corp. will continue supervisory role over opposition of PBS, stations & White House. CPB staff instructed to obtain 'expanded written statement' from Administration. (P. 5)

FTC STAFF KID AD PROPOSALS: FTC staff recommendations on ads for pre-sweetened foods in children's TV programs have crystalized as follows, we learned last week:

(1) Flat ban on all ads for foods found to be harmful. Hearings would be conducted to determine which are harmful.

(2) If harmfulness of food is minor or undecided, in FTC's opinion, advertisers would be forced to present counter-advertising. An alternative would be to require that advertisers run warnings in ads or disclose amount of sugar in product.

If FTC rejects foregoing, staff is expected to urge a limit on number of pre-sweetened food ads in kids' programs; no specific limit is suggested by staff, at this point. Staff proposals are expected to be presented to commissioners this month after minor wrinkles are ironed out.

FCC TACKLES NEW YEAR: There are whopping 41 items on agendas for special regular & closed meetings of FCC Jan. 11-12. "We'll never get through it all," comr. told us. "Why, the fee refunds and WJLA-TV swap will take up half a day."

Consumer Electronics

LAS VEGAS CES heralds bright future, with high attendance, attention on new products, particularly in video area. Exhibitors & attendees unanimously applaud move to new locale. (P. 7)

TV IMPORTS DROPPED sharply in Nov., reflecting impact of dock strike, Japan's color export quota. VTR shipments dipped below Oct. level. CB in record nosedive. (P. 8)

GAMES/COMPUTERS at CES generate excitement & confusion, as industry struggles for market definition. Atari & Bally add computer-like accessories to MPU systems; Personal computer makers debate consumers' needs. (P. 9)

HY-GAIN FILES bankruptcy petition, seeks protection for Puerto Rican operation as well. Canada says no to more 23-channel imports. CB 23's illegal, but still for sale in N.Y. (P. 9)

VTR IS BOOMING, all participants agree. Accessory market seen growing rapidly around programmers, cameras, etc. 3M, Ampex & Fuji in new video-cassette moves. Deck sales seen 500,000-750,000 this year. (P. 10)

TV REVITALIZED by video-related products. Projection sets with high brightness & resolution shown by MGA, Quasar, Panasonic. Japanese color prices up. Taiwan, Korea manufacturers pitch hard at CES. (P. 10)

And, beginning this week, Chmn. Ferris is starting experiment of holding regular 2-day agenda meetings every other week, with meetings on special matters during off weeks. Major purpose, aide said, was to give commissioners more time to study staff-prepared agenda items. At this week's meeting, there are 31 items on regular agenda, 7 for closed meeting, 3 at special meeting.

Fee refunds—something dear to heart of broadcasters—will be taken up Jan. 11, and Commission must report to D. C. Appeals Court on what it plans Jan. 13. Comr. Fogarty had memoed Ferris Dec. 30, noting fee issue has "been pending before us now for a considerable period of time," added it's FCC's "obligation to decide and act... without further delay." Ferris responded that he had "made this matter a priority since arriving at the Commission," detailed steps taken by Gen. Counsel Robert Bruce—including "discussions with appropriate congressional personnel." Bruce's recommendations had been promised by Jan. 6, but commissioners still hadn't received them at press time.

Another controversial matter is proposed exchange of WJLA-TV Washington for KOCO-TV Oklahoma City. Under contract, either side can back out after Feb. 24, and closing can't take place until 30 days after Commission action—if agency approves deal and doesn't ask for more information or order hearing—because of appeal possibility. One principal in transaction predicted deal will be canceled if Commission approval doesn't come in next 2 weeks.

Saying it's "a close call," FCC's Bcst. Bureau recommended approval, but some commissioners will raise strong questions this week. Among troubling aspects: Whether Washington Star owner Joe Albritton gave minorities fair opportunity to acquire WJLA-TV, as promised when Albritton purchased properties; large block of preferred stock to be acquired by Albritton in Combined Communications (which will own WJLA-TV).

Couple of other interesting matters to be considered at open meeting: (1) Proposal to prohibit manufacture of UHF sets after May 1, 1979 with noise figures in excess of 14 dB. (2) Request for ruling by Microwave Assoc. whether sale of earth stations to private individuals—for direct reception of satellite signals—violates Sec. 605 of Communications Act.

OPP, WARC GAIN IN FCC BUDGET: Office of Plans & Policy, Common Carrier & Field Operations Bureaus and preparations for 1979 WARC are major gainers in FCC's fiscal 1979 budget (starting Oct. 1) to be sent to Congress later this month. Total amount to be requested is \$67 million, up \$5.6 million and 58 positions from current year.

OMB originally had held FCC increase to \$1 million and 38 positions, but agency won all it asked for in appeal. Field Operations Bureau will get 24 new positions, Common Carrier 20, OPP 10, Chief Engineer 5 for WARC preparations, Gen. Counsel 3. Neither Bcst. nor Cable Bureaus will get additional employees. OPP will have \$1 million for research, \$601,000 more than current year.

NCTA GEARING UP FOR CONVENTION: NCTA is beginning build-up toward April 30-May 3 convention in New Orleans, holding exec. committee meeting in Denver Jan. 17, board meeting in Boca Raton, Fla. Feb. 12-14.

Officers will be elected at board meeting. Daniel Aaron, first chmn. permitted 2nd one-year term under recently revised bylaws, has said "no, thanks," telling board "I've got a business to take care of." Following have announced candidacy, seeking support: Chmn. Robert Hughes, CPI; vice chmn., Douglas Dittrick, Viacom; treas., Richard Munro, Time Inc.; secy., Gene Schneider, United Cable, and William Strange, Sammons.

Main items on board agenda so far are budget and FCC economic inquiry, in addition to elections. NCTA staff is preparing balanced budget for regular functions, will recommend additional projects—to be financed from reserves (which are about \$750,000) or new revenue sources. Last year's budget was about \$1.5 million.

Almost all revenues to date have come from dues & convention. Staff is exploring new sources—such as selling technical publications, group insurance, etc. On top of that, there'll be more effort to recruit new members. According to Pres. Robert Schmidt, CATA's establish-

ment of Washington office should help both outfits. "We can go after new members together," he said. "I don't see any conflict. We'll be working closer together."

For New Orleans convention, NCTA is aiming at customary main targets: President Carter, Sen. Hollings (D-S.C.), Rep. Van Deerlin (D-Cal.), FCC Chmn. Ferris.

Denver exec. committee meeting next week goes into budget, EEO, FCC economic inquiry, legislative rewrite, pole fees. Denver-based cable operators will be invited to briefing.

Meanwhile, Copyright Office has adopted final rules governing filings & payments, generally as proposed, but easing a couple provisions that had cable operators concerned. Rules provide much simpler and less expensive method of identifying FM signals carried, and they allow listing of non-basic services provided instead of extensive detail.

FERRIS WANTS HOUSE CONTROL: "Camera selection and lighting requirements should be totally within the House & Senate's control" in planning for TV-radio coverage of Congress, according to FCC Chmn. Ferris. In interview to be published in Jan. issue of RTNDA's Communicator, he said he feels "very strongly" that Congress should provide & control feeds to stations & networks.

A long-time gen. counsel to Senate Democratic Policy Committee, Ferris added this criticism: "The experience I had the one time the electronic media was permitted into the Senate chambers [for swearing-in of Nelson Rockefeller as Vice President], the theatrical atmosphere that was created, the inordinate amount of lighting, changed the whole character of the proceeding in the Senate."

Coalition of broadcast groups is fighting for right to provide own cameras & crews in House, has gained support of AFL-CIO (Vol. 18:1 p3). Rep. Anderson (R-Ill.) has asked Speaker O'Neill (D-Mass.) to permit House vote on controversy.

On other subjects, Ferris said that fairness doctrine doesn't place "an inordinate burden" on stations and that it is necessary because "of the very limited spectrum available for people to become broadcasters." It doesn't make broadcasters "second-class citizens" as to their First Amendment rights, he said. He added that proposals to experiment in markets with many stations and allow them to operate without regard to fairness doctrine "deserve a lot of consideration."

FCC chmn. said he favors "the concept" of required access for public, but "between the concept and the reality falls the shadow... The notion that people can come in and express viewpoints on the air... seems to me to be an imaginative concept. It seems to be an idea that might prove to have significant success if given the opportunity to ventilate."

Renewals of 7 TV-radio stations in Alaska owned by Midnight Sun Bcstg. have been opposed by Alaskans for Better Media, which claims licensee violated EEO rules, clipped network programs, hasn't responded to program needs of communities. Group also opposed \$3.5 million sale of stations, asked for hearing.

Domestic satellite for Australia is in works, govt. commission calling for comments by Jan. 13. One party—Swan TV & Radio Bcstrs. Ltd.—has retained U.S. consultant, TransCommunications.

Annual forecast by Commerce Dept. sees telecasting revenues this year rising 12%, radio 9%. TV pre-tax earnings are expected to increase 9%, but radio earnings are seen dropping 7% because of increased costs. Cable subscribers are expected to increase 1.2 million in 1978 while revenues are seen rising 11%. Pay-cable subscribers are expected to increase 700,000, totaling 2.2 million, providing revenues of \$185 million. In 1982, TV revenues should reach \$7.9 billion in constant 1977 dollars, a real growth of 6% compounded annually, according to estimate. Forecast sees radio increase at 3.4% annually in 1977 dollars. Cable subscribers are estimated reaching 18.8 million by 1982, compound growth of 8%. Cable revenues are forecast at \$1.16 billion in 1977 dollars, a real growth rate of 5.7%. Estimates find pay-cable subscribers at 4.7 million by end of 1972, with annual revenues at \$450 million in 1977 dollars, an annual growth of 17.7%. Estimates are prepared by E. MacDonald Nyhen of Science & Electronics Div.

Justice Dept. brief in U.S. Supreme Court cross-ownership case (Vol. 18:1 p5) said Appeals Court was correct in: (1) Approving FCC's ban on new station-newspaper combinations. (2) Disapproving FCC's grandfathering of most existing combinations. However, JD said Appeals Court was wrong in: (1) Disapproving FCC's decision to split 17 "egregious" combinations. (2) Directing FCC "to adopt a rule requiring the separation of all combinations." JD said: "After properly identifying the flaws in the Commission's reasoning, the Court of Appeals should have returned the case to the Commission, leaving the agency free to formulate a new rule of its choosing based on a reasoned application of the governing legal principles." Brief gave little comfort to industry parties, rejecting virtually all arguments dealing with First Amendment, "superior" service by newspaper owners, virtues of continuity, etc.

Outlet Co. plans to buy "full quota" of broadcast properties (5 VHF, 2 UHF, 7 AM, 7 FM), company said, announcing purchase of KIQQ(FM) L.A. from Cosmic Communications for \$4.5 million. With completion of its \$11-million sale of WNYS-TV Syracuse last week to Acquisition Corp. and completion of purchases of KIQQ & WTOP (AM) Washington, Outlet will have 4 VHF's, 3 AM's, 2 FMs. Company also has application for UHF in Oklahoma City. Broker in KIQQ deal was Howard Stark. Elsewhere, Cox Bcstg. completed purchase of WWSH(FM) Philadelphia for \$4.2 million from United Artists Bcstg.

REWRITE GROUP RECONVENING? Broadcasters advisory committee on rewrite may meet again following discussions of some members with Rep. Van Deerlin (D-Cal.), House Communications Subcommittee chmn. Subcommittee sources said initial talks found several broadcast advisory members interested in reconvening, despite past refusal to offer proposals for rewrite (Vol. 17:50 p1).

Bazil O'Hagan, WNDU-TV South Bend, for one, favors idea, noting he's yet to be contacted, however. "There would be sentiment for it," he said. "It should be a sounding board for committee members to bounce ideas around. However, the committee cannot represent the industry." Another committee member said he's unwilling to sit down if trade-offs are discussed.

Van Deerlin, Subcommittee staff and others plan to discuss rewrite this week with 4 religious public-interest groups, including United Church of Christ (Vol. 17:52 p3).

Meanwhile, Van Deerlin took swipe at letter to him from NAB Pres. Wasilewski (Vol. 18:1 p4) in which latter said NAB has cooperated on rewrite. Van Deerlin looked askance at Wasilewski's statement of NAB principles, wrote him:

"[The statement of principles'] main thrust seems to be—keep the gold in Ft. Knox. It reads like the report of a committee project co-chaired by King Midas and Marie Antoinette..."

Van Deerlin wrote that he understands Wasilewski's position. "The broadcasters didn't elect you to uncouple the gravy train," he said, "but enlightened self-interest may impose some hard choices, yes, even trade-offs..."

Letter said big technological changes down pike

Cowles Communications board has voted to liquidate, distributing to stockholders the 2.6 million shares it holds in N. Y. Times Co., plus stock of subsidiary Cowles Bcstg. and undetermined amount of cash. Completion is contingent on favorable IRS & FCC rulings. Cowles has 3,968,587 shares outstanding; shareholders are to receive .655 share of N. Y. Times share for each Cowles share. Cowles Bcstg. would be recapitalized to permit distribution of one Cowles Bcstg. for each Cowles Communications share. Broadcasting subsidiary earned about \$2 million last year. Its stations are WESH-TV Daytona Beach-Orlando & KCCI-TV Des Moines. Times owns WREG-TV Memphis & WQXR-AM-FM N. Y.

U. S. aircraft with built-in TV studio & dangling antenna flew over Cambodia during Vietnam war, sending signals to total of 3 sets, House Intelligence Subcommittee was told in hearings on CIA's relationship to newsmen. All 3 were said to be in Cambodian chief of state's palace.

"Journalism is fast becoming one of the world's riskiest professions," International Press Institute said, urging effort to protect reporters from violence. London-based IPI suggested international convention giving journalists official protection and guaranteeing legal action against attackers.

will come regardless of "your ability and mine to agree on anything."

Said the letter: "It was not Lionel Van Deerlin, but Jerry Ford's Office of Telecommunications Policy which saw the possibility of broadcast services without over-the-air signals by the year 1990.

"It is not Van Deerlin, but the courts which have struck down regulatory restrictions on cable (restrictions that NAB's Statement of Principles would restore as Holy Writ).

"It is Ted Turner whose blend of cable with satellite technology has spread consternation in the smaller TV markets.

"It is Paramount Pictures which talks of delivering new offerings direct to broadcast and cable outlets by satellite.

"It is the Japanese who will shortly test delivery of satellite signals direct to home receivers via rooftop antennas.

"It is the telephone company and its competitors whose sophisticated home terminals could greatly broaden the daily offering of news and entertainment in the American home. And it is the Texas Instruments Company whose new television tuner promises absolute parity for UHF stations with VHF—a development which alone could change the economics of television as much as anything in the last two decades.

"Finally, not even [Harry] Shooshan [Subcommittee Counsel] had a hand in the Nielsen rating system's discovery that about one million Americans turned off their TV sets altogether in 1977.

"Try to picture this when you're watching the Super Bowl, Vince... A million people would fill the Superdome nearly 14 times over. That candle still burns brightly."

Ex-FCC Chmn. Richard Wiley has gained first broadcast client—NAB, albeit on a one-time basis—since entering private law practice. He has been commissioned to update children's TV ad guidelines for Code. Wiley also will go on board of TARPAC—industry's political fund-raising committee—at NAB convention in April, succeeding Victor Ferrall.

In response to query by NAB Highlights, 16 U. S. radio stations report that Radio Moscow asked them to use Russian-produced programs; 4 stations said they aired such programs. One mgr. said shows provided "an interesting opportunity for U. S. broadcasters to affirm the freedom of the system under which we operate."

Programming for CATV local origination is offered by newly established United Cable Network, Columbus, O. Company offers sports, documentaries, childrens' shows, etc., on 3/4-in. tape. Details: Dan Hodge, vp, 6564 San Miguel Pl., Reynoldsburg, O. 43068; 614-864-1368.

No local black group—or anybody else—is opposing renewal of commercial WCFT-TV (Ch. 33) Tuscaloosa, Ala. as erroneously reported in article about petition to make Montgomery all-UHF (Vol. 17:52 p5). Television Digest regrets the error.

CPB WIDENS PUBLIC TV RIFT? "They've made it much worse... They've told President Carter to mind his own business... They've underestimated the extent of the resentment toward CPB in Congress." These are some of the immediate reactions to CPB statement on program funding following Jan. 6 board meeting in Columbia, S. C.

Public broadcasters and some govt. officials see CPB statement as affirmation that Corp. plans to stay in business of overseeing programming despite opposition of White House, PBS and stations.

Donald Santarelli, chmn. of CPB's program advisory committee, reported to board on "new procedures to be developed for the Corp.'s financial support of programs" designed to provide maximum insulation for stations and to "maintain the public accountability of the board." He stressed Carter's proposal for 5-year financing of public broadcasting, which included steps to end "bickering" between CPB & PBS (Vol. 17:40 p2). Santarelli's report said President's proposals would have significant effect on process of financing public programs, added:

Some of White House proposals don't explain CPB's responsibility sufficiently; CPB must make sure programs for which grants have been made will be delivered; CPB board "must not neglect its responsibilities" and members cannot "lose sight of their statutory responsibilities." CPB staff "was instructed to obtain an expanded written statement from the Administration on its suggested role for the Corp.'s financial support of programs."

Warner's Qube is conducting daily opinion polls in Columbus, latest including evaluation of Carter's performance to date. Of respondents (total not disclosed), 77% said his performance was "fair to poor," while 23% said "good or very good." Recent N.Y. Daily News poll, asking same question, got 64% & 35%. Subjects of other recent questions: Gambling laws, tax breaks for industry, bargaining for public employees.

Too many weapons appear on TV shows and their use rarely results in blood or on-screen death, Conference of Mayors report says. That makes for "antiseptic" view of death, study says. Conference said study, covering 73 prime-time hours in 1977, found serious distortion of real danger of weapons, felt viewers should know use of weapons actually results in suffering.

Because of complaints about CB interference with TV reception, NAB has asked FCC to change CB transmitter specifications and "enforce its rules" against use of illegal amplifiers. NAB said it would help Commission obtain "additional authority that may be required from the Congress... for the apprehension of the operators of unlicensed [CB] stations."

CPB has awarded \$12.9 million contract to Rockwell International as prime contractor for 192 ground receive-only stations for satellite distribution of public radio. Satellite interconnection, using Westar, is to become operational in Jan. 1980.

WTOK-TV Meridian, Miss. names Katz rep.

Successor for OTP, National Telecommunications & Information Administration in Dept. of Commerce, is rapidly gearing up in personnel—although NTIA won't be formed officially for several weeks. There first must be exec. order from President (now due in mid-Feb.), followed by administrative order by Commerce. Henry Geller will head NTIA as Commerce asst. secy.; deputy dir. will be Paul Bortz, now at Denver Research Institute. Other key officials, either now at OTP or slated to join NTIA: Leland Johnson, Rand, will head policy branch; Donald Jansky (OTP), technical branch; William Fishman, international branch; Forest Chisman, ex-Aspen, special asst.; Walda Roseman (OTP), asst. for congressional & media affairs; Gregg Skall (OTP), gen. counsel; William Lucas, Rand, will head short-term policy recommendations.

Use of radio for entertainment in business establishments under new copyright law is covered in memo to members by NRBA. It says ASCAP, BMI & SESAC plan to issue rates this month for such uses and, says NRBA, "it is anticipated that the cost of licensing will not be substantial." New law follows U.S. Supreme Court 1975 decision which said no payment was required when business entity used "home receiver with 4 ordinary loudspeakers grouped within a relatively narrow circumference from the set."

Renewals of KRZE(AM)-KRAZ(FM) Farmington, N. M. and KKAT(AM) Roswell have been set for FCC hearing. Issues involving Farmington outlets, owned by E. Boyd Whitney, include alleged misrepresentation, lack of candor, improper logging of commercials and promotions of recording artists. KKAT has been silent for more than year; hearing was consolidated with that of competing applicant Andromeda Bestg. Issues include "apparent" unauthorized transfer of KKAT.

In NAB board elections (Vol. 17:52 p4), delete Robert Bennett, WCVB-TV Boston, & Donald Curran, Field Communications, as candidates; add Allan Land, WHIZ-TV Zanesville, & Thomas Percer, WHNT-TV Huntsville. On radio side, William Eure, WSSV Petersburg, Va., has withdrawn in Dist. 4; Frank Balch, WJOY Burlington, Vt., in Class C, and Leonard Patricelli, WTIC Hartford, replaces David Morris, KNUZ Houston, as Class A candidate.

Courtroom ban on cameras will be re-examined by National Conference of Chief Justices at Feb. meeting. Conference will take new look at entire judicial canon on media. "Many of the arguments that have been used against [use of cameras] are gone," conference chairman said. Meanwhile, Wis. Supreme Court agreed to 1-year experiment using cameras and tape recorders in state courts.

NAB is sponsoring TV-radio editorial contest "to stimulate, recognize and reward broadcast editorializing designed to awaken the public to broadcasting's lack of full First Amendment protection and impending threats to freedom of the broadcast press." Entries are due at NAB by March 1; winner will be announced in April.

Personals

Rep. John Moss (D-Cal.), chmn. of House Investigations Subcommittee and member of Congress 25 years, will retire at end of term next Jan. . . William Hesse, head of AAAA Washington office, named interim pres., succeeding late John Crichton (Vol. 18:1 p5); Hesse plans to retire in 1979.

Gordon Link elected vp-eastern sales mgr., ABC-TV Network Sales. . . Andrea Cetera, ex-WPLG Miami, joins Arbitron as eastern TV account exec. . . William Ellinghaus, AT&T vice chmn., speaks at FCBA luncheon Jan. 11, Army-Navy Club, Washington.

John Barry promoted to regional mgr., NBC affiliate relations. . . James Ross named local sales mgr., WJIC-TV Pittsburgh. . . Robert Plummer advanced to chief engineer, KOMO-TV-AM Seattle. . . Betty Robertson promoted to dir. of administration, Cosmos Bestg.

William Ketter resigns as UPI vp-broadcast services, named gen. exec. editor of Quincy (Mass.) Patriot Ledger. . . Ron Devillier promoted to PBS program administration dir.; Anne Murphy joins PBS as dir., long-range federal funding task force.

Sandra Anderson joins Cablecom-General as secy.-gen. counsel. . . Miklos Korodi named vp-new business services, Warner Cable, new post. . . Gail Sermersheim, ex-Telesis mktg. dir., appointed HBO regional mgr.

Bruce Collins, ex-asst. to Rep. Downey (D-N.Y.), named NCTA assoc. dir., govt. relations. . . Roger Walz joins National CableSystems as vp. . . Ronald Polomsky, ex-Motorola, appointed vp-sales & marketing, Jerrold.

Study of cost of govt. regulation, to be used as basis for hearings by Congressional Joint Economic Subcommittee on Economic Growth in Jan., found that federal regulation of business in 1976 costs over \$65 billion, with \$1 billion attributed to FCC regulation of CATV. Research was conducted at Washington U., St. Louis, with Murray Weidenbaum in charge. Weidenbaum said it was impossible to calculate cost of Commission regulation of non-CATV services.

National PTA will conduct discussion among 7 representatives of foreign govts. and PTA TV Commission on TV's effect on children Jan. 10, DuPont Plaza Hotel, Washington.

Criminal complaint against NBC is being considered by a Westchester County School Board after consumer reporter Betty Furness served 30-proof Heublein Cow strawberry drink to students for story.

NAB plans Aug. 21-23 radio programming conference at Hyatt Regency, Chicago; planning committee meets Feb. 7 in N.Y. Registration is \$100.

Vol. 55 of 2nd series of FCC Reports is available (\$9.25) from GPO, Washington 20402.

NAB 'STOCKHOLDERS' REPORT: "My guess is that with all the good news we hear about the upbeat financial side of our industry. . . that our real battles will continue to be in the political & regulatory arena," according to NAB Pres. Wasilewski in 2nd annual report to "stockholders." His message, published in Jan. issue of monthly magazine Radioactive, stressed NAB's 1977 victories and attempted victories.

Noting a change of Administration in Washington, he said "NAB's role has been to be alert to the changes, educate the new group of policymakers and promote constructive actions. . . What this means is that with the changing of the cast of characters in broadcast regulation, our efforts in Washington and yours at home will have to be even more coordinated in the coming year."

He predicted biggest 1978 battle will be attempt to require broadcasters to pay performance fees for airing of recorded music. Last year, he said, "preserving the status quo for radio broadcasters is itself a victory. The year 1977 was a typical preventive maintenance year."

Shuffle among divisions of FTC Bureau of Consumer Protection sees Wallace Snyder, formerly in charge of national advertising monitoring, become asst. dir. for advertising techniques & monitoring, responsible for ad substantiation, cigaret ads, children's ads and health & safety as it relates to all advertising. Remaining as deputy dir. for policy and evaluation is Tracy Westen, who heads new task force studying consumer information problems. Ted Cron, FTC information dir., has been reassigned to consumer education program.

Cable earth station grants: Keystone Peak & Mesa, Ariz.; Rancho Cordova & S. Lake Tahoe, Cal.; N. Stonington, Conn.; Brandon, Ft. Lauderdale, Gainesville & Niceville, Fla.; Buhl, Ida.; Ruston, La.; Canton & Pearl, Miss.; Carson City & Tonopah, Nev.; Bristol, Tenn.; Petersburg, Va. Applications: Hamilton & Winfield, Ala.; Streater, Ill.; Albany, Ga.; Garden City, Kan.; Greenville & Tawas City, Mich.; Dover Twp., N.J.; Forest City, N.C.; Chattanooga & Columbia, Tenn.; Mineral Wells, Tex.

Arbitron adds Beaumont-Port Arthur & Little Rock to list of 33 other markets where black ethnic interviewing techniques are used. Company says addition brings to 3.6 million number of black TV households in markets surveyed with special procedures.

Add AM stereo to items that NAB thinks FCC should give "top priority" (Vol. 17:52 p1). Stereo is of "increasing importance" to AM because of "movement of audience to FM," NAB said.

FCC closes St. Louis common carrier office Jan. 15.

FCC received 4,054 complaints from public in Nov., down 3,877 from Oct.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 23 (51st week of 1977):

	Dec. 17-23	1976 week	% change	Dec. 10-16	1977 to date	1976 to date	% change
Total TV.	278,461	259,404	+7.3	384,391	14,458,976	12,652,789	+14.3
color	176,097	161,100	+9.3	232,638	8,904,777	7,557,125	+17.8
monochrome . .	102,364	98,304	+4.1	151,753	5,554,199	5,095,664	+9.0
Total radio	1,021,019	511,398	+99.7	1,162,592	54,158,582	40,186,539	+34.8
home, portable	749,304	281,180	+166.5	856,911	41,540,427	27,961,742	+48.6
AM-only	240,989	160,804	+49.9	265,105	10,709,385	9,136,360	+17.2
FM & FM-AM	508,315	120,376	+322.3	591,806	30,831,042	18,825,382	+63.8
auto	271,715	230,218	+18.0	305,681	12,618,155	12,224,797	+3.2

Color TV 5-week moving average: 1977-211,611; 1976-200,177 (up 5.7%).

LAS VEGAS CES HERALDS BRIGHT FUTURE: Move last week of Winter CES from Chicago to Las Vegas—with its roomy exhibition hall and shiny new displays—seemed to underscore feeling that consumer electronics industry had made some kind of new start. Attendance seemed heavier than anyone had expected, reaction of attendees & exhibitors to new locale virtually unanimously favorable, and enthusiasm for new products and prospects for future ran high.

By closing time of 2nd day (Fri.), there had been no major surprises—but they weren't needed. Major excitement, of course, centered on industry's newest products—VTR & computers/games. In VTR, there was agreement that boom was indeed in progress, and that huge market—including VTRs, tapes, cameras, accessories—was on way, consensus indicating sales of 200,000 or more decks last year, at least 500,000 this year (see p. 10).

Game & computer market, although equally exciting, posed more of dilemma. There seemed to be as many opinions as to direction it's headed as there were attendees at show. Emerging from show, however, was definite agreement that there will be a personal computer market and large programmable game sales, although details were subject of some controversy (see p. 9).

VTRs, games & computers helped to revitalize entire area of video, and convention floor was reminiscent of very early Consumer Electronics Shows, with major U.S., Japanese, Taiwanese & Korean manufacturers displaying prominently. High-quality projection TV was in sharp spotlight, 3-tube systems by MGA (ready for sale) and by Panasonic & Quasar (not quite ready) providing some of best blown-up pictures we've seen (see p. 10).

Prices were up on products from Japan, and 4-5% seemed typical average increase, both in color TV & audio. Audio created major excitement at show, with high-end sophisticated segment of market capturing most attention and industry clearly in step-up mood. MPU technology is moving inexorably into broader range of products. Remote concept is catching fire in audio; Fisher created stir with new \$250 remote-controlled cassette deck.

In calculators, market shakeout appears to be nearing end. Canon's Werner Fisher said at news conference that only "5 viable companies" remain in field which once had 130 brand names. Emphasis is on further miniaturization, with most exhibits featuring range of ultra-thin units. Projections for 1978 ranged 40-50 million units, with 1977 total put at 30-35 million. Other trends: Combination clock-calendar-stopwatch-alarm portables in \$50-\$70 range, mini-printers using standard adding machine tape at \$80-\$100.

CES also saw emergence of what promises to become very important new product category—telephones. With easing of restrictions on privately owned phone equipment, raft of firms—including such majors as ITT, GTE Automatic Electric, Northern Telecom—put together elaborate exhibits featuring highly styled, colorful phones & accessories.

Only dark spot was CB debacle, underscored by Hy-Gain's filing of Chapter XI petition. But even in this area, industry seemed determined to pick up pieces and proceed with smaller-scaled business—and opening-day conference on CB struck positive & optimistic note (see p. 11).

These are our impressions based on 2 quick CES opening days. We'll give you more details next week—but we've seen enough already to know that Winter CES no longer is 2nd-class event. This Las Vegas unveiling of consumer electronics industry of future compares favorably with many past summer shows.

NOV. TV IMPORTS DOWN: Dock strike along East & Gulf Coasts and Japan's color export quota combined to produce steepest decline of year for TV imports in Nov., kept month's incoming VTR shipments below level of preceding month, Commerce Dept. totals indicate.

On brighter side for importers last week was intervention in international money market by Federal Reserve in response to sharp drop in value of dollar during first trading days of new year. Fed stepped in Jan. 5, and exchange rate for yen, which had sunk to 237 range, jumped back up above 240. Move gave buyers at Winter Consumer Electronics Show hope that general price increases effected by many exhibitors there will be last for a good while (see above).

Commerce reported 679,800 TVs were imported in Nov., down 24.1% from same 1976 month, with color off 29.8% to 304,300, b&w down 18.8% to 375,500. Through 11 months, TV import total stood at just under 8.01 million, up 13.9%, color at 3.48 million, up 17.3%, b&w at 4.53 million, up 11.5%. Import of complete color sets was down 36.7% in month to 206,600, for cumulative total of 2.36 million, down 8.1%.

By-country totals for Nov., with 11-month figures in parentheses: Japan total 260,600, down 43.7% (3.54 million, down 4.8%), color 162,800, down 44.5% (2.11 million, down 13.7%), b&w 97,800, down 42.3% (1.43 million, up 12.2%); Taiwan total 254,300, down 8.8% (2.78 million, up 7%), color 53,000, up 73.1% (390,200, up 82.1%), b&w 201,400, down 18.9% (2.39 million, up 0.2%); Korea total 93,200, up 70.7% (742,200, up 69.8%), color 19,900, up 91.1% (80,100, up 59.1%), b&w 73,300, up 66.1% (662,100, up 71.2%). Canada supplied 13,800 color sets in Nov. for grand total of 54,500, Singapore 1,400 color for 12,000 total and Mexico was source for 52,500 color chassis, for 820,700 total.

Nov. imports of cassette & cartridge VTRs, including both home & professional units, totaled 31,900, a 16-fold increase from same year-earlier month, but some 2,100 fewer than entered in Oct. Full-period total of 157,800 represented 5.5 times increase. Comparison of U.S. imports with Japan's exports indicates that as many as 20,000 VTRs were held up by dock strike, making it likely that Dec. imports were about double those of Nov., and that total for year topped 200,000.

Transceiver imports took record tumble in Nov., dropping 64.8% to 952,600, leaving 11-month results at 16.6 million, down 19.9%. Imports of hand-held models fell 73% to 431,200, for cumulative total of 8.22 million, up 30%. Other types were off 53% to 521,400, for 11-month total of 8.42 million, down 41.8%. Shipments of mobile CB dropped 54.1% to 365,900 for total through Nov. of 6.06 million, down 42.2%.

Chinese study mission is due to visit Japanese picture tube plants this month. Facilities of Hitachi, Matsushita & Toshiba reportedly are on tour schedule. Over last 5 years, Chinese have made several inquiries concerning purchase of Japanese color tube production technology & equipment, but have never started formal negotiations.

Proper use of CB is covered in 4 radio spots produced by EIA with cooperation of FCC. Narration is by TV personalities Charlie Callas & Adrienne Barbeau.

RCA cash rebate promotion (Vol. 17:52 p7) will be called "Double Savings Sales" and is billed as "one of the biggest color TV promotions in RCA history," featuring \$20-\$75 rebates on 19" color sets and \$10 on 19" b&w. Support will be via network TV and 4-color Sunday supplement ad.

GTE's Saba of West Germany has signed deal with JVC to buy VHS videocassette decks beginning in mid-1978 at initial rate of at least 10,000 units annually. GTE's Sylvania & Philco brands in U.S. are importing VHS decks from Matsushita.

GAMES/COMPUTERS AT CES: MPU game and fledgling personal computer markets ran off in all directions at CES, with 2 programmable game makers showing new add-ons designed to upgrade systems to computer level, computer makers talking about their systems' game-playing abilities—and everyone expressing confusion about direction both are taking.

Meanwhile, game producers at show generally acknowledged that mid-range, single-game dedicated units were major disappointment during Christmas season—toy-priced ball-&-paddle games in \$20 range and high-end programmables accounting for bulk of business. New Atari Game Brain (Vol. 18:1 p12) at \$115, about \$65 below firm's Video Computer System, (VCS), is to take up slack in mid-range, will feature cartridges with games previously available only in single-game units (Video Pinball, etc.). New MPU will also have Video Music cartridge, and company indicated Video Music system—along with some other dedicated games—eventually would be closed out.

Atari & Bally showed computer-like add-ons. Atari said new keyboard data entry system—which plugs into VCS—will be \$20, delivered in June along with Game Brain. Firm insists it isn't yet in computer field, is simply upgrading entertainment capabilities of VCS. But Bally made clear pitch for home computer market by adding "Tiny Basic" cartridge to Professional Arcade programmable. Program (\$50 with instruction booklet) has 1,800-word capacity, uses simple language, is designed to show user whether he has interest in home computer. Computer "module" which will house programmable will be added at June CES in \$350-\$400 range.

Other game producers obviously are eyeing computer field. Coleco will introduce its version by June CES at latest, possibly at N.Y. Toy Fair in Feb. Also at Toy Fair will be new MPU game priced lower than its current Telstar Arcade (\$79-\$99), indication of inevitable drop in programmable prices. Robert Leff indicated unit would be in \$59 range. Coleco is also expected to join other toy producers in hand-held non-video electronic game field at Toy Fair. APF showed new MPU game, also displayed \$1,500 PeCos computer and lower-priced \$500 unit. Unisonic finally showed programmable \$190 unit with 4 built-in games and initial 4-cartridge library (\$38.50 each).

Personal computer field generated plenty of excitement—but confusion over market direction was compounded by vehement claims & counter-claims from firms entering field. Biggest question is software—expected, along with peripherals, to be backbone of business if & when industry gets off ground. At show, debate generally centered on desirability of packaged general-purpose programs, or of specific programs designed for modification by user. Other obvious problem is whether stand-alone systems with CRT (Commodore, Radio Shack, APF, etc.) or consoles designed for use with standard TV (VideoBrain) will dominate market. "To us, there's little you can do to beat the display capabilities of the home color TV set," VideoBrain Vp David Chung told us.

Despite confusion, several others are rumored

set to enter field. Entry of TI into personal field will come in first quarter, with family of small-business computers starting at about \$1,500, we were told by several top executives in semiconductor field. TI wouldn't comment on reports. Casio also was reported ready to show computer, but spokesman at booth denied report.

HY-GAIN BANKRUPTCY: Hy-Gain filed for protection from creditors under Chapter XI of bankruptcy laws in Lincoln, Neb. federal court last week. It was 2nd such filing of year for CB industry. Gladding, already operating under Chapter XI, said its creditors have rejected latest settlement proposal.

Hy-Gain filing, which also seeks protection for manufacturing subsidiary in Puerto Rico, came just 2 weeks after company issued delayed finance report for year to Aug. 31 showing \$25.6 million loss. Company attributed result to depressed CB market, losses on accounts receivable. Loss exceeded Hy-Gain's earnings of preceding 5 years, dropped company net worth from \$31 million to \$5.5 million.

CB Scene: Canada refuses to become dumping ground for left-over 23-channel CBs. Officials there indicate no exemptions will be given for imports of those models. Like U.S., Canada revised CB performance standards, expanded service to 40 channels, set Dec. 31, 1977 sale deadline for old models. Unlike U.S., however, it has given some importers extra time to dispose of inventory. . . E.F. Johnson says it has \$9 million parts inventory at Clear Lake, Ia. CB plant scheduled to close next March. Company says it will produce "tens of thousands" of CBs there in first quarter, sell any leftover parts to jobbers at dump prices. Company plans to continue CB production, in limited quantities, at Waseca, Minn. Johnson says it will offer 8-model line priced from \$100 to \$200. . . Sale of 23-channel CBs may be illegal, but they're not in short supply in Manhattan, and they're not being dumped either. Quick survey of retailers on Mini-Radio Row in Chambers St. area (short walk from FCC field office) shows 23's from Cobra, Hy-Gain, Midland & other major marketers are readily available, but at prices of \$35-&-up. No off-brand models were on view.

Chrysler will offer radios with LED digital tuning indicators in 1979 cars. Hewlett-Packard began shipping read-outs to Chrysler's Huntsville, Ala. auto radio plant. . . Motorola Automotive Products Div. is expected to expand in-house sales force in preparation for switch from one-step to 2-step distribution for consumer after-market products in several areas.

Auction of manufacturing equipment, speaker & parts inventory, other physical assets, of Rectilinear Research Labs was scheduled to be held in N.Y. last week. Company halted operations last month, indicated then it might file for bankruptcy (Vol. 17:52 p11).

Maxell estimates value of blank tape sales to dealers at \$202 million for 1977, predicts \$225 million this year. It says largest growth this year will come from owners of mobile systems who will account for 11%-13% of volume by mid-year.

VTR—ACCESSORIES COMING: Winter CES in Las Vegas provided unmistakable evidence that boom is indeed in progress in home VTR—and gave indication that secondary boom, in accessories, is on way. Some proposed accessories demonstrated at show were developmental, but it was clear that commercialization is in books, probably for this year.

Matsushita subsidiaries Panasonic & Quasar demonstrated developmental MPU programmer which can store time, channel and day of week for up to 10 program selections. Gadget can turn TV set or VTR on & off, repeats week's schedule continuously until modified. Programming is done by pushbutton, with LED readout on unit. Company officials indicated production model could be introduced this year, but they were clearly using CES to get dealer reaction, and some modification of product could result.

Two-picture TV is getting some attention (i. e., Sharp's 2 pictures on same screen and Magna-Vision's 5" direct-view b&w picture on projection TV unit), and there will be more such developments based on need to monitor programs while taping. Quasar showed what could be simple & logical answer to problem—tiny 5" b&w monitor (without tuner) which plugs into VTR, gives picture of exactly what is being recorded. It takes little space, can be placed on top of TV. Quasar had no price or production plans.

Panasonic & Quasar also demonstrated similar color cameras—no marketing plans yet. Quasar indicated its target price was \$1,500-\$1,800, but Panasonic officials said cost currently is probably double that. Accessories to be offered will include electronic viewfinder, zoom (each about \$300), wide-angle lens.

GBC, which advertises it "has built, sold & delivered more TV cameras in the last 90 days than all other manufacturers combined," showed mock-up of new b&w camera to be available near this year's end at \$299.50 with optical viewfinder, \$449.50 with electronic viewfinder & 4X zoom lens. JVC demonstrated its telecine attachment—to transfer home movies to cassette using color camera.

Shortage of cassettes continues, but help is obviously on way. Ampex announced it would have Beta cassettes around March 1. 3M spokesman said company hoped to add VHS to its current Beta units some time in first quarter. Fuji, which has been supplying VHS cassettes under JVC, Panasonic & RCA brandnames, announced it would have VHS cassettes under own name this spring.

Sanyo demonstrated 3-hour Beta cassette, and both Sanyo & Sony said it would be available in March. JVC's 3-hour cassette (6 hours when played on 4-hour machines) will be offered "this year." Sony spokesman said cassette-changer accessory had been held up because of quality problems in prototypes, but would be available late this month or early Feb.

Video systems conference at CES produced agreement by hardware manufacturers & marketers (Sony, Zenith, JVC, RCA, Panasonic, Quasar) that 4th-quarter sales were very strong, and all except Sony indicated that there is currently shortage of decks.

Consensus of panelists was that about 500,000 decks would be sold this year. Sony's Ed Addis said his company would deliver 1.75 million blank cassettes this year.

In press briefing, RCA Mktg. Vp Jack Sauter said SelectaVision VTR "climbed into 2nd place in sales in the final months of 1977" and company is aiming at first place this year. He put industrywide 1977 sales at 210,000-215,000, said RCA exceeded own projections for year by 13%, even though total industry didn't come up to the 250,000 forecast by RCA last Aug. He said RCA still believes industry sales will total 750,000 this year. RCA's VTR ad budget for 1978 will be up at least 50% from 1977, at \$6-million rate. Company has reached goal of 5,000 dealers and is "very close" to target of 1,000 service centers. Sauter saw "no pricing shifts" in 1978, despite "pressure to price up" as result of climbing value of yen. He said company is selling one camera for every 3 VTRs.

TV REVITALIZED: Recent attention to "video" market seems to have brought new strength & glamour to color TV, and Winter CES in Las Vegas had more TV than any such show of recent memory. While some majors (such as RCA, Quasar, Magnavox) may have taken space mainly to display VTRs, they inevitably added plenty of TVs and helped to make CES a TV show again.

Quite probably the greatest TV interest was focused on projection—and particularly the bright, new 3-tube units which premiered at show. Excitement was generated by Mitsubishi's Video Scan system with 6-ft. washable screen; 2-piece unit seems designed as direct competitor of Advent. List price is \$3,200, and company hopes to start deliveries in Feb. Panasonic & Quasar showed handsomely designed variations of same 3-tube one-piece folding projection system with 5-ft. screen, extremely bright picture, varactor tuning & VIR. Major problem is cost, and neither company would quote price or definite delivery dates. Unit is selling for more than \$5,000 in Japan, and both Panasonic & Quasar hope that large-scale production of projection tubes may bring U.S. price down to \$3,000 neighborhood. Magna-Vision showed projector with built-in 5" b&w direct-view tube for monitoring another channel.

Most Japanese manufacturers—including, at show, Panasonic, JVC & Sharp—increased color TV prices, generally around 4-5%. Taiwanese & Korean manufacturers were broadly in evidence with longer product lines and more aggressive programs to take over some of former Japanese business. Olympic, with new 100,000-sq.-ft. factory in Taiwan, displayed first prototypes of 19" color sets it will make for promotional sale at around \$299. Set shown used NEC picture tube and some NEC parts—and presumably was developed with aid of NEC know-how. Pilot production (500 sets) will be complete in May, with 1,000 sets scheduled in June, increasing to 12,500 monthly by Oct.; schedule calls for 53,000 sets this year, 150,000 in 1979.

Import impact aid eligibility investigation has been opened by Labor Dept. for former workers at Madison, S.D. CB crystal plant of M-Tron Industries.

COMMERCE OUTLOOK: Commerce combines forecast of modest growth for domestic consumer electronics manufacturers with not-so-subtle dig at help they're giving Japanese competitors by importing rather than producing home VTRs—in annual "U.S. Industrial Outlook 1978."

Commerce estimates total value of consumer electronics products shipped by domestic factories or imported last year at \$7.75 billion, up 11.4%, with output up 8% to \$4.35 billion, imports of \$3.4 billion, up 16%. It sees 1978 total rising 7.7% to \$8.35 billion, as domestic shipments increase 4.6% to \$4.55 billion, imports rising 11.8% to \$3.8 billion. Figures include estimated 1977 exports of \$420 million, down 15.7%, forecast of 2.4% rise in 1978 to \$430 million. It projects that total U.S. market will rise to \$10 billion, in current dollars, in 1982, be about evenly divided by U.S.-made and imported products.

Forecast puts domestic factory color shipments for 1977 at 6.82 million, up 10.4%; b&w at 1.64 million, down 0.1%; car radios at 10 million, up 2.4%; radio-phonos at 2.24 million, up 1.3%; however, report notes, many U.S. manufacturers produce major subassemblies in foreign plants, only finish them in factories here, so "import penetration of the U.S. market is even greater than indicated by our official data."

In discussing developing home VTR field, Commerce questions whether domestic companies "will ever produce" them. In using imported units to enter market, "U.S. firms are contributing to the expansion of the Japanese production base" and giving Japan economies of scale that will make it difficult for a U.S.-made VTR to be competitively priced, Commerce warns.

Consumption of CB radios last year is estimated at \$605 million, down 38.3% from 1976, and, Commerce says, should rise modestly and stabilize at about \$650 million for next 2 years. It feels market could then increase gradually to about \$750 million by 1982.

CB—STRUGGLE TO RECOVER: CB industry isn't folding tent, despite market grief which forced Hy-Gain to cancel CES booth and file Chapter XI petition, and CES was alive with brave talk of better days ahead and new product introductions. Industry has scaled down market size; Motorola projected 5-million sales in 1978; Radio Shack set figure at around 6.3 million. But several companies—including GE, Motorola & Dynascan—showed range of new products, including high-end SSB base stations & in-dash combination units.

Motorola introduced 2 SSB units (mobile & base), showed range of in-dash CB-radio-tape combinations. GE moved strongly into higher end of market with 3 new units—SSB base station (\$470), in-dash FM-AM combination (\$280) and remote with detachable mike (\$180). Dynascan beefed up in-dash line, now has 4 models with AM-FM radio. Firm also added remote with major controls on detachable mike.

Pocketable electronic tuning aid for guitars, \$35, from Ovation Instruments, has flashing light to indicate when string is off pitch; light holds steady when string is in tune.

IMPORT BREAKOUTS: Commerce Dept. consumer electronics import data for 1978 will contain new breakouts designed to give first-time look at developing business in communications receivers as well as to improve CB data.

New radio classification, non-entertainment, has been created for both home & auto radio categories. Breakdown for home communications band only receivers starts with classification for models receiving frequencies 30 MHz-&-under, subdivided into those with or without CB capability. Others cover receivers operating 30-400 MHz, 400-1,000 MHz, over-1,000 MHz, with lowest operating frequency determining classification for multi-band models. There's no distinction indicating portable or clock models. In auto radios, single non-entertainment classification covers all communications-only receivers, while breakout for models with broadcast band capability has been expanded to show AM-only, FM-AM-only & other, with last covering all other types.

In transceivers, 1977 breakouts for hand-helds in CB bands, divided into those costing either more or less than \$7.50, have been dropped. New ones separate those designed for operation in new 49-MHz band created for unlicensed low-power units from all others. Radio antenna classification has been divided to separate CB from all other types, and new tape player classification has been added for CB-inclusive models.

Mergers & acquisitions: D.H. Baldwin sold its 25% interest in Cal.-based semiconductor producer Siliconix to Lucas Industries for about \$6.1 million, said it's concentrating on financing & musical instruments. Lucas is subsidiary of U.K. producer of precision electronic & electromechanical parts... Gould cut by 10% number of shares it will give in stock-swap acquisition of Hoffman Electronics, following latter's statement 4th quarter operations showed loss of about \$950,000. Change trims value of deal to about \$13.5 million from \$15 million at current share prices... Ferranti Ltd. of U.K. bought Sunnyvale, Cal. IC manufacturer Interdesign for undisclosed cash sum.

Disappointing sales for home cassette VTRs are forecast in new study by Creative Strategies. While industry consensus is that volume will approach 500,000 this year (Vol. 17:52 p8), CS estimates 200,000, as prices drop to \$800. Research organization sees sales dropping down to 185,000-195,000 and holding there for 2 years, increasing in 1981 to about 225,000 when it expects lower-priced longitudinal-scan home VTRs to enter market. It estimates only 125,000 were sold in 1977.

Customs settled outstanding valuation dispute with Electronic Memories & Magnetics which agreed to pay \$1.15 million in penalties. Case was started in 1972 when agency charged EMM understated value of parts imported from Far East & Mexico between 1968 & 1972, demanded \$1.4 million penalty. EMM said amount was excessive, and Customs brought suit for \$110 million, a figure which included total value of parts imports involved. As part of agreement, Customs drops legal action.

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with
Consumer Electronics...

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Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Automatic Radio			
1977-year to Sept. 30	69,487,000	(2,255,000)	--
1976-year to Sept. 30	78,275,000	4,256,000 ^a	1.75
Chris-Craft Industries			
1977-qtr. to Nov. 30	22,275,000 ^b	1,154,000	.20
1976-qtr. to Nov. 30	20,229,000 ^b	2,540,000 ^a	.51
Communications Properties			
1977-year to Oct. 31	27,575,000	2,666,000	.55
1976-year to Oct. 31	22,790,000	1,599,000 ^a	.33
MGM			
1977-qtr. to Nov. 30	74,522,000	8,215,000	.56
1976-qtr. to Nov. 30	71,757,000	7,375,000	.49 ^c
A.C. Nielsen			
1977-qtr. to Nov. 30	73,763,000	5,381,000	.50
1976-qtr. to Nov. 30	62,072,000	4,542,000	.42

Notes: ^aIncludes special credit. ^bFrom operations.
^cAdjusted.

Personals

Ron Friedlander promoted at Hitachi Sales from vp to senior vp, sales... Brian Mahronic retires in Feb. as Zenith national service mgr., succeeded by Richard Wilson... Jack Nieman, ex-R&A Distributing, Chicago, joins Bally as video games national sales mgr.; Chuck Vollmer, ex-Zenith, appointed video game national service mgr... Robert Coppola joins KLH as exec. vp; Timothy Halchuck, acoustical engineering dir., named vp... Robert Furst, ex-British Industries, rejoins Harman International as vp... Tom Allen promoted at Panasonic Communications Div. from creative group head to ad mgr. with prime responsibility for ad & sales promotion activities of Video Systems, Components & Industrial Sales Divs.

Bill Weismann, ex-V-M, named Ampex Magnetic Tape Div. consumer products national sales mgr... George Macedon, advanced at Sampo (U.S.) to national sales mgr... Joanne Tierney, ex-Toshiba, is now Sharp ad account mgr. at Isidore Lefkowitz Elgort... Alan Krauss, ex-Antenna Specialists, joins Masco's Electra Div. as vp-gen. mgr., succeeding Patrick King, resigned; James Farland appointed national sales mgr... Gary Brown promoted at Bearfinder to mktg. & sales dir.

Jerry Crowley, ex-National Semiconductor, named head of new Semiconductor Div. formed by U.S. subsidiary of Japan's Oki Electric... William Howard, Motorola IC Div. strategic operations dir., & Henri Jarrat, digital & linear IC operations dir., named vps... Phil Hughes advanced at National Semiconductor to product mgr. for low-end microprocessors, succeeding Hashmukh Patel, resigned; Robert Johnson named module products operations dir... James Williams, ex-GE, joins General Semiconductor as transistor product mktg. mgr.

Carl Holder, ex-Information Terminals Corp., joins Wabash Tape as product management vp... Richard Trivison, vp-gen. mgr. of Solitron's Riviera Beach, Fla. plant, adds same duties for San Diego plant, succeeding Vp Perry Smith, reassigned to corp. staff post; Charles Whorl assumes Smith's responsibilities as San Diego plant mgr... Jerome Harrington advanced at Honeywell Micro Switch Div. to international business dir.

World-wide licensing rights to new TV projection tube have been assigned to Arthur D. Little by inventor Henry Kloss. Kloss, who last year severed all connections with Advent, video projector firm he founded, said tube is designed for 3-tube projectors, contains spherical mirror, utilizes Schmidt-Maksutov lens, has production cost of about \$20, or half that of present tubes, has 100-ft.-lambert brightness. He said tube glass cost is about \$11.

"Understandable confusion" exists in general & trade press over who developed VHS videocassette system, JVC says in company newsletter article saying it's "sole developer & patent holder." Matsushita developed 4-hour cassette VTR in 1976 at request of RCA by modifying JVC's 2-hour design to run at half-speed, article says, noting "Matsushita produces VHS machines under a license" from JVC.

Garrard workforce in U.K. is being cut 25% by parent Plessey, which is trimming about 480 from 2 plants because of declining European demand for stereo equipment and intense competition from Japanese who are "swamping" market there. Plessey said it may ask British Govt. to impose new import restrictions.

V-M won postponement of Jan. 1 liquidation deadline (Vol. 17:50 p12). Trustee Philip Brown said Korean company & Thomson-CSF of France have each expressed interest in acquiring some assets of bankrupt record changer manufacturer.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

WJLA-TV-KOCO-TV SWAP approved in 5-2 FCC vote but consummation still in doubt because of possible appeal. Commissioners concerned about Allbritton's preferred stock and whether minorities given chance to buy. (P. 1)

HARMONIOUS NAB SESSIONS expected during 5 days of meetings in P.R. Reinsch in line for DSA. Wasilewski to outline 1978 goals. Fuss may develop over sex, TV Code & networks. (P. 2)

WALLIS WITHSTANDS OUSTER: CPB chmn. re-arranges committees after board revolt. 'Cathartic' discussions held, resulting in 'new spirit.' PBS's Grossman welcomes proposed limits on CPB. (P. 3)

FCC STARTS FEE REFUND process but first checks for broadcasters are months away. Staff hopes to report back on formula by May. (P. 4)

TV-GOOD SOUND WITHIN EARSHOT: AT&T duplexing gives 15,000 kHz to all commercial networks; stereo due this fall. Remaining bottleneck is receivers. (P. 5)

SUPER BOWL FIRSTS by CBS use digital technology: Action Track provides graphic multi-image displays. Electronic Palette permits complex painting or sketching using computer. (P. 5)

WJLA-TV SWAP APPROVED BUT STILL IN DOUBT: After 2-1/2 hours of spirited discussion—during which 5 commissioners expressed reservations—FCC last week approved \$100 million swap of WJLA-TV Washington for KOCO-TV Oklahoma City. Vote was 5-2; Comrs. Brown & Fogarty dissented (for different reasons) and both plan statements; Quello & Washburn (latter with statement) concurred; Chmn. Ferris also plans statement.

Despite Commission approval, Combined Communications' (KOCO-TV owner) takeover of Washington station and Joe Allbritton's (WJLA-TV owner) switch to Oklahoma City is still very much in doubt. Transfer had been protested by 4 Washington minority groups—Adams-Morgan Organization, NOW, D.C. Media Task Force, National Black Media Coalition—and attorney for groups said they won't decide whether to appeal until final order is released (this week or next). Either side can back out after Feb. 24—and officials of both said that is likely if appeal is filed.

Two aspects of deal troubled commissioners: (1) Allbritton will receive 550,000 preferred non-voting shares in Combined, worth \$55 million, plus \$7 dividend per share (\$3.8 million per year) for 5 years. (2) Did Allbritton give minorities an opportunity to acquire station, as promised in 1975 agreement when he acquired Washington Star and WMAL-TV-AM-FM?

"I'm troubled," said Comr. Washburn, over possibility Allbritton would exert undue influ-

Consumer Electronics

1977 TV SALES—9.1 million color, 5.66 million b&w. Color up 18.3% from 1976, just 1.7% short of 1973's record. Inventories rose only 1.8% in year. (P. 7)

ADMIRAL NEXT in line for sale or venture arrangement. Parent Rockwell 'evaluating' place in TV, talking with U.S. & foreign manufacturers. (P. 7)

NEW VIDEODISC format adopted by Philips & MCA for movies quadruples playing time to 2 hours but eliminates such advantages as slow & stop motion, precise frame location. Player to accommodate old & new type discs. (P. 8)

CCD COLOR CAMERA of type forecast as mass-market consumer product to be offered by RCA next year. Tiny prototype demonstrated at NAVA. RCA introduces new b&w home VTR camera at \$285. (P. 8)

COLOR IMPORTS from Japan dropped sharply in Dec., ended year at about 2.21 million, off 17.4% from 1976, Customs data indicate. U.S. & Japan reach trade agreement. Taiwan & Korea color growth worries U.S. officials. (P. 8)

CES HIGHLIGHTS: Computer programming approach seen major conflict. (P. 11) Changing games market clouds 1978 forecasts. (P. 9) Japanese TV prices up, Taiwan orders soar. (P. 12)

ence & control over Combined because of his \$55 million in stock. "It's not like a 70-year-old woman with 10 shares." Brown: "I am very disturbed." Fogarty: "I am concerned." Bottom line in approving transfer, staff & commissioners agreed, was "representations" from Allbritton that money from Combined would be used to keep Star going. "I think it is in the public interest to hope the Washington Star survives," Ferris said in announcing that he'd vote for swap. Lee: "The primary public interest here is to get assurances that the Washington Star will stay on the scene."

Fogarty (who's white) dissented because he felt Allbritton didn't give minorities a fair opportunity to acquire WJLA-TV; Brown (who's black) because of preferred stock in Combined (representing 27% of company) acquired by Allbritton. Bcst. Bureau—which argued strongly for approval—said that Allbritton is insulated from control over Combined, that any other conclusion assumes "bad faith" by Allbritton (who was present for half of FCC debate, interrupted by lunch break).

Washington-Oklahoma City deal will result in 2 FCC rule-makings. Staff noted that preferred stock approval sets precedent, and Commission plans to seek comments on whether such deals (including blind trusts, etc.) are good idea. Allbritton was put on notice that he may be required to dispose of Combined stock before planned. FCC also served notice to other parties that it won't permit "the use of preferred stock in this manner to become abused."

Swap also required waiver of FCC's top-50 rule restricting licensees to 3 TVs (no more than 2 Vs) in top 50 markets. Rule has been waived many times and during debate Brown said there's "nothing much left" of top 50 policy. Consequently, FCC will seek comments on whether to continue rule.

* * * *

Several other sales have been announced. Though prices and other details become public information immediately when filed with FCC, principals haven't disclosed them yet: (1) KNTV San Jose to Landmark Communications, broker Daniels & Assoc. Seller Gill Industries will keep San Jose cable system. (2) WDCA-TV Washington to Chicago Tribune (understood to be \$10-\$12 million), no broker. (3) KSBW-TV Salinas-Monterey, KSBY-TV San Luis Obispo & Salinas cable system to rep John Blair & Co., no broker. Blair will sell off cable system because of FCC ban on cross-ownership.

HARMONIOUS NAB SESSIONS DUE IN P.R.: Very little out of ordinary is expected to develop this week at Cerromar Beach Hotel, P. R. during 5 days of NAB board & committee meetings. "On the surface, it looks pretty quiet—although you never know until the meetings are over," according to veteran NAB staff official. This sentiment was echoed by several board members.

Business gets underway Jan. 16 with 4 committee meetings—By-laws, Congressional Liaison, Convention, Hall of Fame. Winner of 1978 Distinguished Service Award is prime business of Convention Committee, and Cox Bcstg. Pres. J. Leonard Reinsch is odds-on favorite. He had been considered seriously couple of times in past, lost out because of cable involvement by Cox. Among others nominated: Stanley Hubbard, Jack Howard, Vernon Nolte, Ed Craney, Wilson Wearn.

By direction of NAB Exec. Committee, Pres. Wasilewski will make formal presentation to board (for first time in several years) to increase his "visibility & accountability" (Vol. 17:15 p3). He'll also outline Assn. goals for 1978, to wit: Defeat performers' royalty legislation; provide input & involvement in Communications Act rewrite; defeat special tax on TV sets or station revenues to finance public broadcasting; all-channel radio bill passage; "strengthen & streamline" grass roots political organization, particularly in major markets.

Also, seek hearings on cable siphoning and legislation authorizing FCC to fine CATV systems; preserve spectrum allocated to TV-radio; oppose "any & all" restrictions on broadcast advertising of legal products; seek AM stereo and TV-AM automatic transmitters; seek better quality audience ratings and maintenance of self-regulation; improve industry image through broader press relations and continuation of public meetings; continue positive actions in minority affairs; increase membership and services to members in all categories.

Exec. Vp-Gen. Mgr. John Summers will present \$5.63 million budget for board approval (Vol. 18:1 p2), using visual aids & charts. Only stumbling block is proposal to combine Radio Code fund with all other NAB monies. Radio Code subscribers now pay \$243,750, and staff is afraid it will lose much of that income if separate Code dues are abolished.

While subject isn't on formal agenda for Jan. 19 TV board meeting (joint boards meet Jan. 17 & 20; radio Jan. 18), controversy again is expected to erupt over recently-adopted sex guidelines in TV Code (Vol. 17:38 p1). Several TV dirs. didn't like "ho hum" reaction of networks, and several letters attacking networks' attitude were exchanged last fall. "I'm sure somebody will bring it up," TV Chmn. Kathryn Broman told us.

On radio side, board once again will consider proposal to solicit paid advertising in NAB monthly magazine Radioactive. In preparing proposal, staff contacted 3 outside experts; all agreed ads wouldn't hurt NAB's non-profit status with IRS and that it could provide substantial revenue. One plan would recoup production costs of \$30,000 by selling only 4 pages per issue for \$682 each. Radio Vp Charles Jones has told board that "reaction" of Broadcasting and TV-Radio Age magazines must be taken into consideration.

NAB TV Vp Jane Cohen has set goal of 30 new TV members for year. Assn. now has 633 TV stations, 542 of which are commercial. There are 223 commercial TVs which don't belong—but many of these are satellites, specialty stations, etc. To help boost membership, budget calls for addition of 7th regional mgr.

WALLIS WITHSTANDS CPB OUSTER MOVE: CPB board's recent internal disturbances were relieved by "cathartic" discussions—as one member put it—when Chmn. W. Allen Wallis fended off move to replace him at recent S. C. board meeting (Vol. 18:2 p5).

Wallis, U. of Rochester chancellor, came under heavy attack during private discussions, and several members proposed his removal. There were complaints that 2 major committees weren't representative, among other things. Wallis restructured committees; this action—plus fact members couldn't decide on replacement for Wallis—kept him in position. He'd been a compromise candidate to begin with. Foregoing activity produced "a new spirit of unity," said member Sharon Rockefeller. Another member said it brought board "closer together than ever before."

Committee restructure puts the 15 board members on either Search Committee (for replacement of Henry Loomis as CPB pres.) or Legislative Committee. Amos Hostetter, Continental Cablevision, was named chmn. of Search Committee, replacing Wallis. (Search Committee met last week in Washington, discussed procedures). Lucius Gregg, First National Bank of Chicago, is Legislative Committee chmn.

Board members said they came to Jan. 6 meeting in Columbia "full of vinegar." "The majority was unhappy," one said, claiming members found Wallis "inattentive" and not democratic enough. During regular meeting, board got report supporting establishment of "maximum distance between itself and recipients of program grants."

CPB's original press release after S. C. meeting suggested board was fighting White House public broadcasting plan (Vol. 18:2 p5). Release was rewritten to emphasize that report, presented by Donald Santarelli, Program Advisory Committee chmn., actually was conciliatory. Report was viewed by White House consultant Robert Sachs as a "positive" action.

Despite claim of "new spirit" on CPB board, PBS continued old spirit of friction with CPB. In speech at PBS programming conference in Nashville, PBS Pres. Larry Grossman slammed some CPB officials for what he said were demeaning remarks about PBS.

Grossman also said: "[Public television] has been saddled with one of the most complicated and confusing systems ever devised by man... It has proven to be almost impossible for us to make rational scheduling plans, to get timely decisions, to develop and then carry out program priorities. That is why I welcome the President's initiatives in simplifying [public TV's] national structure, particularly his emphasis on defining and limiting the role of [CPB] as an operating broadcast entity."

FCC STARTS REFUND PROCESS: Broadcasters who were looking for refunds of fees paid FCC and declared illegal by D.C. Appeals Court any time soon can forget it. Commission last week started process of trying to decide how to do it, but first checks (and how much) are months away.

NAB is pushing hard for full refund of \$47.5 million paid by broadcasters since 1970. "We'd settle for half that... and why doesn't the FCC just come out with a formula," we were told. "Some commissioners still are talking about dumping the problem back to Congress. That's asinine."

Last week, FCC instructed staff to "make necessary actions to plan the refund of a portion" of fees collected—\$163 million from licensees of all types. Cable fees already have been refunded, since it was NCTA and cable systems which originally went to court.

Court ruled fees must be based on "value to recipient," and Commission staff will attempt to come up with formula, hopes to report back in May. It will concentrate first on fees of over \$20—which includes broadcasters. All fees were suspended in Jan. 1977.

Handful of candidates for open FTC seat have received approval from Chmn. Michael Pertschuk, according to Advertising Age. Magazine said there's understanding White House will appoint someone acceptable to Pertschuk. Candidates: Robert Pitofsky, former chief of FTC consumer protection bureau, now practicing lawyer; Eleanor Fox, N.Y. antitrust lawyer; former FTC Chief Economist Willard Mueller; Reuben Robertson III, legal dir. of Aviation Consumer Action Project; Jody Bernstein, former acting head of FTC Bureau of Consumer Protection, now with EPA; Carol Greenwald, Mass. banking commissioner; Stanley VanNess, N.J. consumer advocate; John Baker, Yale prof.

U.S. Supreme Court will review WBAI(FM) N.Y. obscenity case—in which FCC had censured station (Vol. 15:7 p4) and Appeals Court reversed Commission (Vol. 17:12 p1). FCC ruled against station which played George Carlin record listing 7 words "you'll never hear on TV." Commission said it was particularly concerned about impact on children. Appeals Court (2-1 vote) held that FCC decision was "massively overbroad."

Writing to all 3 networks, Group W Chmn.-Pres. Donald McGannon protested increases in network commercial time, said that any increase in network commercials at expense of stations beyond levels of Jan. 1 will be covered by Group W public service/public affairs announcements. McGannon said network expansion hurts spot sales in all markets but "most seriously in medium & small markets."

Advertisers spent \$404.5 million on networks in Nov., up 20.1% from \$336.8 in same month last year, according to TvB-BAR. For 11 months of 1977, network billings totaled \$3.3 billion, 21.6% increase from \$2.7 billion in 1976. Of 11-month total, ABC garnered \$1.12 billion, CBS \$1.09 billion, NBC \$1.06 billion.

FCBA will vote again, within next few weeks, on admission of govt. lawyers to membership. It takes 2/3 majority to amend by-laws; mail ballot will be used. Vote is expected to be very close; past votes have always rejected change. At luncheon last week, Thomas Wall, former pres., urged admission, saying: Govt. lawyers were members before former FCC Chmn. Lawrence Fly frowned on membership; govt. lawyers work very well with private attorneys in Administrative Conference, Federal Bar Assn. and ABA; if conflicts arise, they can abstain; "we need the business." Robert Booth, also a former pres., argued: "Conflict of interest is the key to this... I'd hate to see this organization become a pussy cat with no claws and no teeth"; every member should be eligible for every office or committee, not worrying about conflict.

Stations, not PBS, are in best position to determine what programming is offensive to community standards, PBS Pres. Lawrence Grossman said in response to program criticism. Complaints came from program directors of southern public TV stations and Tennessee School Board, both of which asked PBS to take closer look at programming. School Board complained of "distasteful" words, and program directors cited nudity and violence. Grossman said PBS advises stations beforehand of potentially objectionable material. PBS characterized Grossman's response as reaffirming the network's "commitment to facilitate tasteful national programming on public TV, without compromising the creative integrity of producers."

White House is considering restoring to public broadcasting bill (Vol. 17:40 p2) requirement that public TV & radio stations get fixed minimum (50%) of CPB appropriations. White House bill now states allocations would be made year to year, depending on need. Broadcasters complained; White House is reconsidering. White House consultant Robert Sachs outlined unannounced changes being considered to House & Senate Communications Subcommittee staffs last week—restoration of fixed minimum said to be only substantive revision.

Anti-smoking campaign launched by HEW Secy. Califano includes plans to petition FCC (with FTC) to require anti-smoking spots. He also urged networks & NAB to promote such spots. NAB Pres. Wasilewski said NAB shares Califano's concern about dangers of smoking but believes anti-smoking spots are up to licensees and would strongly oppose any FCC proposal to require that stations carry such spots.

NAB has retained Kirkland & Ellis law firm—not Washington managing partner Richard Wiley, as reported earlier (Vol. 18:2 p4)—to draft opinion on legality of TV Code notice procedures. Wiley isn't expected to work on case, although firm was retained through him.

Paragon Communications (10 E. 53rd St., N.Y.), formed by Eddie Einhorn, will specialize in TV sports programming, has sold 2 specials to NBC.

TV—GOOD SOUND WITHIN EARSHOT? TV receiver manufacturers now have full opportunity to test market for hi-fi TV audio—for AT&T has converted all TV network (except public TV) to 15,000 kHz from traditional 5,000 kHz. (PBS will be networking via satellite, which has broad audio bandwidth.) Even better market possibilities can be offered this fall, when AT&T can provide stereo sound.

Conversion came via duplexing, placing audio signal right on TV signal. Heretofore, audio has been provided via separate network limited to 5,000 kHz. TV transmitters have full bandwidth capability, but phone company and receivers were bottlenecks. Now, only receivers are; a tiny fraction of expensive sets have full fidelity capability.

All commercial full-time network users have duplexers, said H. Jerome Cohan, AT&T TV product mgr. To equip entire commercial network & affiliates, AT&T bought some 1,300 duplexers at \$1,200-\$1,500 each from Farinon; phone company made installations. Installation has been going on since early 1977. Cohan expects stereo to be available late this year, contingent on FCC approval of a TV stereo system.

Though duplexing increases fidelity, Cohan said it will provide "substantial savings" to telecasters. He said it was difficult to estimate precise saving, but that it might be as much as \$5 million (of the \$50 million AT&T receives from TV). However, he made it clear that reduction of rates shouldn't be expected; rather, he said, it will tend to offset "other increases, such as labor."

History of set manufacture isn't too encouraging, in speculating about growth of hi-fi TV receivers. In past, public hasn't been willing to pay extra for better TV sound. However, Quasar and Tatung have had some good results with simulated stereo. Sony and Matsushita have offered special TV tuner to feed sound to stereo system.

But, with TV trending to "component" structure—what with add-ons such as VTR, games, etc.—thrust may accelerate for good sounds out of TV.

"The issue is not the power of TV, but the question of control... Any move to control TV on the theory that it has become too powerful for the good of the country would be the first step toward making TV too powerful for the good of the society... As long as there is freedom of choice, freedom of expression, great diversity and lack of censorship, TV will never be too powerful... It can only function for the good of society"—ABC-TV Network Pres. James Duffy, speaking in Dallas.

ACT has received \$40,000 grant from Rockefeller Family Fund, \$20,000 from Robert Sterling Clark Foundation, will use extra money to push petitions before FTC & FCC seeking restrictions on children's TV advertising.

CPB Minorities Task Force is holding open forum Feb. 2, Summit Hotel, N. Y., to hear presentations on minority programming & employment. Chmn. is CPB Vice Chmn. Gloria Anderson of Morris Brown College.

SUPER BOWL FIRSTS: Premieres of 2 new digital special effects were scheduled by CBS for Super Bowl telecast. Network forecast that "Action Track" (AT) system may become as important as slow-motion replay in some sports uses. AT provides multiple-image display of paths of moving objects. For Super Bowl, CBS said it intended to show aerial views of field, displaying paths taken by players & ball during course of a play, much like coach's diagram.

AT is table-top device, outgrowth of CBS's Digital Noise Reducer. CBS didn't give production plans, but it's logical to assume it could be offered to industry by Thomson-CSF Labs, which makes Noise Reducer. CBS engineering official indicated it could even be marketed in combination with Noise Reducer.

Second device is sophisticated "Electronic Palette," using digital techniques to make possible complex sketching or painting via computer, results appearing immediately on color monitor. Artist has available 256 different color variations with complete control of saturation of each. He can simulate techniques of watercolor, oils, pen & ink, etc. Developed jointly by CBS & Ampex, Palette was scheduled to be introduced by sports artist Leroy Neiman, giving impromptu electronically-painted impressions of game. Ampex said it's "probably several years away" from commercialization.

N. Y. Cable Club has been formed, largely through efforts of Viacom's Ralph Baruch & Sam Street. It's informal, has no officers, is limited to vp-or-higher execs. of operating cable companies (no suppliers, press, etc.), meets every 2 months at Gallagher's restaurant, with 25-35 attending. There have been 2 meetings; next is Feb. 3. Each features speaker. NCTA Pres. Schmidt spoke at first; N.J. Cable Commission chmn. at 2nd; none announced for 3rd.

Syndication exclusivity restrictions should be eliminated, now that cable will be paying copyright fees, NCTA Chmn. Daniel Aaron & Pres. Robert Schmidt urged in letter to FCC Chmn. Ferris. They noted that Commission had said it would try to complete proceeding by Jan 1, 1978, requested prompt action. Exclusivity rules, they argued, have been "major deterrent to CATV growth, particularly in the top 50 TV markets."

Hospitality suite "rat race" has brought decision by NCTA associate members to ban such suites, operate "joint entertainment suite" at next convention, permit only "business suites." Success of joint-suite concept depends on financial support; associates are now being solicited.

"HBO is Something Else" is theme of HBO multimedia ad campaign aimed at telling viewers what HBO is. Campaign is slated to run one year, will be offered to cable systems, includes radio jingles, TV spots, newspaper ads, bill stuffers, T-shirts.

NRBA Pres. James Gabbert will file application for Ch. 20 Honolulu, currently unassigned.

Personals

James Parker, Kaiser Industries pres.-liquidating trustee, will join CBS May 1 as vp-gen. counsel; Marlene Sanders, ABC News vp-dir. of TV documentaries, joins CBS News documentary unit Feb. 6... James Alic, NBC exec. vp, & Chester Simmons, NBC Sports pres., elected to NBC board.

Robert Shay, ex-WPIX N.Y., named KNXT L.A. station mgr.; WPIX Senior Vp Richard Hughes adds program responsibilities formerly under Shay; Barbara Clark promoted to WPIX community affairs mgr... Elected vps of Corinthian Bestg. stations div.: Thomas Comerford, sales; Lee Eden, programming; Sheryl Gold, advertising & PR; Elissa Lebeck, research.

Steve Kitzman, WJZ-TV Baltimore vp-gen. mgr., promoted to area vice chmn., parent Group W; William Baker, WEWS Cleveland, succeeds Kitzman as WJZ-TV vp-gen. mgr... Carl Cangelosi, RCA Americom gen. counsel, Finance Dir. Dennis Elliott & Industrial Relations Dir. Charles Twitty elected vps.

Dick Hollands, WTVG Newark pres., also elected vp of parent Wometco Enterprises; Tay Voe promoted to station mgr., Wometco's WTVJ Miami... Virgil Halligan, KEYC-TV Mankato, Minn. sales mgr., promoted to gen. mgr., succeeding Donald Harrer, who assumes other responsibilities for parent Lee Enterprises... Robert Wright promoted to PR dir., ABC west coast.

Washington law firm Mallyck & Bernton dissolves, Eugene Mallyck becoming associate in Smith & Pepper, William Bernton moving to Yarmouth Port, Mass., becoming of counsel to Glaser & Fletcher... George Grange joins James Gammon & Stuart Mitchell in Gammon Law Offices... Thomas Root becomes assoc. with Marmet Professional Corp., Washington law firm.

Sandi Barclay promoted to editor, NAB's Radio-active... Joe Benton, Post-Newsweek Stations, elected chmn., congressional Radio-TV Correspondents' Assn.; Linda Wertheimer, NPR, vice chmn.; Phil Jones, CBS, chmn. elect... Frederic Graf promoted to dir.-marketing research services div., Nielsen.

Carl Sambus, ex-Suffolk Cablevision, joins Showtime as business & administration dir... John Forde promoted to southern sales mgr., Jerrold Electronics... Roger Harvey appointed marketing dir., Video City (Miami program & commercial production firm).

Problems are developing from "the legalization of journalism," according to CBS correspondent Fred Graham. Speaking at Denver seminar—sponsored by RTNDA, NAB, SDX & Reporters Committee for Freedom of the Press—Graham decried fact that "increasingly, journalistic decisions are not made for journalistic reasons but for legal reasons." A lawyer also, he attributed trend to "the national reflex to go to court." He urged broadcaster newsmen to become aware of potential legal problems and to resist "self-censorship" in effort to avoid legal conflicts.

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Katz Agency has acquired northwest representation of 15 TV & 6 radios from Simpson/Reilly Assoc., opens Portland, Ore. office. Larry Adams, Katz Seattle mgr., heads northwest operations. Earl Reilly & Dennis Mahoney, both ex-Simpson/Reilly, named sales mgrs. for Seattle & Portland, respectively. Clifton Hahne promoted to Katz vp and head of Dallas office, succeeding J. David Rutledge, retired.

"Advertisers' responsibility to society" is subject of Feb. 7 seminar at Southern Methodist U., sponsored by CBBB with grant from National Endowment for the Humanities. CBBB Pres. William Tankersley said seminar will explore such questions as: Should truth be sole criterion in evaluating or creating advertising? What will be critical issues in 5 or 10 years? What roles should individual, business & govt. play?

FCC last week renewed licenses of 11 Colo. stations after determining they were "pursuing EEO programs according to FCC rules & policies." NOW had opposed renewal of 36 Colo. stations; objections against 23 were rejected earlier. Stations renewed last week were asked for more information because of NOW complaints; 2 others weren't renewed "due to other pending matters."

FTC Chmn. Michael Pertschuk & Sen. Schmitt (R-N.M.), member of Commerce Committee, speak at AAF public affairs conference, Feb. 1-2, Hyatt-Regency Hotel, Washington. Tracy Westen, deputy dir. of FTC Consumer Protection Bureau, participates in panel on "critical issues facing advertising."

Cal. porno theater chain, hit by L.A. Times ban on ads for X-rated shows, turned to TV to advertise "Inside Jennifer Welles." Pussycat Theatres spent \$8,000 for some 50 spots on 3 independent stations.

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STATE OF THE INDUSTRY

EIA's final figures on 1977 consumer electronics sales to dealers are scheduled for official release next week. For preview, see below.

1977 SALES—9.1 MILLION COLOR, 5.66 B&W: Color TV sales to dealers totaled 9,107,000 last year, up 18.3% from 7,700,193 of 1976 and only 1.7% shy of 1973's record 9,263,503. Monochrome sales totaled some 5,660,000, up 8.9% from 1976 and highest since 1974.

Exact figures with last 3 zeros filled in are expected from EIA this week. Dec. sales totaled 1,027,900 color, 627,900 b&w, up 13.1% & 7.6%, respectively from year earlier. Final week of year saw dealers buying some 202,000 color sets, up 41% from same 1976 week, and 110,000 monochrome, up 10%. Year ended with factory-plus-distributor inventories of 2,066,800 sets, up just 1.8% from year-earlier's 2,030,900.

Last year was 2nd best in history for color unit sales, with all-time records set for 4 months—April, June, Oct. & Nov. New records were established for 17 out of the 52 weeks. Fourth quarter was particularly good—at annual rate of nearly 9.4 million, following 8.9-million rate in 3rd quarter, 9.1 million in 2nd and just under 9 million in first.

IS ADMIRAL NEXT ON SALE/VENTURE BLOCK? Admiral's TV business is next likely candidate to be caught up in restructuring wave sweeping industry as Rockwell's resolve to turn operation around fades. Recent upheaval in industry has caused change in policy, stated as recently as last Nov. by Pres. Robert Anderson, that Rockwell would make Admiral viable & profitable TV competitor.

Responding to our query concerning possible sale of Admiral's Taiwan TV manufacturing operation, Rockwell corporate spokesman said: "Marketing & manufacturing of TV sets in the U.S. are undergoing significant change and Admiral is evaluating those changes. That evaluation has included discussions with both foreign & American manufacturers. In view of the exploratory nature of these discussions, we believe it inappropriate to identify any companies involved."

In consolidation program last year, Admiral closed TV & parts plants in Shelbyville, Ind., McHenry, Ill. & Juarez, Mex., shifted all remaining production of color & b&w TV & chassis to Taiwan, retained Harvard, Ill. facility for assembly of color consoles and high-end color portables. Sale of Taiwan plant would leave Admiral dependent on outside sources for chassis, assuming it intends to continue as TV marketer.

Admiral may be considering joint production venture, such as pending GE-Hitachi arrangement for running GE's TV business under General TV of America banner (Vol. 17:50 p7). Idea wouldn't be new one. Admiral discussed similar deal with Japanese companies several years ago, and Sharp is understood to be looking into launching U.S. production setup. Zenith is best candidate for purchase of Admiral Taiwan, and Zenith told us Admiral was among companies offering it plants in Taiwan & Mexico.

Rockwell bought Admiral in 1974, industry's "Year of Long Knives"—Sylvania bought Philco, Philips bought Magnavox and Matsushita acquired Quasar that year. Rockwell paid \$77.7 million in shares. It looked like good idea at time, with industry coming off back-to-back record color sales years, and Admiral a money-maker. Admiral earned \$15.4 million in 1972 and \$11.1 million in 1973, but it's been in red ever since. Admiral lost \$19 million last fiscal year, an improvement over \$22.7 million deficit of 1976, as sales dropped 7.1% to \$468 million. In 4 years under Rockwell, Admiral has lost \$73.7 million, and all of that can be attributed to TV, since appliance operation is understood to be profitable.

NEW 2-HR. PHILIPS/MCA LP V-DISC FORMAT: Philips & MCA have quadrupled playing time of optical videodisc to 2 hours, but eliminated most of unique features of optical system when new ultra-LP discs are played.

New system permits recording full movie on 2 sides of single disc—accomplishment already achieved by RCA & Matsushita for their needle-in-groove systems. Philips discs formerly played 30 min., were recorded on one side only. Last Sept., Philips & MCA announced 2-sided disc playing at least one hour (30-min. per side) with no change in standards.

New disc uses principle of "variable angular velocity." While original optical disc spins at exactly 1,800 rpm (one frame per revolution), new disc continually changes speed from start to finish of disc, keeping speed of recorded track constant in relation to laser-beam pickup. Disc plays from inside out, starts at about 1,800, but speed drops to around 600 rpm by time side is through playing. North American Philips Vp Robert Cavanagh explained to us that tracking servo built into player system can control disc speed automatically at very little extra cost.

Because frame rate of new disc isn't synchronized with playing speed, such advantages of optical system as stop motion, slow motion, backwards & forwards infinitely variable speed, precise frame location, are eliminated in what Philips calls "the new extended continuous-play format." In this playing mode, flexibility of optical system now becomes exactly same as that of capacitance (RCA) & mechanical (Matsushita) systems. However, Philips says players will be designed to accommodate both old & new type discs, switching automatically between constant- & variable-velocity formats, depending on which type of record is played. Philips says both types of discs & dual player will be introduced to market later this year.

RCA TO OFFER CCD COLOR CAMERA NEXT YEAR: RCA last week end became first company to demonstrate publicly a complete solid-state color TV camera and first to promise production & sales. Using 3 charge-coupled devices (CCD) for image sensors in place of tubes, camera is of type generally expected to become low-cost mass-market consumer item.

Camera scheduled for demonstration at National Audio-Visual Assn. (NAVA) convention in Houston Jan. 14 is prototype, according to RCA Electro-Optics & Devices Vp Ralph Simon, but, he told us, "it's very, very close to a product." He said that in 1979, RCA "will make announcements of prices & delivery dates and start taking orders." Camera will be offered first on closed-circuit audio-visual market and eventually—as quantities go up and prices come down—to consumers.

Unit was described as having sensitivity and other picture characteristics comparable to those of high-quality silicon vidicon camera. Production model will have 20-30% higher sensitivity than unit demonstrated; "we know how to do it," Simon told us. He declined to give any idea of pricing, saying it would be fairly high at first because of low production. Camera employs 3 CCD silicon image sensors $1\frac{1}{2} \times 3\frac{1}{4}$ ", comprising matrix of 512 x 320 elements, or 163,840 elements. Developmental camera weighs 3.6 lb., measures 4x5x6" without lens (about same size as camera).

RCA has been selling CCD b&w cameras for experimental use since 1975 (Vol. 15:5 p9). It's one of many companies racing to develop CCD tubeless color cameras; others include Bell Labs, Fairchild, GE, Eastman Kodak, Matsushita, NEC, Sony.

RCA introduced new low-cost b&w camera at NAVA show "for use with VHS & Beta-system home VTRs." Camera-mike combination is priced at \$285, uses $2\frac{2}{3}$ " vidicon, has 500-line resolution. Zoom lens & electronic viewfinder will be available as accessories. New camera replaces lower-resolution version now being sold by RCA at \$400 including zoom lens & viewfinder. RCA Consumer Electronics also is offering Matsushita-built camera at \$300. New unit initially is being offered on audio-visual market by RCA Electro-Optics, presumably will also be offered through Consumer Electronics, although officials of both operations said they weren't sure.

JAPAN COLOR IMPORTS OFF IN 1977: Color TV imports from Japan took steep nosedive in Dec., closed out year only moderately down from 1976 level, preliminary customs data indicate. In related developments last week, U.S. & Japanese negotiators reached agreement on improv-

ing trade relations, while officials in Washington considered need for keeping closer eye on color imports from Taiwan & Korea.

Customs, which monitors Japanese color imports under voluntary quota agreement, says it cleared 94,500 sets & chassis in Dec., some 60.5% below import level of same 1976 month as shown in Commerce figures. (Because they cover slightly different time periods, Commerce & Customs import figures don't match exactly, but they are within few percentage points of each other.) Figures indicate total of 2.21 million Japanese color TVs were imported in all of 1977, down 17.4%, including 2.02 million complete receivers, down 20.3%, 200,000 kits & chassis, up 31.5%.

In 2nd half, when quota became effective, total imports were off 41.4% to 1.02 million, with complete sets down 42.5% to 919,700, chassis off 30.7% to 105,300. Quota of 1.75 million, plus extra allowance of 52,000, is for year starting July 1. Since 834,900 of 2nd-half imports were subject to quota, Japan can be expected to supply about 967,000 in half to June 30, an 18.7% drop from 1977.

Importers hope trade agreement, designed to eliminate Japan's surplus by April 1979, will ease mounting pressure for protectionist action here. In Japan TV area alone, there are 4 major administrative investigations: (1) Treasury into dumping. (2) Justice into antitrust aspects of past minimum export (check) price agreements. (3 & 4) Both into legal implications of rebates given private-label importers. Japan's pledge of future cooperation could result in U. S. willingness to forget about any past transgressions.

Pumping-up of color production facilities by manufacturers in Taiwan & Korea, who view Japan's color quota as opportunity for increased exports, worries U.S. officials on 2 counts. Major increase in color imports from there would give Japan right under quota agreement to demand increased allocation so it doesn't lose U.S. market position relative to other foreign countries. Other worrisome aspect is that Japan might start supplying increased quantities of tubes & chassis to those countries, circumventing purpose of quota.

CHANGING GAMES MARKET: Games remain vibrant segment of consumer electronics business, but CES made it clear market is going through confusing transition, throwing earlier projections for 1977 askew and clouding 1978 forecasts. Example: Atari Mktg. Dir. Michael Shea told us original 1977 forecast of 7-10 million units was high by 3-6 million—"but dollar volume was much higher than we expected."

"We did more business in the Video Computer System [at average \$175 list] in 1977 than we did in Super Pong [\$75] in 1976," Shea said, adding that roughly 50% of unit volume and 70-75% of dollar volume in game market will be in programmables in 1978. Market will hit 9 million units in 1978, Fairchild Video Game Div. Mktg. Dir. John Donatoni believes, with programmables accounting for 1.5-2 million. "There will be a drastic increase in programmables," Donatoni feels, adding that total in 1977 was probably in 600,000 range.

Change is primarily due to disappointing results in mid-range during 1977. Donatoni said \$25-\$35 ball-&-paddle units "sold like crazy, over-\$100 was very strong but the \$35-\$100 range was very weak," with industry still holding heavy inventories. Coleco Vp Robert Leff said \$59-\$79 non-b-&-p dedicated units were slow at end of 1977 "because the consumer couldn't perceive the value and stepped up to a programmable." Coleco is expected to try to revitalize \$59 price point by introducing new lower-priced programmable in that range at N. Y. Toy Fair (Vol. 18:2 p9).

Christmas market ran along regional lines (Vol. 17:50 p10), major producers agreed (N. Y. & New England weakest, L. A. & Detroit strongest), but none had solid explanation. "It doesn't make much sense, but it happened," one said. Market is "simplifying & weeding out," Leff said, with more companies dropping low-end units and retailers thinning out game lines, "Where a buyer carried 6 or 7 games in 1977, he'll carry 3 or 4 in 1978."

Non-video end of electronic game business was buried in crush of video products at CES, but plenty was happening. Mattel, which showed industry's first hand-helds last year, added basketball game (\$18), and Video Technology (Hong Kong) showed desktop Computer Game System, 4-game unit (blackjack, shooting gallery, road racing & submarine chase) using calculator keyboard, LED blips. Milton Bradley spokesman said 3 new games would be added at Toy Fair, plus new electronic game from sister company Playschool. New Bradley personal computer with built-in CRT is also rumored in works. And Coleco will show new hand-helds at Toy Fair.

OEM business was active at CES, GI privately showing EMI-developed programmable cassette system using GI 8900 MPU game set (Vol. 17:24 p11), finished version of quasi-programmable set aimed at under-\$50 units and programmable set for static games (cards, math games, etc.). Quasi-programmable set features resident processor, 8 dedicated chips designed for use in cartridges (rifle, cycle, road-race, etc.).

NEW VTR MODELS? Home VTR boom, as manifest at Winter CES, isn't quite an unmitigated joy to American manufacturers putting their brand names on Japanese-made decks. Except for trim, many machines are identical with competitors', and some dealers are selling them interchangeably—even, for example, advertising one brand and delivering another, assuring customers they're identical. Domestic manufacturers are somewhat defensive about depending so completely on foreign source, and seem to be giving high priority to product changes which can differentiate their machines from others. Domestic makers talk about infusing their own technology into next generation of products, but in reality they can't do much more than make suggestions to their Japanese suppliers.

That's one reason manufacturers are cautious in answering questions about upcoming VTR models. Types of changes in the works aren't yet clear—but they obviously could involve slow, stop & double-speed motion a la JVC's new step-up model in Japan, programmer-timers, such deluxe features as remote fast-forward, and varactor tuning, lighter battery-operated models.

Is 1979 time for change in standards, as promised by BASF's compact LVR battery-operated VTR? LVR's U.S. licensee Bell & Howell apparently is concerned about that question, and company official told us at CES that decision on whether to go ahead with 1979 goal will be made within next 60 days.

Automatic programmer shown at CES by both Quasar & Panasonic probably will go on sale this year as result of good reaction at show, with only minor cosmetic changes. Price is expected to be between \$200 & \$300.

"Fall will bring about additional product in VTR," said RCA Mktg. Vp Jack Sauter at CES (Vol. 18:2 p10)—"accessories as well as base units—but this isn't yet firmed up. We're looking at items without long lead times." In addition, "we're looking at a number of applications in TV combinations." RCA's biggest selling-point? Four-hour playing time is "so overwhelming on the sales floor that we consider it the main reason for purchasing Selecta-Vision over others." Sauter added: "The public apparently has a much higher awareness [of VTR] than of any other comparable product at the same stage of development. We don't have to sell the idea—our ads can be competitive."

Coexistence of VTR with videodisc came up at CES video conference, and most hardware spokesmen on panel agreed that the 2 were non-competitive, could live together given proper price differential. But Andre Blay, pres. of VTR software firm Magnetic Video differed, stating: "We will do everything in our power to drive [recorded] cassette prices down so far there never will be a disc."

Blay said interest in his software package at CES was extremely high, and he picked up major accounts at show. His company is now turning out 20,000 tapes monthly (Vol. 17:49 p8), has nearly 200 dealers with more than 500 outlets. New VHS duplicating equipment will bring capacity to 25,000 in March. He said dealers have been consistently re-

ordering and he's now urging them to build inventories to cut paperwork necessitated by weekly orders. Among MV's dealers are May Co., Dayton-Hudson, Macy's, Abraham & Strauss, 48-outlet Broadway Stores.

MV added 7 Elvis Presley features and Terrytoon cartoons, both licensed from Viacom; Elvis features will be \$50 each; cassette with 6 cartoons \$23. Other program sellers were in Las Vegas for CES, most prominent being Video Warehouse, Atlantic Highlands, N.J., which has acquired distribution rights to Entertainment Video Releasing package of X, R & family films (Vol. 17:17 p12). Video Warehouse offers dealers counter display, catalog, toll-free phone line, mails cassettes direct to customer, also has dealer stocking program for sale or rental.

Summing up JVC's experience to date, Mktg. Vp Richard O'Brien said company's 4th-quarter VTR deliveries exceeded the 4,500-5,000 originally planned, and first-half sales should exceed 24,000, or half of the 48,000 units forecast for entire year. Wider availability of color camera is scheduled for this year.

Video Craftsmen has been formed in Hollywood (6311 Romaine, 213-464-4351) by Henry Ball, ex-RCA SelectaVision, taking over equipment & facilities used by RCA since 1975 to produce mastering tapes for videodiscs. Process developed for RCA project (and used to fill 3 vaults with mastering tapes) produces VIR-equipped, color-corrected & edited tapes for direct transfer to disc masters. New company offers same process to industry, including film-to-tape transfers in quad & cassette formats, electronic editing, private-viewing & pre-edit rooms, interlock projection, PAL playback.

Consumer Electronics Show in Las Vegas broke all Winter CES records, with attendance officially given as 42,676, up 36% from 31,362 at 1976 WCES in Chicago. High attendance of first 2 days (Vol. 18:2 p7) continued through end of show Sun. Jan. 8. Some exhibitors credited Las Vegas's strategic location for lack of fall-off. Although many easterners left for home Sat. or Sun. morning, westerners took their place; they were able to put in full 5-day work week and still attend show. If there was any discordant note it was problem of insufficient & overcrowded air transportation to & from Vegas.

Watch watch: Epidyne, producer of opto-electronic devices & materials, filed Chapter XI bankruptcy petition in L.A. federal court after reporting \$856,000 loss in half to Oct. 31 on sales drop to \$1.3 million from \$3.1 million. Company blamed problems on demise of U.S. electronic watch manufacturing industry, resultant cut in demand for LEDs. Company said it's currently negotiating sale of note convertible into majority interest to unspecified lender.

RCA's goal was clearly expressed in theme of recent distributor meeting: "First is better—the 2nd time around."

PROGRAMS KEY COMPUTER FIGHT: Major battle in budding home computer market won't involve configuration of hardware so much as approach to software—and whether consumer will opt for pre-packaged programs or insist on writing own. Though number of viewpoints are now emerging, basic division revolves around pre-packaged direction being taken by Umtech's VideoBrain and user-programmed approach by others.

"Turnkey" approach is only logical one at this point, VideoBrain Vp David Chung said at lively CES personal computer seminar, with pre-packaged programs demanding no computer skills or knowledge of language on user's part. "Will it be a home product or an engineer's toy?" he asked. "Manufacturers have to make a commitment to develop meaningful programs" if home market is to be developed, Chung said.

But home market "needs a programmable system," Chmn. Mike Markulla insisted. "Since the computer is individually used, the user should be able to customize its applications to his individual needs." Others on panel generally agreed with Markulla. APF Pres. Sy Lipper said simple language used in PeCos One will enable user to learn how to operate system in about one hour "and start doing simple programs."

First software—enabling user to put together own programs—will come from computer specialists now working with its PET system, Commodore System Div. Dir. Charles Peddle indicated. And despite VideoBrain claim that initial pre-packaged software allowing consumer to use computer is already available, Peddle said industry is reminiscent of days when early TV owners had no programs to watch.

"The people buying today are those who can see how to use the computer for themselves, but once enough software is available it will be no more difficult to show how a computer works... than demonstrate a home stereo system."

Both approaches will succeed, according to Radio Shack Mfg. Vp John Roach—since there is "historical precedence" for users who want to customize software and those who want "off-the-shelf" programs. Added Vantage Research Pres. Robert Wickham: "Because of its size & diversity, they're all going to win, because there's room for all 3 approaches." Other points:

Market will be production-limited to about 250, -000 in 1978; accessories & peripherals will be increasingly important part of business (5 years from now, add-on vs. new-system sales ratio will be 4-1, Wickham said); margins will be 35-40%—slightly higher on accessories—but limited quantities in 1978 & 1979 could push them higher. "Retailer can set his own prices above the manufacturer's suggested retails... he can make as much margin as he wants," Sy Lipper said.

Sylvania appoints Ahr-Dan Enterprises, S. Orange, N.J. as distributor for N.Y. area covering 10 N.Y. counties, 13 in N.J., 5 in Conn., where it formerly sold direct. Ahr-Dan, formed in 1973, is headed by Sam Schwartzstein, one-time Admiral east zone gen. mgr.

ITC's CB STAFF REPORT: Annual import quota of 6-7 million units or 9% duty hike (to 15%) is recommendation of ITC staff in study presented last week at hearing on Sec. 201 domestic-injury CB complaint. Meanwhile, staff data indicated 23-channel inventories at supplier level had virtually disappeared by Sept. 1977. If approved, tariff hike would fall far short of 50% increase asked by domestics in Nov. (Vol. 17:45 p7). If current market forecasts are accurate, quota would be slightly higher than total 1978 U.S. sales. Staff actually proposed 29% duty increase, but indicated recent yen appreciation would absorb remaining 20%.

Vote in favor of injury is seen as virtually certain, with central question at hearing hinging on proper remedy; in past, ITC has been criticized sharply by some members of Congress for voting injury then failing to come up with solid agreement on remedy. Formal vote is scheduled Jan. 20, but several commissioners expressed concern remedy approval is several months off, leaving domestics in squeeze. "It raises a question of what's [domestic suppliers] going to be left," one said.

Staff estimated tariff hike would cost consumer \$72 million in increased prices, said quota would have only minimal impact on public. Other possible solution, staff said, is import adjustment assistance. Inventory situation remains as garbled as ever, with staff unable to do more than speculate on actual numbers—more than 3.5 million, less than 11 million at start of year; currently 5-5.5 million.

Inventory trends in 1976 & first 9 months of 1977 were tracked (without absolute numbers) by staff. Assuming index value of 100 for peak inventory period of Nov. 1976 (23 & 40 combined), we come up with following movement during key months of 1977: Jan. 68; Feb. 44; March 88; April 68; June 94; Aug. 70; Sept. 75. Comparative breakdown of 23s & 40s during same period shows crossover period occurring in mid-March 1977, with 23s accounting for 50% of total. By June, 23s had slipped to 13.8% of inventories, by Sept. 5.5%.

Note: FCC granted Tanner 6-month waiver from 23-channel Jan. 1 marketing cutoff date (Vol. 17:47 p8). Tanner markets CB receiver converters from AM car radios, told FCC it has over 12,000 in inventory and retailers hold about 15,000.

Panasonic is mass-producing IC for VIR TV sets, will offer it to OEMs. Chip is used in new 19" Panasonic color set, is expected to appear in fairly wide range of its models to be introduced in April. As described by Panasonic, new IC eliminates adjustments required in discrete VIR circuitry (GE), reduces number of components in existing VIR color system (180) by 2/3, has equivalent of 481 elements on 9.3-sq.-mm IC. Prices & delivery dates haven't been announced, but parent Matsushita, which is making chip in Japan, is expected to give its subsidiaries exclusive use for limited period. Quasar's projection TV, like Matsushita's (Vol. 18:2 p10), will have VIR circuitry. It's understood Quasar originally planned to introduce 6 direct-view color TVs with VIR this spring, but has changed plans and decided to eliminate VIR because of lack of sufficient use of system by broadcasters.

CES TV PRICES UP: Japanese TV lines showed price increases at Winter CES—in some cases 2nd increase in 6 months. At same time, they were strongly oriented toward high-end, with new emphasis on step-up features, particularly varactor tuning & remote control. Taiwan manufacturers came in strongly to take over low-end position Japanese are being forced to vacate by rising yen and color TV quotas. Here are some highlights:

Panasonic had 4-5% increase on color, lesser boosts in b&w, effective Jan. 1. New color prices: 10" up \$10 to \$300; 12" & 13" unchanged at \$300 & \$340; 15" up \$20 to \$390, remote up \$30 to \$480; 17" remote up \$30 to \$500; 19" leader open-listed & unchanged (about \$420); another 19" unchanged at \$420, VIR 19" up \$30 to \$530; 19" remotes, open-list (unchanged) \$600 (up \$40); consoles unchanged at \$640-\$800. In monochrome, most sets are up \$5-\$10.

Sharp announced average 5% increase, and Exec. Vp M. Akamatsu said company would become "true profit line" in 1978 and "the day of the Sharp product being offered as a promotional item will quickly disappear." New color prices: 9" up \$30 to \$330; 13" up \$10 to \$340, \$380 & \$390; 15" up \$30 to \$430 & \$450; 19" up \$20 to \$400, \$440, \$470 & \$490; top-end 19" manual up \$30 to \$590, remote version up \$20 to \$650. Sharp demonstrated infra-red signal-seeking remote, scheduled to be added to line this year.

Sanyo repriced color Nov. 29, and following are changes since our last reported prices in June: 13" up \$10 to \$340, \$360, remote \$410; 15" up \$10 to \$370; one 19" up \$20 to \$390, others up \$10 to \$370, \$410, \$440, \$490, remotes \$510 & \$530.

Hitachi said its color TV increase averaged less than 2%. JVC said color prices were up 4-5%—no retail price changes available because all sets are open list. JVC previewed 2 new 13" color sets and 2 touchbutton varactor 19" sets, one with random-access remote. Both of latter had 12 TV channel buttons, extra button marked "VTR-RF," designed for dedicated use to bring in VTR; actually, it was another channel button and could be set to any channel.

With Japanese prices up, Taiwan manufacturers were furiously writing orders for low-end color sets to fill void, still talking of 19" leaders at \$299, while expanding lines. United Electronics Pres. Mel Koenig said 1977 business was about 3 times that of 1976 and he expected it to at least double again in 1978. Color line now consists of 13" leader 19" (\$299 up), varactor pushbutton step-up (\$329 up), plus 12" b&w, 5" & 9" color to be added in fall.

Sampo America Vp George Korzeniewski said he expected 250% sales increase this year. In addition to 13" (\$290) & 19" (\$350) basic color sets, Sampo showed pushbutton 13" & 19" manual & remote sets, due next fall, as well as 3" b&w AM-FM-CB-public service AC-DC set. Olympic displayed first prototypes of 19" color (Vol. 18:2 p10).

Tatung unveiled more of its line of high-end color sets featuring Audiocolor sound system.

Color line has 13" at \$317, \$343 & \$345, 19" at \$470, 25" console at \$707. To be added soon are 13", 19" & 25" sets with touchbutton varactor tuning. Six b&w sets are \$107-\$183.

There were fewer Korean exhibitors than at last summer's CES. Empire Radio showed 13" Korean color set. Korean manufacture Kumho promised 13" color, 12" & 14" b&w. Bohsei showed 13" color as well as b&w line.

First European country is aiming at low-end U.S. color market. ECA Div. of Elcod Corp., Rahway, N.J., which has been selling 12" Rumanian-made AC & AC-DC b&w in U.S. for past 6 months, showed 13" & 19" Rumanian color sets, plans to offer latter at midyear. Asked whether set used slot-mask tube, official spokesman said: "I don't make 'em—I sell 'em." He declined to identify manufacturer of color set, although Electronica is only Rumanian color TV maker. U.S. Commerce Dept. figures indicate there were imports of 10,500 b&w 12" sets from Rumania in 1977's first 11 months at average FOB price of \$42.72.

Personals

Ed Spieler, ex-Microma, joins Sinclair Radionics as national sales mgr. . . **Ed Opat** promoted at Panasonic Special Products Div. to auto products product mgr.; **Ian Watanabe**, formerly with Japanese parent Matsushita, joins Video Div. as asst. product mgr. . . **John McDonald**, former Casio Europe pres., appointed pres. of U.S. subsidiary Casio Inc., with responsibility for U.S. & Canadian operations, succeeding **Kazuo Kashio**, who continues as chmn. and as exec. managing dir. of Japanese parent.

Richard Burger promoted at General Instrument Microelectronics from consumer products mktg. & applications mgr. to N.E. region sales mgr. . . **Vinton Carver**, GRT chmn., adds duties as pres.-chief exec., replacing founder **Alan Bayley**, who remains on board. . . **George Conner**, ex-McKinsey & Co., joins GTE Service Corp. as telephone operations mktg. vp, replacing **Dennis Casey**, now GTE Automatic Electric consumer & industrial mktg. vp; **Donald Charron**, ex-TI, appointed materials mgr. of Sylva subsidiary W.M. Chace, succeeding **John Thomas**, advanced to mfg. engineering mgr.

David Kleitman, former dir. of Signetics' R&D Dept., named dir. of new Research Dept., which will coordinate activities with parent Dutch Philips; **Eugene Swystun**, ex-MOS memories program mgr., named to head new Advanced Technology Dept. . . **Takahashi Takagaki** appointed NEC American linear IC product mktg. mgr., succeeding **M. Shinohara**, who returns to parent in Japan. . . **Lee Schank** advanced from operations mgr. to vp-gen. mgr., Fairchild Industrial Products Div., succeeding **Raymond Hennessey**, who moves to new ventures post with Govt. & Industrial Products Group. . . **Stephen Spence**, former Rockwell Telecommunications Group production operations dir., appointed Electronic Devices Div. hybrid microelectronics vp, succeeding **Brian Swancutt**, reassigned to staff post.

W.H. Meyer, GE, named chmn., EIA/CEG Service Committee, succeeding retiring **Brian Mahronic**, Zenith.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

SILVERMAN-FOR-SCHLOSSER: New NBC pres. to get nearly \$1 million yearly in 3-year contract. Griffiths 'guarantees' him all money needed to make network No. 1. (P. 1)

FCC VOTES WPIX RENEWAL: Tally understood to be 4-3. Forum expected to go to court. (P. 2)

'FUTURE IS ROSY INDEED': NAB board session 'positive' despite concern over Administration. Broad series of actions include aid in WBAI First Amendment appeal. (P. 2)

NAB SALARY HIKES: Merit raises—beyond recommendations—go to some. (P. 4)

FERRIS STAFF & AGENDA PLANS: Network-inquiry cadre may be named this week. Broad advice expected from chief engineer & economist. Special meeting items. (P. 4)

WHITE HOUSE SET TO BEGIN push for more station & cable minority ownership, seeks FCC policy changes, time-sharing, Black Caucus proposal, NAB tax certificate concept. (P. 5)

N.Y.C. PAY TV gets off-air coverage increase this week with scheduled start of World Trade Center translator. Wometco outlines items. (P. 5)

THE SILVERMAN-FOR-SCHLOSSER SHIFT: RCA Pres. Edgar Griffiths is one formidable competitor, and he's prepared to invest very heavily in program plans of his new NBC Pres., Fred Silverman—wooded away from ABC—to drive network to top position.

Not only is Griffiths giving Silverman highest pay ever for a network executive—almost \$1 million yearly, mostly in deferred income—but, as he told NBC TV Affiliates Chmn. Ancil Payne, he "guaranteed Silverman all the money he needs to put NBC in the No. 1 position."

Silverman succeeds Herbert Schlosser, who has been offered an exec. vp slot at RCA, presumably in administrative or legal area. Silverman will join NBC in June, at latest, when his contract with ABC runs out. It's doubted ABC will release him sooner—particularly since NBC held Barbara Walters to her contract when ABC hired her. Thus, Silverman is likely to be in limbo until June. Certainly he'll be an untouchable at ABC, and he won't be participating in NBC fall program plans, which must be firmed up, basically, by May.

Silverman had been getting about \$300,000 at ABC, triples income now. It's understood contract is for 3 years, with option for 2 more. Schlosser will continue as NBC operating chief until Silverman comes aboard.

Silverman doesn't plan quick top executive changes, is known to have high regard for team

Consumer Electronics

ITC FINDS INJURY to domestic CB industry from imports, sets decision on remedy for Jan. 27. Vote is 5-1, with Alberger dissenting. Question now is whether move will help U.S. manufacturers. (P. 7)

'77 COLOR SALES hit record \$3.3 billion, EIA estimates, eclipsing 1973 record. FM radio unit sales topped previous record by 65%. Dec. sales strong in all products. (P. 7)

TRAGIC DEATH of Sony America Pres. Ray Steiner spotlights problems faced by company in U.S. Efforts being made to end transshipping, modernize product, boost market share. (P. 9)

NEW WARD MPU game has 'computer' functions, carries \$399 tag. Called Cybervision, it uses audio cassettes to store programs, remote keyboards as controls. (P. 9)

EIA PROPOSES to act as TV accident-report collection agency for Safety Commission. Industry wins court victory against data release. CPSC probes antenna safety. (P. 10)

U.S. COMPONENTS MARKET approached \$12 billion last year, could top \$13 billion in 1978, Commerce estimates. McGraw-Hill views consumer electronics prospects in U.S., Japan, Europe. (P. 11)

put together by Schlosser. Even program chief Paul Klein may stay on—despite his derogatory comments about Silverman's output at ABC. At ABC, meanwhile, ABC-TV Pres. Frederick Pierce doesn't plan to go outside for Silverman replacement, will play bigger role himself in programming, for the present.

Payne said Griffiths called him 6 a.m. to break the news. "We're very enthused," Payne said. "I've talked to a lot of the TV delegates, and they uniformly responded this way. There had been a lingering fear that Griffiths would turn to Wall St. for a president. Silverman is the most able programmer in the U.S. I regret seeing Herb Schlosser leave. Herb built a fine management team. But time ran out on him. It's unfortunate. He'd do well at RCA, or he could go to any number of fine law firms."

In announcing Silverman's departure, Pierce said: "While we are sorry to see Fred leave, we have achieved our leadership through a long-term team effort and I am confident we will continue that leadership."

Silverman came to ABC in 1975 after 12 years with CBS. Schlosser joined NBC in 1957, became pres. in 1974. Ironically, Silverman was quoted by Tom Shales in Jan. 18 Washington Post, bemoaning: "The life of a TV executive is boring. Boring. Boring, with a capital B... I'd like to try something in public service... I'm at a crossroads in my life; it's an important enough decision to me to take the time to make the right decision. It will be made very, very shortly." Shales asked if he wanted to become head of USIA. ("No, because that would be too much like what I am doing now.") Take over Paramount? ("No.") Replace Schlosser at NBC? ("These things are starting to get out of hand.")

FCC VOTES WPIX RENEWAL: Renewal of WPIX N.Y. license was voted by FCC, 4-3, it's understood, after oral argument last week, and it's assumed challenger Forum Communications will go to court after decision is issued—probably 4 or more months from now.

By their questions during oral argument, it seemed that Comrs. Lee, Quello & Washburn were clearly on side of WPIX, with Ferris, Fogarty & Brown opposed—and White the swing vote. It's understood that's how it went, White tipping scales for renewal.

Battle over Ch. 11 has been joined ever since 1969, when WPIX was accused of deceptive news packaging. In Dec. 1974, FCC Judge James Tierney issued initial decision favoring WPIX, stating that newscasts involved were "little more than singular lapses in poor, even reckless judgment, perhaps mindless taste," but that station management was not at fault—and it acted promptly to clear up problem. He also found that Forum had inadequate financing and had done poor job of ascertaining community needs. Last week, FCC majority essentially agreed with him. Each minority member is likely to write dissent.

'FUTURE IS ROSY INDEED': Despite administration in Washington which promises to become anti-broadcasting (see below), everything came up positive at NAB Board meetings in Dorado Beach, P.R. last week. "Our future is rosy indeed," NAB dir. told us—and there was nobody at Cerromar Beach Hotel who disputed that. Weather was beautiful and, as expected, disputes were minimal and no major controversies developed.

With caveat stating that NAB "in no way approves of indecent language on the air," board instructed staff to file amicus brief in Supreme Court in George Carlin "seven dirty words" case. FCC had ruled words were "indecent" at time broadcast (mid-afternoon) on WBAI(FM) N.Y. Appeals Court reversed FCC, and Supreme Court has accepted agency's appeal. (Motion Picture Assn. has also decided to file on behalf of WBAI in Supreme Court.)

NAB had been criticized by public interest groups for not defending Pacifica station's broadcast as First Amendment issue. In entering case last week, Assn. said broadcasters must continue to fight for right of free expression without govt. interference.

After everybody in room went "around and around," TV Board unanimously adopted resolution which "strongly affirms the importance" of amendment to TV Code in Sept. restricting sex on TV (Vol. 17:38 p1). Many TV stations' principals had been unhappy with networks' reactions to Sept. Code changes, and therefore it was no surprise that issue came up in P.R.

Board resolution said all components involved in programming—stations, networks, producers & writers—should consider Code's voluntary standards on taste. It directed Code authority to continue meetings with "network presidents, writers, principal producers and public groups." NAB also will hold additional "broadcast town meetings"; first 2 were last fall in Boston & San Diego.

Winter board meeting usually finds politicking starting for spring leadership elections—and this year was no exception. TV Vice Chmn. Thomas Bolger has announced for chmn.; William Bengston is running for vice chmn. On radio side, William Sims and Walter May have announced for chmn., Carl Venters for vice chmn.

Cox Bcstg. Pres. J. Leonard Reinsch was going-away winner of Distinguished Service Award (to be given at April convention in Las Vegas). Ed Craney received 2 votes, Stanley Hubbard one. Reinsch is first person with strong cable ties to receive NAB's highest honor.

Joint Board held long discussion of communications rewrite efforts by House Communications Subcommittee, came out with what was described as "unanimity" that NAB is in strong position. Board sentiment was that broadcast advisory committee on rewrite acted properly in refusing to serve as "negotiators" with Subcommittee (Vol. 17:50 p1). Board told staff to keep NAB members "constantly updated" on rewrite, devise policy of action rather than reaction.

(Meeting between advisory committee and Subcommittee has been called for Feb. 22 (Vol. 18:2 p4) by advisory committee member James Gabbert, KIOI(FM) San Francisco. While several radio members are expected to show up, reservations were expressed about how heavily TV will be represented. Said Gabbert: "We'll be taking up where Chicago [meeting] left off. It's absolutely stupid for us to walk away. There's been discussions of trade-offs but nobody found out what they are. Let's talk about our problems and their problems and see what we've got.")

Pres. Wasilewski reported on "an exceedingly good year in the over-all. We had our share of successes and less than our average share of losses." He expressed alarm over influx of activists and public interest advocates throughout govt.—naming those he thought weren't friendly to broadcasting. He said industry hasn't been hit hard yet but warned it's coming.

NAB goals for 1978 were detailed by Wasilewski (Vol. 18:3 p2), giving top priority to "the non-passage of legislation that would impose performance royalties" on TV-radio for the use of recorded music. "This promises to be a most heated battle," he said. "It is no secret that various music stars and record companies kept the President's campaign afloat in some crucial periods... Rock music interests hold some I. O. U. s from their friend in the White House. Needless to say, they do not plan to cash in those I. O. U. s for peanuts. They more likely envision cashing them in for the President's support in securing a \$15 million windfall to be paid exclusively out of broadcast industry revenues."

Shaun Sheehan, new public affairs vp whose first day on job was last week, promised board "aggressive advocacy campaign to have NAB heard... We want NAB to be considered by responsible reporters as a necessary source to be contacted prior to deadline—not after... We want NAB known as an organization that recognizes its public responsibilities and acts, rather than reacts."

Joint Board accepted recommendation of by-laws committee to retain veto rights for TV & Radio boards over recommendations of Code boards. Both Code boards have been overturned by parent board several times in last couple of years and this has led to bruised feelings by Code board members. Committee said that present boards should continue to serve as "legislative" bodies, Code boards as "judicial"; that parent boards would continue to seek "expertise" of Code boards for proposed amendments. To improve communications, observer from TV & Radio boards will attend respective Code meetings and vice versa. By-laws committee found "no substantial dissatisfaction" with present radio districts—despite fact that some districts have up to 3 times more NAB-member stations than others.

Joint Board approved \$5.63 million budget as recommended (Vol. 18:1 p2), adding \$10,000 allocation for World Press Freedom Committee. Reporting on committee and IAAB activities, Bonneville pres. Arch Madsen asked NAB to establish international broadcasting committee and

to host IAAB convention in 1979 at a cost of about \$50,000.

Most of 5-1/2-hour Radio board meeting was devoted to proposal to sell ads in NAB monthly magazine *Radioactive* (plan was tabled) and approval of plan to combine Radio Code dues into general membership fees. NAB said Radio Code move was made because of "conclusion" of members on Code subscription and to simplify administration. In future, NAB members may become Code subscriber at no extra cost (however, dues could go up maximum of 15%) and non-member stations may continue to subscribe to Code (cost hasn't been decided). At present, Radio Code dues totalled \$243,750 and NAB member dues will be increased in attempt to recoup that amount.

Board approved convention sites & dates for 1985-87. Here's lineup to 1987: 1978, Las Vegas, April 9-12; 1979, Dallas, March 25-28; 1980, New Orleans, March 30-April 2; 1981, Las Vegas, March 12-15; 1982, Dallas, April 4-7; 1983, Las Vegas, April 10-13; 1984, Atlanta, March 18-21; 1985, Las Vegas, April 7-10; 1986, Kansas City, April 13-16; 1987, Atlanta, April 5-8. Winter board meetings: 1979, Maui, Jan. 14-18; 1980, Palm Springs, Cal., Jan. 20-24; 1981, Phoenix, Jan. 17-23.

Directors agreed to a "program of continuing education for broadcasters in 1978" which will include several existing seminars and meetings, add some new ones (legal, commercial & political practices, cable & copyright, digital circuitry & techniques). Fall conferences will be replaced by concurrent "Radioactive Days" and a "TV Executive Seminar."

NAB SALARY HIKES: NAB Exec. Committee has given merit raises (increasing amount recommended) to several key staffers, including Exec. Vp-Gen. Mgr. John Summers, Vp-Planning Harold Niven, Senior Vp-Gen. Counsel Erwin Krasnow, Engineering Vp George Bartlett & Research Vp John Dimling. Largest raise (\$8,716, bringing his salary to \$35,000) went to Richard Burch, who was transferred to N.Y. as asst. Code dir. Other raises and new salaries (effective April 1):

Pres. Wasilewski, \$5,000 to \$105,000 (plus \$15,000 deferred, \$5,000 key-man insurance and car); Summers, \$5,400 to \$75,000; Senior Vp-Govt. Relations Donald Zeifang, \$3,160 to \$66,360; Senior Vp-Station Services James Hulbert, \$2,970 to \$62,370; Krasnow, \$8,300 to \$57,500; Vp-Govt. Relations Roy Elson, \$2,450 to \$51,450; Vp-Govt. Relations, William Carlisle, \$2,500 to \$45,000; Govt. Affairs Lobbyist David Markey, \$3,000 to \$45,000; Dimling, \$3,300 to \$45,000; Radio Vp Charles Jones, \$2,500 to \$43,700; Code Dir. Jerome Lansner, \$2,800 to \$43,695; Bartlett, \$4,200 to \$42,000.

Also, TV Vp Jane Cohen, \$2,000 to \$40,500; Niven, \$3,700 to \$39,000; Govt. Relations Spl. Rep. George Gray, \$2,500 to \$35,000; new Vp-Public Affairs Shaun Sheehan \$35,000; Secy.-Treas. Michael Harwood, \$2,000 to \$34,000; Asst. Gen. Counsel Brenda Fox, \$3,500 to \$33,500; N.Y. Code Mgr. Lorne Williamson, \$2,300 to \$33,469; Vp-Membership Wayne Cornils, \$3,000 to \$33,000; Asst. Gen. Counsel James Popham, \$3,500 to \$32,500.

Viacom's pay-cable subsidiary Showtime will be carried by 13 Sammons systems, serving more than 100,000 subscribers. First group starts immediately: Clinton-Elk City, Okla.; Bristol, Elizabethton & Johnson City, Tenn.; Petersburg, Va.; Streator, Pontiac & Ottawa, Ill.; Oil City, Pa.; Turlock-Ceres, Cal.; McComb, Miss. Balance joins in 1978 second half.

FERRIS STAFF & AGENDA PLANS: FCC network inquiry staff will be named soon, perhaps this week, according to Chmn. Ferris; he plans 10-person staff. He said he hopes to have other top jobs filled by end of month. Chief engineer's office, he said, shouldn't "just certify equipment. It should be on the cutting edge of technology. It should advise the Commission of the technical impact of the full range of situations before FCC. It should parallel what the general counsel does." A chief economist, Ferris said, should "inform the FCC more fully of the economic impact of what we do." However, he added, building an economic arm is longer term, in Office of Plans & Policy.

Howard Kitzmiller, FCC assoc. gen. counsel for legislation, has shifted to Bestg. Bureau as special counsel to bureau chief, primarily on rewrite of Communications Act. Ferris hasn't named successor.

Current dates for FCC meetings are: Jan. 25-26, Feb. 8-9 & 22-23, March 8-9 & 22-23. Special meeting items include: Fairness doctrine alternatives; cable exclusivity, obscenity, franchises & definition; UHF reception improvement; WARC status; minority ownership; financial underwriting of educational stations; CB linear amplifiers; communications for deaf.

Cross-ownership argument in U.S. Supreme Court last week brought broad series of questions of justices, generally encouraging attorneys representing newspaper-station combinations. Speculation leaned toward return of case of Appeals Court, thence to FCC, for new look—with high court frowning on blanket prohibition against formation of any new such combinations. Justices were concerned about diversity of media ownership and monopoly—but questioned constitutionality of absolute ban.

Cable marketing seminar has been scheduled by CTAM Feb. 24, Airport Marina Hotel, Dallas-Ft. Worth.

MINORITY OWNERSHIP PUSH ON: White House shortly is expected to announce major drive to increase minority ownership of broadcast stations and cable operations.

Administration plans to request that FCC adopt policy of "favoring and fostering" minority ownership, knowledgeable officials said. White House also will: (1) Urge FCC to approve time-sharing (allowing 2 or more licensees to alternate use of channel). (2) Ask FCC to allow stations facing revocation or renewal hearings to sell out to minority groups at substantially lower price—as proposed by congressional Black Caucus. (3) Support NAB's tax certificate proposal for sales to minorities.

White House also intends to push for funneling govt. advertising to minority broadcasters and for financial assistance for minorities from SBA and Commerce Dept.'s Economic Development Administration.

Also on minority front, federal report on public TV hiring discrimination recommends FCC consider non-renewal or short-term renewal of stations whose EEO programs fall short. Report, written by Inter-Agency Task Force on Non-Discrimination in Public Bcstg., says FCC should also have EEO staff beefed up to carry out enforcement and assistance in EEO cases.

Task Force, made up of officials of FCC, JD, HEW & EEOC at request of House Communications Subcommittee, also backs Subcommittee EEO recommendations made in spring (Vol. 17:13 p4). Subcommittee then strongly criticized public TV & radio and FCC for public broadcasting hiring practices. Task Force also recommends that Public Bcstg. Act be amended to increase chances of women and minorities to be named to CPB board; that federal agencies better coordinate EEO activities; that FCC improve collection of EEO data. Task Force says CPB must assume responsibility of EEO oversight when giving out federal funds.

SEC charges operators of cable tax shelter violated federal law by using unregistered securities. Promoters of limited partnerships in Abbeville CATV Assoc., Cannonsburg CATV Assoc. and Kentucky CATV Assoc. were charged in U.S. Dist. Court in N. Y. Defendants: John Galanis, Greenwich, Conn.; Dennis Tinsky, Riverdale, N.J.; Stephen Myers, Park Ridge, N.J.; Leo Denslow, New Rochelle; Jeffrey Silverman, Martin Bader & Barry Silverman, N. Y.

NBC pretax net rose 27% last year on 15% sales increase, making 1977 NBC's 3rd consecutive year of record profits, RCA said in year-end statement (see financial table). It reported increased sales & earnings for RCA Globcom & broadcast equipment operations, said RCA Americom (satellite) stayed in red.

CPB board sets up 24-member task force to promote more citizen involvement in public broadcasting; it meets Feb. 16-17 in Washington. CPB said action is "positive step" after Advisory Council of National Organizations was dissolved in Sept.

N. Y. C. PAY TV: Wometco Home Theatre (WHT) last week kicked off all-out drive for subscribers to its N. Y. C. area on-air pay TV from WTVG (Ch. 68) Newark. Significant factor in new drive will be vast increase in population covered when Ch. 60 translator goes on air, scheduled this week. Translator marks couple of firsts—first TV transmissions from World Trade Center and first circularly polarized transmitting antenna in N. Y. market. Translator uses twin 1-kw transmitters, Bogner antenna.

WTVG's pay TV started March 1 using system developed and equipment made by Blonder-Tongue Labs, original owner of station (Vol. 17:11 p6). Wometco-BT Bcstg. Pres. Richard Hollands told us that system now has about 2,400 subscribers in N. J., installations being made by independent franchised technicians and Sylvania servicers—2 men making 4 installations per day. Installation includes combination single-channel UHF converter & decoder with built-in loudspeaker and separate UHF yagi antenna. (It's difficult to use home VTR to tape pay-TV program because sound emanates from converter, not TV set.)

Pay TV costs subscribers \$25 for installation, \$13.95 monthly for 12 feature films each month at 8 & 10 p. m. and midnight, each movie shown at least 5 times. At inaugural dinner in N. Y. last week, WHT made pitch to MATV & CATV system owners to carry its signals. Such "affiliates" are permitted to use security system other than B-T, in which case WHT supplies master decoder, charges affiliate \$5 or 50% of WHT's monthly service charge per subscriber, whichever is greater. For CATV installations, WHT pays affiliated cable system \$7.50 per installation and \$2 per month per subscriber. Affiliate buys & installs headend equipment to receive WHT pay TV, installs & services decoders. WHT provides decoders, collects from subscribers. If WHT sells subscriber who is passed by affiliate's cable but isn't CATV subscriber, WHT pays CATV \$10 per installation, \$3 per month.

NCTA income expected for 1978-79 is \$1,680,000, up 8.5%, but deficit of \$144,000 is anticipated, because expenses are to run \$1,824,000, Chmn. Daniel Aaron told Denver Cable Club last week. Exec. committee has approved budget, which goes to board for final action Feb. 12-14. Budget includes \$60,000 for "strike force" which will aid state associations fighting pole attachment tariffs. Turning to minority employment, Aaron said each of top 50 cable groups will be asked to fill "at least one executive position with minority employee"—and NCTA will be eager to help find qualified applicants. Aaron said he expects industry revenues to grow more than the 11% expected by Commerce Dept. this year, and subscribers to increase 1.2 million to 14 million—while pay-cable hookups rise another million.

AM broadcast rules should be completely re-evaluated, Commerce Dept.'s Office of Telecommunications has told FCC in filing on AM stereo rulemaking. OT says audio quality can be improved and interference reduced.

Personals

Elected to NAB Radio Hall of Fame: Arthur Godfrey, Fibber McGee & Molly, Guglielmo Marconi, Walter Winchell... Robert King, Capital Cities, named a dir. of TIO, succeeding Robert Gordon, WCPO-TV Cincinnati... Wayne Cornils, NAB membership dir., named a vp... Michael Barry, attorney in NAB govt. relations dept. who sought to unionize employees year ago (Vol. 17:6 p5), has resigned.

Newton Minow, former FCC chmn., nominated PBS board chmn., to replace Ralph Rogers who retires from board.

Bob Greenberg, ex-editor, Client/Media News, named TvB communications dir... Erica Farber, WXLO N.Y. & Walter Rubens, KOBE Las Cruces, N.M., reappointed to 2-year terms on NAB Radio Code board; Bruce Goddman, MBS, replaced Jack Stuppler, CBS; Dick Painter, KYSM Mankato, Minn., ratified as vice chmn. of Radio board.

Jim Spence advanced to ABC Sports senior vp, John Martin to programming vp & asst. to pres., Charles Lavery to program planning vp... Philip Nolan, WIND(AM) Chicago vp-gen. mgr., appointed Group W area vice chmn., succeeded by Robert Emery, sales-management consultant... Dick Graf, ex-WNAC-TV Boston, named news dir., WBBM-TV Chicago... Joel Kaplan, ex-NBC, appointed ad mgr., KTTV L.A.; Delores Costello promoted to public information dir.

David Korte, ex-N.Y. State Cable Commission, named a CTIC regional dir... James Ferris, ex-Cotton Inc., named creative services dir., Viacom Enterprises... William Grumbles, ex-Teleprompter, becomes HBO mid-central regional mgr., Kansas City... Mary White named national accounts mgr., Merrill Cable Equipment, Phoenix... J. Richard Munro elected a dir. of Time Inc.

Thomas Arthur, Landis Martin, Jon Paugy, John Quale, Lawrence Secrest III & Michael Yourshaw become partners in Washington law firm Kirkland & Ellis... Peter Feinberg, ex-asst. dist. attorney, Bronx, joins Washington law firm Smith & Pepper... Ellen Sudow joins Renouf, McKenna & Polivy, Washington law firm.

Carl Cangelosi, Dennis Elliott & Charles Twitty elected vps, RCA Americom... Arnold Taylor, ex-Ampex national sales mgr., named to new post of vp-gen. mgr., Sony Bcstg. Div.

James Hobson, FCC Cable Bureau chief, resigns as of March 1, is still considering several offers. FCC Chmn. Charles Ferris, terming him "extraordinarily capable public servant," said he hopes Hobson can stay on for while in advisory capacity, "at least to permit an orderly transition... to your successor." Successor hasn't been named, but strongest candidate is said to be Jerold Jacobs, Bureau deputy chief.

Annual Washington conference of Cal. CATV Assn. is scheduled March 5-8, Hyatt Regency, including receptions & dinners with congressmen & FCC members

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Cable TV Information Center funding has been continued from Ford and John & Mary Markle foundations through 1980. Center recently published "Regulating Cable TV Subscriber Rates: A Guide for Local Officials," 57 pp, \$15, 2100 M St. NW, Washington 20037.

Obituary

Clarence Dill, 93, former Democratic senator from Washington known as "Father of the Communications Act," died Jan. 14 in Spokane. As Senate Interstate Commerce Committee chmn., he helped write Act after hearing people had been billed for playing records on air without permission. He was co-author of Radio Act of 1927 and also known as "Father of the Grand Coulee Dam." He was elected to House in 1914, served 2 terms, elected to Senate in 1922, served 2 terms. Ohio native, he worked as teacher, newspaper reporter, lawyer, after attending Ohio Wesleyan U. and U. of Del. Survivors include brother, nephew.

William Hedges, 82, founding member and past president of NAB, died Jan. 19 in Port Chester, N.Y. nursing home after long illness. He retired from NBC in 1969 as general services vp, was chmn. emeritus of Bcstg. Pioneers. He joined NBC in 1931 at WMAQ Chicago. Survivors include wife, 2 daughters.

Freeman (Bud) Desmond, 49, Times Wire marketing dir., died of heart attack Jan. 15 at N. Haven, Conn. home; he had no history of heart ailment. He joined company 16 years ago, served first in OEM. Survivors include wife, 2 daughters.

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OFFICIAL 1977 SALES FIGURES

Here are EIA's final & official statistics on consumer electronics total-market sales to dealers for 1977, with 1976 & 1975 comparisons, and for year's final week. (For Dec. break-out, see p. 8):

	Full Year 1977	Full Year 1976	% change	Full Year 1975	Dec. 24-30	1976 week	% change
Total TV.	14,771,017	12,896,127	+14.5	11,452,900	312,041	243,338	+28.2
color	9,106,826	7,700,193	+18.3	6,485,297	202,049	143,068	+41.2
monochrome . .	5,664,191	5,195,934	+9.0	4,967,603	109,992	100,270	+9.7
Total radio	54,694,701	40,735,148	+34.3	34,696,020	536,119	548,609	-2.3
home, portable	41,804,859	28,290,085	+47.8	25,456,316	264,432	328,343	-19.5
AM-only	10,848,424	9,309,301	+16.5	7,010,478	139,039	172,941	-19.6
FM & FM-AM	30,956,435	18,980,784	+63.1	18,445,838	125,393	155,402	-19.3
auto	12,889,842	12,445,063	+3.6	9,239,704	271,687	220,266	+23.3

Color TV 5-week moving average: 1977-205,552; 1976-181,811 (up 13.1%).

U.S. CB INDUSTRY INJURED-ITC: In action which may or may not bring relief to sagging domestic CB industry, ITC voted 5-1 that imports injured (or threaten injury) to U.S. producers. Vote on relief—which could take form of quota, tariff hike or combination of both—is scheduled for Jan. 27 (Fri.).

Vote broke down this way: Injury, Chmn. Minchew, Comr. Ablondi; injury threat, Vice-Chmn. Parker, Comrs. Moore & Bedell; against injury, Comr. Alberger. Decision came as no surprise, particularly in light of current anti-import sentiment in Congress—with focus on Japan.

Real question is whether pro-domestic vote—regardless of remedy chosen—will do U.S. suppliers any good. Of 4 firms which actively petitioned ITC for relief, one (Hy-Gain) has since filed Chapter XI proceedings, and another (Pathcom) has said it can't survive without "viable" financial partner (which it may have found—see p. 11).

What will remedy be? It's anybody's guess at this point, with staff outlining several possibilities but failing to come up with solid recommendation. Major problem staff faced in investigating situation was absence of hard figures on CB production, inventories, etc. "due to serious statistical discrepancies in the data available."

Possibilities range from 9% hike in tariff to 15% (with recent appreciation of yen, hike would effectively be 20%, staff said), quota in 5-7-million-unit range (assuming 6-8-million annual sales and domestic capacity of million units), or combined quota-tariff formula.

Whatever ITC decides, it clearly won't approach 50% duty hike (Vol. 17:45 p7) asked by domestic producers. Recommendation must go to President by Feb. 2. He then has 60 days to accept or reject it. If it's rejected, Congress has 90 days to overrule him.

'77 COLOR SALES HIT RECORD \$3.3 BILLION: Color TV unit sales in 1977 were 2nd highest in history, but factory dollar volume set all-time high of \$3.3 billion, according to EIA estimate. This represents increase of 15.4% over 1976 figure of \$2.86 billion and 6.6% over previous record of almost \$3.01 billion in 1973.

Final & official unit TV-radio sales to dealers for 1977 are set forth in box above. Factory

production plus imports for 1977 came to 9,341,000, just 234,000 more than sales to dealers, vs. 9,194,000 in 1976. All-time high for production was 10.07 million in 1973—only year 10-million-set barrier was ever cracked. Figure of \$3.3 billion sales in 1977 is based on Jan.-Sept. average factory price of \$353 per color set, up \$4 from 1976 average of \$349 and \$45.48 from average of \$307.52 in that 10-million-unit year of 1973.

Last year closed out with factory plus distributor inventories of 2,087,000 units, up 2.8% from end of 1976 but down 9.8% from end of Nov. Distributor inventories totaled 994,300, up 10.2% during year and down 14.9% during Dec. 1977. Factory inventories, at 1,072,500, fell 5.5% during year and 5% during Dec.

Year was good in all consumer electronics, unquestionably adding up to all-time dollar high in view of strong sales of existing products and growth of such newer ones as VTR & games. Total TV & color TV sales were highest since 1973, b&w highest since 1974. In radio, home & portable sets with FM totaled almost 31 million, a new record—besting old high of 18.8 million (in 1973) by almost 65%. Total radio, home-clock-portable radio and auto radio sales were highest since 1972.

In color TV, every month last year registered increase over comparable month of 1976. Dec. sales were at annualized rate of 9.22 million. Best month was Nov., at 9.53 million rate; worst was July at 8.46 million. Quarterly sales totals: First quarter, 2,007,017, up 24.5% from 1976, representing 8.96-million annual rate; 2nd, 1,861,280, up 17.6%, at 9.11-million rate; 3rd, 2,340,625, up 38.1%, at 8.91-million; 4th, 2,897,904, up 13.8%, at 9.38-million.

Dec. sales were strong—color up 13.1% over Dec. 1976, which, in turn was up 33.3% over Dec. 1975, FM radio registered amazing 219.3% gain over year earlier and auto radio rose 80.3%. Here are EIA sales-to-dealers figures for Dec., with 1976 & 1975 comparisons:

Product	Dec. 1977	Dec. 1976	% change	Dec. 1975
Total TV	1,659,874	1,492,701	+11.2	1,158,165
color	1,027,758	909,057	+13.1	682,184
monochrome	632,116	583,644	+8.3	475,981
Total radio	5,476,715	3,038,125	+80.3	3,621,575
home, portable	4,054,302	1,965,577	+106.3	2,651,308
AM-only	1,243,850	1,085,467	+14.6	741,723
FM & FM-AM	2,810,452	880,110	+219.3	1,909,585
auto	1,422,413	1,072,548	+80.3	970,267

Watch watch: Electronics will take over worldwide timekeeping market in 1985, consulting firm Mackintosh says in study for West German Research & Technology Ministry. In wristwatches, electronics will account for 37% of sales in 1980, up from 12% in 1976, grow to 54% in 1985. LEDs, now used as display in 71% of electronic wristwatches, will drop to 5% by 1985, when liquid crystals will hold 50%, dial-&-hand 45%. Some 53% of clocks will be electronic by 1985, up from 6% in 1976, but digital readouts won't be significant feature, study says. . . .Gould plans midyear introduction of new battery line designed for LCD watches. New Activair batteries use zinc formulation, last 3-5 years, are expected to cost about 50% more than conventional mercury or silver oxide batteries. . . .Sanyo forms new subsidiary, Sanyo Electronic Watch, to produce & market LCD watch line.

GE & Hitachi received inquiry letters last week from Justice Dept., with 4-week response deadline, in business review of plan to combine U.S. TV operations under General TV of America banner (Vol. 17:50 p7). Justice's opinion on whether establishment of GTA would reduce competition in U.S. market significantly is expected in mid-March.

"This is the year of video for us." That was reaction of JS&A Pres. Joe Sugarman to CES and "the revolution going on" in consumer electronics. JS&A, Chicago-based mail-order house which specializes in information-packed product ads, will feature first TVs—"you might see a mini-TV, or a projection system"—in ads this year. JS&A will also promote home computers, possibly VideoBrain system introduced at CES—"we'll probably become more heavily involved in computers than anything we've ever been involved in. Our real forte is taking an emerging product like that and explaining it. We feel confident we can educate people about home computers in 2-page ads." Beauty of computers, Sugarman says, is broad-market appeal. "Every consumer, every business, every institution can use one."

Franchising guidelines for component & parts manufacturers selling through distributors are being drafted by EIA Distributor Products Div. Concentrating mainly on pricing, guidelines spotlight potentially troublesome policy areas which should be specified in contracts, offer no advice on what policies should be.

SONY'S PROBLEMS: Tragedy of Ray Steiner's death (see p. 12) comes at extremely unfortunate time for Sony, plagued with sagging market share, price foot-balling by transshippers and some tarnishing of its once resplendent image. Sony America Chmn. Harvey Schein told us at week's end it was too soon even to guess what would be done toward replacing Steiner, keystone of its marketing efforts. Schein leaves for Japan next week, while Sony (Japan) Pres. Kazuo Iwama is understood to be flying to U.S.

Many of Sony's problems appear to have stemmed from end of fair trade, which hit company with unexpected severity, changing its TV line from industry's most carefully protected to one of most widely cut-priced. At time of his death, Steiner was spear-heading dealer re-franchising plan, inspired at least partly by recent Sylvania decision in which court said a company could control its distribution after title to goods had passed if lack of such control would hurt its market position. Sony hopes to eliminate much transshipping through this type of control.

Sony had increased color TV prices every year until 1977, when it left prices unchanged while others were raising them—finally conceding its market share had slipped. Last fall, it added special allowances to two 17" & two 19" color sets, making possible retail cuts of \$50-\$80, and there are some indications of special promotions on other sets—12" sets which list at \$400 are being advertised below \$300 by some discounters.

Another Sony problem presumably is that other manufacturers may have caught up with Trinitron's features, while Sony has left its color TV virtually unchanged, with product overhaul presumably overdue. In audio, Sony has never realized its full potential on U.S. market, possibly because terms of its contract with Superscope have kept it out of some product areas.

When Sony entered into private-label contracts to supply Betamax VTR to competitors, it appeared to be violating one of its longstanding rules (Sony products are unique) in order to build up Beta format as standard. War with Matsushita & JVC over home VTR standards has been debilitating to Sony, possibly diverting too much attention from other products. And there have been unverified reports of efficiency problems at San Diego TV plant and start-up troubles in Dothan, Ala. tape facility.

If this were any other company, it would be considered to be doing extremely well—consider parent company's recently reported record sales & revenues for fiscal 1977 (Vol. 17:52 pp 10 & 12)—but such is Sony's mystique that more is expected from it than from its competitors.

Taiwan's first IC manufacturing facility is scheduled to start production in Dec., with output earmarked for consumer electronics OEMs there. Plant is \$10-million demonstration project of Electronic Industrial Technology Research Institute, will use technology supplied by RCA.

New name for parts distribution-oriented Radio & TV Weekly is Electronic Industry Weekly.

NEW WARD MPU GAME: Line between games & computers became even fuzzier last week as Montgomery Ward began shipping new spring catalog featuring \$399 Cybervision programmable with both game & "computer" functions. Similar in concept to Bally Arcade (Vol. 18:2 p9), Ward system uses audio cassettes (Cybersettes) to store programs in 4 basic categories—home services, education, game & stories. Cassettes will be about \$10. In future, spokesman said, user "can program Cybervision himself."

Unit is controlled by 2 hand-held "pads," each containing small keyboard. Initial library will include several cassettes in each category (recipes, math, "Sub Chase," Hansel & Gretel, etc.), with new programs scheduled for March. System comes with one cassette containing sample selection of 8 programs. Cybervision is given same spot in catalog—front inside cover—as Bally Arcade unit in Christmas book. Bally-Ward deal fell through after Bally failed to receive FCC approval in time for Christmas shipments. Ward spokesman said Cybervision received FCC approval "several weeks ago."

Note: Catalog also carried new price—\$974—for Panasonic Omnivision VTR system. Chain previously priced it at \$995 (Vol. 17:47 p7).

Shrinking market and import competition are behind Stackpole Carbon's decision to quit production of carbon composition resistors for civilian use, become import-distributor for resistors made by Japan's Kamaya Electric. Stackpole said about 350 will lose jobs at St. Marys & Kane, Pa. plants in first quarter, and toll could rise to 700 as result of move. Last Nov., Allen-Bradley announced plan to move resistor production from Milwaukee to lower wage sites in Tex., and earlier Spain's Piher closed Mass. carbon resistor plant. Last fall, Stackpole & A-B were among domestic resistor producers appearing before Special Trade Representative's Trade Policy Committee to oppose duty-free treatment for resistor imports from underdeveloped countries. Increased import competition, they warned, could force U.S. producers out of business. Decision on adding resistors to duty-free list still pending.

CB demand is about a million monthly, with low end of 40-channel market ranging \$89-\$109 and high-end topping out at \$1,000. That's what EIA CB Section Vp John Sodolski is telling passengers via TWA in-flight Encore program. By 1980, 60-70 million CBs will be in use, with 50% of cars CB-equipped. Currently, Sodolski says, 23 million—80% mobile—are in use, with demand at 10-12 million a year "and I see no reason why it should slow down this decade."

CB Scene: Hitachi is keeping CB plant open, despite fact own-brand units are no longer on U.S. market. Firm still supplies some private-label customers (Sears, Penney & Radio Shack in past), expects Australia to develop as new 40-channel market... FCC issued 198,221 licenses in Nov., received 237,927 applications. Waiting time is now about 30 days, with 216,305 applications pending.

EIA TV SAFETY DATA: EIA Consumer Electronics Group is proposing to act as TV accident-report collection agency for Consumer Product Safety Commission. EIA feels arrangement would insure that data CPSC gets is presented in manner fair to all manufacturers, prevent CPSC release of raw reports under Freedom of Information (FOI) Act. In related action, U.S. Supreme Court last week overturned lower court order that FOI suit to open CPSC TV accident files go to trial.

Under plan submitted to CPSC staff, EIA would set up formal system for gathering TV-related accident reports from producers & importers. EIA would compile detailed summary of all incidents for specified periods, present it to CPSC after deleting brands & model numbers. This would prevent tying individual manufacturers to specific incidents.

Data collection would be first of kind done on regular basis by EIA. It did make one-time industry-wide accident survey in 1974, presenting results at CPSC hearing on need for mandatory TV standard (Vol. 14:17 p12). EIA proposal is response to Commission order last Oct. that staff determine whether improvements in UL TV listing requirements have cut TV-related injuries (Vol. 14:17 p12). Alternative could be mandatory requirement for direct submission of accident reports to CPSC by individual companies.

Industry is determined to keep individual accident reports confidential for 2 major reasons: (1) They could be used to support damage suits. (2) Larger manufacturers which have best record-keeping systems would show disproportionately big share of reported incidents. In what was viewed as major victory in industry's fight to block release of CPSC data, Supreme Court told D.C. Appeals Court to reconsider order for trial in light of Wilmington Dist. Court's permanent injunction barring data release (Vol. 17:51 p10). Both cases involve FOI demand for data made by Consumers Union & Ralph Nader's Health Research Organization.

Antenna safety is also still an issue at CPSC. Practicality of antenna safety standard, in addition to new labeling rules, was discussed by industry & agency staffers at recent meeting. Main topic was CPSC-ordered study by System Consultants Inc. indicating that coating outdoor antennas with insulating material could be feasible method of eliminating danger of fatal shock should antenna make contact with overhead power lines during installation. Also proposed in study was isolation system for antenna-support structures.

Meanwhile, manufacturers raised objection to section of proposed labeling rules requiring them to supply installation instructions (Vol. 17:42 p9). They're concerned about increased liability if consumer follows directions, has accident anyway.

Sign of CB times: Latest FCC type-acceptance lists mirror CB slowdown, with only 5 of 248 approvals granted Oct. 23-Dec. 31 going to CB units (Radio Shack & Communications Power Inc., 2 each; E.F. Johnson, one). At height of boom, CB nearly dominated type-acceptance activity.

TOWARDS FLAT TV: Unusually large number of papers on video displays will be featured at Society for Information Display's SID 78 meeting April 17-21 in San Francisco. Among highlights (speakers' names to be announced later): D.C. plasma (gas discharge) video display in color using phosphors, by Nippon Electric (NEC); electroluminescent panel, several papers emphasizing video uses, including, for first time, "some encouraging results" in low-voltage D.C. thin-film electroluminescent panel with a few thousand hours' life; LCD, 3 papers on TV-type displays; cathodoluminescence, "several papers on this new technique" aimed at producing large, flat non-CRT TV displays; electrochromics, first papers on life of operating device; CRT, 2 sessions on latest developments.

Joint seminar of SID & Stanford U. will discuss 6 major problems in flat-panel technology, intelligent terminals, information display for blind, speech displays. Evening off-the-cuff panel sessions will include 2 sessions on flat-panel displays ("Who Needs Them & Why," "Color—How to Get It"), session on LCD & LED alphanumeric readout, one on "Where Are Electrochromic Displays?"

Zenith's gas-discharge flat TV display development effort apparently will be continued by Lucitron, formed by ex-Zenith Display Systems Mgr. Joseph Markin and ex-Zenith engineers Alan Sobel & Michael Bijou. Lucitron, now negotiating technology purchase from Zenith, will concentrate initially on developing displays for military-industrial use, attempt to move into TV later.

Home video sessions have been slated for each meeting day of ITA's 8th annual seminar March 5-8 in Tucson. Speakers at March 6 morning session on "Home Video—Outlook for the '80s" include Paul Caravatt, CK Communications, on strategies; Andrew Kohut, Gallup, home video vs. pay cable; Robert Pfannkuch, Bell & Howell, VTR as home movie maker. Afternoon session on accessories features Don Rushin, 3M, blank tape; Al Eicher, Magnetic Video, prerecorded tape; Gary Ewing, Sports World Cinema, special interest programming; Paul Eisele, Time-Life Films, software marketing; Ken Davis, Tele-Theatre, projection TV; Dick Kelly, Video Corp. of America, software profitability. Panelists for March 7 market development session: Richard O'Brion, JVC; Charles Dolk, Magnavox; Irwin Tarr, Panasonic; Anthony Mirabelli, Quasar; Jack Sauter, RCA; Morton Fink, Sony. Slated for March 8 morning session on merchandising & distribution: Joe Cohen, NARM; Gene Kahn, Columbia Video; Jack Luskin, Luskin's; Herman Platt, Platt Music; Stuart Brenner, Video Theater. Details from ITA, 10 W. 66th St., N.Y. 10023.

Tape topics: Ampex is adding 40,000 sq. ft. to 317,000-sq.-ft. Opelika, Ala. magnetic tape plant at cost of \$5 million. To increase number of production lines from 5 to 7, expansion is scheduled for completion by Sept. 1979. Sharp estimates audio-visual market will account for 550,000 audio tape recorders & players this year, up 10% from 1977, predicts its sales will be up 25% for 2nd consecutive year.

NEW RCA HIGHS: Reporting record sales & earnings for both 1977 and its final quarter, RCA said full-year profit highs were set by 7 divisions, including Records, Service, Solid State & NBC. Net in 4th quarter rose 17% on 13.5% sales gain, while full-year net rose 39.2% on 10.4% sales increase (see financial table).

RCA said it shipped more color TV in 1977 than in any previous year, and "strengthened its position as the most profitable American manufacturer of TV receivers." It also reported improved earnings from picture tubes.

Matsushita (parent company only) net in year to Nov. 20 rose 17.6% to \$200 million on 9.5% sales rise to \$5.9 billion. Company said export sales rose 17%, stated that increase in yen valuation, restrictions on color exports to U.S. and sluggish home market held over-all sales of color TV, stereo & audio recorders to about fiscal 1976 levels, while sales of VTRs, automotive audio & hi-fi equipment were up significantly.

Pathcom says agreement has been reached on settlement of \$18.3-million debt. Plan calls for payment of \$1.15 million plus new preferred shares to secured lender. Shares give 10% of all profits over \$350,000 to lender for next 6 years. Trade creditors get cash payments totaling \$250,000, about 17% of claims. Cash for restructuring will come from Pres. William Thomas and N.Y. distributor Harrison Radio, providing \$80,000 for operating funds, \$2-million credit guarantee, \$500,000 for another preferred stock representing 80% interest in Pathcom. In addition, Harrison gets 50% representation on Pathcom board. This means that the 600,000 shares (21.1% interest in company) Pathcom sold to public in 1976 will represent 4% interest if creditors give final approval to plan.

Zenith continued cost-cutting program last week, announced it was writing down value of investment in Swiss watchmaking subsidiary Zenith Time Inc. & related distribution operations, will take special 4th-quarter 40¢-per-share charge, about \$7.6 million. In 3rd quarter, Zenith wrote off \$3.3 million in watch inventories. Zenith said it was negotiating sale of watch business it acquired in 1971. Zenith Time and Zenith Hearing Instrument Corp., latter sold off last year, had combined sales of \$31 million in 1976, about 3% of Zenith's consolidated sales.

Radio Shack sales topped \$1 billion for first time last year, parent Tandy reports. Retail operations' Dec. volume rose 15% to \$168.6 million, pushing total for year to \$1.01 billion.

Lafayette Radio sales fell some 15% in fiscal 2nd quarter to Dec. 31 from \$29.8 million year earlier, according to Pres. Arthur Blackburn. Although earnings were "adversely affected," company officials told annual meeting, results should show improvement from \$439,000 net loss of fiscal first quarter to Sept. 30.

Taiwan estimates its electronics exports worldwide approached \$1.7 billion last year, vs. \$1.25 billion in 1976, \$784 million in 1975. Major growth was indicated for TV, calculators, video games, microwave ovens, while radio shipments declined.

COMPONENTS MARKET: U.S. market for electronic components rose 13% last year to just under \$12 billion, should increase 9% this year to \$13.1 billion, according to estimates in Commerce Dept.'s Industrial Outlook 1978. Agency says value of domestic shipments increased 11% last year to \$12.7 billion, should grow 8% this year to \$13.7 billion.

International trade balance in components remained favorable last year, should be again in 1978, but could slip into red in 1980 if present growth trends continue. Exports were up 4% last year to \$2.63 billion, should rise 3% in 1978 to \$2.7 billion. Imports were estimated to have risen 12% last year to \$1.87 billion, should go up 10% this year to \$2.05 billion, with trade surplus shrinking to \$650 million.

Estimated value of shipments of selected domestic-made components in 1977, with forecast for 1978 in parentheses: Picture tube \$695 million, up 16% (\$750 million, up 8%); solid-state devices \$4.4 billion, up 14% (\$4.84 billion, up 10%); receiving tubes \$85 million, down 15% (\$70 million, down 18%); capacitors \$645 million, up 8% (\$695 million, up 8%); resistors \$685 million, up 12% (\$740 million, up 8%).

In annual forecast issue, Electronics magazine estimates this year's U.S. market for consumer electronics will have factory shipment value of \$12.3 billion, up from \$11.07 billion estimated for 1977, with color at \$3.25 billion, up from \$3.21 billion, b&w at \$485 million, up from \$484 million. It estimates over-all value of radio, phono & tape equipment at \$4.6 billion, up from \$4.23 billion, other products at \$3.98 billion, up from \$3.14 billion. Among other specific forecasts: Video projectors at \$66 million, up from \$60 million; home VTR \$450 million (if there's enough production in Japan and market here stays strong), up from \$174 million; electronic games \$435 million, up from \$280 million.

Japan's total market is expected to rise to \$5.82 billion from \$5.45 billion despite expected decline in value of color TV shipments to \$1.85 billion from \$1.99 billion. West Europe's market is seen rising to \$9.24 billion from \$8.68 billion, with color TV providing bulk of growth as it increases to \$4.53 billion from \$4.19 billion.

Entering projection TV with new roll-down screen and do-it-yourself kits is 25-year-old Knox Mfg. Co. George Simkowski, ex-Admiral, is now vp of screen maker and demonstrated new product in Las Vegas during CES. New screen is of embossed lenticular material claimed to be 5 times more reflective than brightest previous lenticular. It's basically flat and less directional than curved screens. Basic 50" x 50" screen retails at \$50, step-up \$69, tripod-mounted 60" x 60" for \$130. "Soundscreen" with built-in speakers is \$100, wall-mounted screen \$100. Kit containing screen, TV picture-reversal switch and lens assembly for attaching to any small TV will be \$250. Switch must be installed by TV technician.

Ad notes: Tandberg America appoints J.B. Stanton for ads & PR... Koss expands responsibilities of Kloppenburg, Switzer & Teich to cover worldwide advertising.

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
Avnet			
1977-6 mo. to Dec. 30	383,583,000	18,259,000	1.18 ^a
1976-6 mo. to Dec. 31	347,702,000	17,923,000	1.16 ^a
1977-qtr. to Dec. 30	197,259,000	9,016,000	.58 ^a
1976-qtr. to Dec. 31	172,929,000	8,740,000	.57 ^a
Cablecom-General			
1977-year to Nov. 30	29,210,592	3,994,862 ^b	1.55
1976-year to Nov. 30 ^c	26,083,377	3,043,628 ^b	1.19
Canadian Cablesystems^d			
1977-qtr. to Nov. 30	--	2,510,000	.63
1976-qtr. to Nov. 30	--	1,556,000	.39
Craig			
1977-6 mo. to Dec. 31	61,664,000	4,017,000	1.29
1976-6 mo. to Dec. 31	68,825,000	5,711,000	1.83
1977-qtr. to Dec. 31	28,612,000	1,470,000	.47
1976-qtr. to Dec. 31	33,535,000	2,518,000	.81
Globe-Union			
1977-qtr. to Dec. 31	122,837,000	7,099,000	1.10
1976-qtr. to Dec. 31	100,990,000	6,130,000	.96 ^e
International Rectifier			
1978-26 wk. to Jan. 1	48,199,000	1,212,000 ^f	.47
1977-26 wk. to Jan. 2	41,143,000	252,000 ^f	.10
1978-13 wk. to Jan. 1	25,635,000	715,000 ^f	.28
1977-13 wk. to Jan. 2	20,911,000	202,000 ^f	.08
Kansas State Network			
1977-qtr. to Nov. 30 ^g	4,271,000 ^h	478,000	.28
1976-qtr. to Nov. 30	3,948,000 ^h	447,000	.26
Matsushita Electric (Parent)ⁱ			
1977-year to Nov. 20	5,900,000,000	200,000,000	1.98 ^j
1976-year to Nov. 20	5,390,000,000	170,100,000	1.69 ^j
Meredith			
1977-6 mo. to Dec. 31	137,039,000	7,188,000	2.34
1976-6 mo. to Dec. 31	113,737,000	6,818,000 ^b	2.22
1977-qtr. to Dec. 31	72,004,000	3,797,000	1.24
1976-qtr. to Dec. 31	58,452,000	3,227,000	1.05
RCA			
1977-year to Dec. 31	5,921,800,000	247,000,000	3.23
1976-year to Dec. 31	5,363,600,000	177,400,000	2.30
1977-qtr. to Dec. 31	1,654,300,000	65,500,000	.86
1976-qtr. to Dec. 31	1,457,600,000	56,000,000	.73
Rockwell International			
1977-qtr. to Dec. 31	1,351,400,000	40,100,000	1.15
1976-qtr. to Dec. 31	1,348,300,000	29,300,000	.85
Taft Bcstg.			
1977-9 mo. to Dec. 31	112,797,340	17,121,292 ^f	4.17
1976-9 mo. to Dec. 31	88,808,813	13,346,719 ^f	3.28
1977-qtr. to Dec. 31	34,217,655	4,903,279 ^f	1.17
1976-qtr. to Dec. 31	22,588,900	3,421,022	.84
Tandy			
1977-6 mo. to Dec. 31	565,336,000	40,461,000	3.36
1976-6 mo. to Dec. 31	500,373,000	43,347,000	2.45
1977-qtr. to Dec. 31	347,182,000	29,471,000	2.48
1976-qtr. to Dec. 31	306,315,000	28,318,000	1.62
Telecor			
1977-6 mo. to Nov. 30	66,753,000	3,257,000	.77
1976-6 mo. to Nov. 30	53,458,000	2,519,000	.60 ⁱ
1977-qtr. to Nov. 30	37,799,000	1,831,000	.43 ⁱ
1976-qtr. to Nov. 30	30,714,000	1,400,000	.33 ⁱ
United Cable TV			
1977-6 mo. to Nov. 30	10,118,000 ^g	867,000 ^g	.45
1976-6 mo. to Nov. 30	8,570,000	(113,000)	--
1977-qtr. to Nov. 30	5,211,000 ^g	485,000 ^g	.25
1976-qtr. to Nov. 30	4,308,000	(26,000)	--
Video Corp. of America			
1977-qtr. to Sept. 30	1,725,000	107,000	.11
1976-qtr. to Sept. 30 ^k	1,836,000	97,000	.09

Company & Period	Revenues	Net Earnings	Per Share
Walt Disney Productions			
1977-qtr. to Dec. 31	137,106,000	13,353,000	.41
1976-qtr. to Dec. 31	119,529,000	11,828,000	.37 ^e

Notes: ^aFully diluted. ^bIncludes special credit. ^cRestated. ^dIn Canadian dollars. ^eAdjusted. ^fAfter special charge. ^gRecord. ^hFrom operations. ⁱ1977, 243 yen=\$1; 1976, 295=\$1. ^jPer ADR. ^kContinuing operations.

Personals

Fred Tushinsky advanced from Superscope senior vp to exec. vp & chief operating officer... **James Kaplan** advanced at Cornell-Dubilier from sales vp to pres. & senior exec. officer, succeeding **Wayne Peterson**, now in similar post at Superior Electric... **Norman Robinson**, Lloyd's, elected Consumer Electronics Show Advisory Committee chmn.; **S. David Feir**, BSR, named vice-chmn... **C. James Reeves**, EIA Legislative Affairs Council staff dir., adds same duties for Industrial Relations Council, replacing **James Mathews** who retains Govt. Relations & CODSIA duties.

Hiroshi Yasukawa & Masaji Hino advanced at Matsushita Electric from senior managing dirs. to exec. vps in reorganization subject to shareholder approval; leaving exec. vp posts to assume other corporate duties are **Hirozo Tanimura**, **Yasuharu Nakagawa**, **Kuninori Azuma & Takayoshi Inai**; **Seiji Miyoshi**, Matsushita Electronics pres., resigns from board; **Kitae Ogawa** relinquishes post as senior managing dir., **Tanimura**, **Noboru Higuchi**, **Yoshio Iida**, **Takao Funahashi & Setsuo Aoki** named to board.

Nels Johnson, Litronix sales & mktg. vp, Operations Vp **Carlos Garner & Vp David James** named members of new operating committee in restructuring; **Robert Johnston** appointed mktg. mgr. for new Time Modules Group; other new group heads: **James Futer**, Display Products; **David Barton**, Intelligent Displays; **Robert Anderson**, MOS Silicon Materials.

David Marriot, Fairchild Semiconductor LSI Group vp-gen. mgr., adds responsibility for MOS, CCD & bipolar products in restructuring; **William O'Meara** advanced at group from LSI sales mgr. to mktg. vp; **Jack Ordway**, former components sales vp, named semiconductor sales vp... **Richard Schwartz** promoted at RCA Records International from business affairs mgr. to mktg. services mgr., new post

Robert Pepper, Analog Devices Semiconductor Div. gen. mgr., named vp... **James Moore**, former branch operations mgr., appointed Quasar Mktg. & Sales Div. admin. & finance dir.

Obituary

Raymond Steiner, 50, pres. of Sony Corp. of America since last July, died of heart attack Jan. 19 in Tokyo, where he was meeting with officials of parent company. Before joining Sony in 1969 to hold several top marketing posts, he was Sylvania color TV sales mgr. He held variety of top marketing posts at Sony. He is survived by wife, 3 sons.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

VERVEER TO HEAD CABLE BUREAU: Ferris moves fast to replace Hobson, but key vacancies still remain. Co-heads expected for network inquiry. (P. 1)

REACTION TO SILVERMAN SHIFT: ABC affiliates' Turner & Bennett foresee no momentum loss, say success was no one-man effort. Impact on affiliate-shift pattern. (P. 2)

RADIO SPLITS FROM TV on House Communications Act rewrite as NRBA's Gabbert calls separate Feb. 22 meetings with Van Deerlin. NRBA says don't get 'hysterical' on 'swaps or trade-offs.' (P. 2)

FTC STAFF KID TV PLANS: Staffers expected to recommend ban on all TV ads aimed at kids 6 & under, ban on ads for heavily sugared foods when aimed at 7-12 group, counter-advertising for all other sugared foods. (P. 3)

CARTER SAYS 'NO' TO NAB for convention in Las Vegas, says maybe for Dallas or New Orleans. Trudeau won't be there, either. (P. 4)

UPBEAT INTV CROWD descends on San Diego this week. Van Deerlin takes shot at broadcasters for talking through lawyers. (P. 5)

WJLA-TV APPEAL PLANNED: Four Washington groups expected to ask Appeals Court to negate FCC approval of swap for KOCO-TV—imperiling consummation of \$100-million deal. (P. 5)

VERVEER TO HEAD CABLE BUREAU: Chmn. Ferris moved fast at FCC to fill vacancy of Cable Bureau chief last week, but several additional important staff openings still are in limbo—as most have been since Ferris became chmn. last fall. He said then that first priorities would be staff, issues 2nd (Vol. 17:43 p1).

Before picking Philip Verveer as Cable Bureau chief, Ferris had brought in only Gen. Counsel Robert Bruce—besides his personal staff. Still hanging: 10-person network study staff, 3-person children's TV task force, chief engineer, chief of OPP, head of Safety & Special Services, deputy & assoc. gen. counsel—probably others. Ferris also still is keeping his own counsel as far as other commissioners are concerned, seldom sharing ideas with them except at FCC meetings.

Verveer joins Commission Feb. 1 as Ferris' asst., will take over Cable Bureau March 1—succeeding James Hobson (Vol. 18:4 p6). Verveer is 34, has been in FTC Bureau of Competition since Sept. Before that, he was in Antitrust Div. of Justice, served 4 years as top attorney in AT&T case. He left Justice for FTC after dispute with superiors over handling of AT&T charges—Verveer wanted to expand them.

Consumer Electronics

1978 COLOR SALES off to strong start, EIA figures indicating 9.3-million pace in first 2 weeks. Much of industry shut by storms. EIA sees 1977 phono sales up 38% from 1976. (P. 7)

ITC SPLITS ON CB REMEDY—adjustment assistance or duty hike to 36%. Vote is on party lines, could trigger more congressional criticism. FCC launches massive crackdown on illegal 23-channel sales. (P. 7)

NATIONWIDE PROJECTION TV retail chain selling direct to U.S. consumers being established by British marketing phenomenon John Bloom, who sees grant screen taking 1% of color TV market at new \$750 price. (P. 9)

PORTABLE VHS RECORDER, 2 battery color cameras introduced by JVC in Japan for Feb. marketing. (P. 10)

B&W REVIVAL depends on specialty designs—and Quasar shows dealers unique line of portables it will release over next 12 months. (P. 10)

GE & CORNING say color TV helped earnings improvement in '77. Admiral loss trimmed in opening quarter. Superscope skips dividend. (P. 11)

SYLVANIA HALTING compact & console stereo output, will use outside assemblers for future product. Audio production line at Smithfield being converted to color TV. (P. 11)

Although "no firm commitments have been made," it's reported Ferris has decided on co-heads for network inquiry. One is expected to be economist Stanley Besen of Rice U. (Vol. 17:49 p2); co-head will come from law school. Neither, it's understood, has received full clearances from their schools to join 2-3-year FCC project.

Ferris memoed commissioners and top staffers last week expressing his "disappointment with the one-sided characterizations" of FCC's performance in U.S. News & World Report article Jan. 30 titled "The FCC: Washington's Worst Agency?" Article was critical of FCC's close relationship with industries it regulates, quality of staff, failure to revoke licenses, administrative delays. Said Ferris: "I have found extraordinary talent and dedication on the part of the FCC personnel I have worked with... I intend to work with you in the coming months to see that this agency gets the recognition it deserves for the quality of its work... What we do in the coming weeks and months will signal more clearly than any additional words that we are responsive to our public trust."

REACTION TO SILVERMAN SHIFT: Still looks as if Fred Silverman will be held to contract by ABC, thus unable to join NBC as pres. until June (Vol. 18:4 p1). Also, ABC-TV Pres. Fred Pierce still holds to plan to promote from within to fill Silverman's slot.

Meanwhile, ABC affiliates' spokesmen wished Silverman well and radiated assurances that ABC would be in great shape without him. TV Affiliates' Chmn. William Turner, KCAU-TV Sioux City, said: "I can remember when Fred Pierce made his appearance before the affiliates in Maui, in 1975, and described his plans. He has a team—it continues. Silverman contributed. I personally wish him well at NBC; he'll have greater responsibilities there. I think ABC-TV is in fine shape. Excellent product. The key executives will move forward."

Robert Bennett, WCVB-TV Boston, affiliates, vice chmn.: "Silverman's genius was tinkering with shows rather than dreaming them up. His forte is promotion. Pierce had a lot to do with development of the shows. A lot of the work was already done when Silverman came to ABC. It's not a one-man show. It's a loss to ABC—but with Pierce & Duffy and those running the organization, it won't lose stride. At NBC, it's going to be tough for Silverman. He'll have the responsibility of administration—incredibly difficult. He has no administrative background—but he's terribly bright."

Former CBS-TV Pres. Robert Wood, who knows Silverman as well as anyone: "It was a thunderbolt of a surprise... He's got great enthusiasm and this will be contagious at NBC." It's a great move for NBC, said Wood, and in areas where Silverman lacks experience—administration, news, sports, etc.—"he'll find out how to accommodate and delegate very shortly." Wood predicts no "immediate miracles" but foresees steady NBC prime-time growth and major impact by fall 1979.

Paul Klein, who had fought Silverman head-to-head as NBC program chief but now will report to him: "Just like Freddie—leaving a sinking ship."

One immediate boon to NBC: Slowdown, perhaps even reversal, of affiliate drift to ABC-TV.

RADIO SPLITS FROM TV ON REWRITE: Led by NRBA Pres. James Gabbert, attempt is being made to split radio from TV in negotiations with House Communications Subcommittee on proposed rewrite of Communications Act. "Before everyone gets hysterical, we have to find out what we're talking about" when Subcommittee mentions "swaps" or "trade-offs," Gabbert told us. "Radio can definitely benefit from changes in the Act and the climate [in Congress] is right."

NRBA pres. has called Feb. 22 meeting of broadcast advisory committee on rewrite in Washington—plans separate sessions for TV & radio members of 15-man group. Also attending will be Communications Subcommittee Chmn. Van Deerlin (D-Cal.), his consultant (and retired broadcaster) Howard Chernoff and Chief Counsel Harry Shooshan. In calling meeting, Gabbert said he had "been in contact" with Van Deerlin "in an attempt to reconcile differences and get radio broadcasters once again involved in the rewrite effort."

"Differences" arose in San Diego last fall (Vol. 17:46 p1) when advisory committee met with Van Deerlin and totally rejected proposed "swaps" or "trade-offs" (Vol. 17:46 p1). Differences

were cemented last month in Chicago when advisory committee told Van Deerlin—through trade press—that no major changes are needed in act (Vol. 17:50 p1). Gabbert set up Feb. 22 meeting through Chernoff, said over half of advisory group has agreed to attend. He said "purpose of this meeting is to get together again and make sure that the broadcast advisory committee maintains a dialog... Chmn. Van Deerlin was very happy to know that some of us are willing to meet and discuss our differences." Gabbert said he also plans meetings with Henry Geller (soon to become Asst. Commerce Secy. and head of new NTIA) and United Church of Christ's Everett Parker.

NAB & Van Deerlin have exchanged several potshots since broadcasters told Subcommittee in Dec. that it wouldn't submit any proposed changes to Act—and Van Deerlin was to deliver another one Jan. 29 at INTV convention in San Diego (see p 5). Gabbert effort is first move of radio broadcasters to split from TV in rewrite—something NAB and TV networks feared would happen. Gabbert was at Chicago meeting, supported industry position then because he wasn't speaking for NRBA but as a broadcaster, according to NRBA Exec. Dir. John Richer.

No statement has been made by NAB on Gabbert's efforts but NAB TV board member told us "nothing could be more destructive than the separation of radio & TV in rewrite negotiations. . . We are all broadcasters. . . It would be a very, very bad thing."

FTC STAFF KID AD PROPOSALS: FTC staff has widened recommendations on restrictions of TV advertising to children (Vol. 18:2 p1). They now are: (1) Ban on all advertising directed toward children 6 & under. (2) Ban on ads for heavily sugared foods, especially snack foods, when ads are aimed at children 7-12. (3) Counter-advertising would be required for ads for all sugared foods not covered in other 2 categories. Such advertisers would be required to contribute to fund—to be administered by independent organization—which would be used for counter-advertising.

Original recommendations were changed after legal questions were raised and conclusion reached that separate age group approach was needed, staff member said. Commissioners are expected to get recommendations this week. Staff recommends hearings be held on proposals.

Staff believes commissioners will approve recommendations. "We wouldn't propose this if we didn't think so," said one staffer. TvB late last week was unable to produce dollar estimate of effect of proposals. But FTC staff member said he doubts whether proposals would have much effect on advertising industry.

Carter's budget for 1979 includes following figures for agencies dealing with communications, preceding year totals in parentheses: (1) FCC, \$67,035,000 (\$61,400,000) (for FCC details, see Vol. 18:2 p2). (2) FTC, \$66,485,000 (\$59,500,000). (3) New National Telecommunications & Information Administration, which will combine OTP & OT, Dept. of Commerce, \$11,981,000. Budget provides for 250 permanent positions. (4) CPB already has had authorization for \$120,200,000 for 1979, has been seeking \$152 million for 1980, now requests \$172 million for 1981. CPB had asked President for \$210 million for 1981, was cut to \$172 million. It also seeks \$30 million annually for technical facilities, to take over function previously handled by HEW. (5) Board for International Bestg. (Radio Free Europe & Radio Liberty), \$85,180,000 (\$65, - 900,000). (6) International Communication Agency (combination of USIA & State Dept.'s Bureau of Educational & Cultural Affairs), \$75,111,000 for broadcasting service (\$70,979,000).

Warner Cable, seeking franchises in Pittsburgh & Ft. Wayne, says it plans Qube 2-way operations; it's also considering Qube for Akron, where it now operates system.

Mobile radio could get 7-10-times more channels out of present bands if existing technology were used, according to study for FCC by Bruce Lusignan, Stanford U. Results will be presented to Commission in open meeting Feb. 2, by UHF Task Force of its Office of Plans & Policy. Other features of FCC Feb. schedule: Feb. 1, research funding for balance of fiscal 1978; Feb. 7, House Appropriations Subcommittee hearings on budget; Feb. 8-9, regular agenda; Feb. 14, cable exclusivity, access & obscenity, WARC status; Feb. 15, CB linear amplifiers, fairness doctrine remand; Feb. 22-23, regular agenda.

From NRBA board meeting in Miami: (1) A la NAB, made fight against payment of copyright royalties for broadcast music No. 1 priority. (2) Will oppose proposed changes in annual employment reports to FCC, particularly disclosure of salaries as "invasion of privacy." (3) Set May sales clinics in Boston, Chicago, Atlanta & L.A. (dates later). (4) Heard report on White House minority ownership program (to be announced Jan. 31) from OTP's Greg Skall.

MST engineering committee meets Feb. 28 in Washington.

RELIGIOUS BCSTRS.' TV COMPLAINTS: National Religious Bcstrs. last week at Washington convention launched campaign against sex & violence on TV. Members plan to contact advertisers to complain about particular shows, urge consumers to buy only products of sponsors of "quality" shows, use own broadcasting outlets, magazines, newspapers and mailing lists to complain.

Campaign was announced during panel on sex & violence, featuring British journalist Malcolm Muggeridge, who dismayed some by saying campaign probably wouldn't work. He also said TV has contributed to "steady denigration of everything prized and valued in Christian society." Another critic of TV was ex-CBS Pres. Arthur Taylor at other session. His message to commercial broadcasters: "Give us programs you would want your children to watch... TV often presents as commonplace that which is actually unusual... [TV] should not cater to the worst instincts in a frantic effort to compete for ratings & revenues." He said trend in TV news is to emphasize "the sensational and dramatize the tragedies which occur in the lives of viewers. Stories are being chosen and being featured on the basis of their attention-getting... often covered by reporters and anchor people whose well-projected images often overshadow the news itself." Taylor compared broadcasters who say they aren't responsible for TV's effects on society to crane operator using wrecking ball who says he merely puts ball in motion. "Common sense says of course he is responsible... What pillars of civilized life have we eroded or attempted to erode [with TV]?"

FCC Comr. White, who along with Comr. Lee spoke for Commission, told convention-goers that she's "becoming increasingly concerned over the pressures to make the FCC an arbiter of social and moral values through censorship of TV & radio." She said increasing complaints over sex & violence ("as I see it a complaint that the vast wasteland has become the bad tasteland") have resulted in pressures for more govt. supervision over programming, which she said she opposes. She said some parents use TV as baby-sitter & teacher, feel guilty about it and want govt. to ensure TV has positive influence.

Convention was largest ever (2,000 attended, up tenfold from 1972). Appearing at convention were Anita Bryant (who prompted demonstration by gays), LaBelle Lance, "Total Woman" author Marabel Morgan, among others.

Also on sex & violence issue, National PTA TV Commission issued report concluding TV violence promotes aggressive behavior in children and may cause violent acts. Report, based on 8 regional hearings (Vol. 16:49 p6), said those who testified complained that TV violence causes youth apathy, distorts real life, may encourage paranoia, hurts quality of life, impairs learning.

Meanwhile, Jan. 28 TV Guide story says Japanese TV has more violence than American—yet Japanese crime is decreasing. Japanese Prof. Sumiko Iwao is quoted as saying mass media have little impact on strong Japanese family.

CARTER 'NO' FOR LAS VEGAS: President Carter won't be attending NAB's "broadcasting international" convention April 9-12 in Las Vegas, but Press Secy. Jody Powell held out hope for future. NAB had proposed that President participate in "world news conference" at convention (Vol. 18:1 p4); Powell found idea "intriguing and the kind of imagination which helps us come up with valuable schedule proposals for the President."

However, Powell added, "it doesn't appear possible for the President to accept your invitation... I do hope that we will be able to work out an appearance" for Carter in Dallas (1979) or New Orleans (1980).

While convention is billed as "international," there's very little on agenda to carry out theme. NAB was turned down in attempt to get Canadian Prime Minister Trudeau for Mon. TV lunch (Ronald Reagan speaks same day at radio lunch; FCC Chmn. Ferris Tues. at joint lunch).

Convention opens Sun. (April 9) with DSA presentation to Cox Chmn. J. Leonard Reinsch and concert by Mormon Tabernacle Choir at joint TV-radio session. Only other times TV & radio will join are for Tues. (Ferris) & Wed. (Charley Pride) lunches. Both TV-radio sessions are heavily sprinkled with concurrent workshops. Major TV sessions will cover "sex, violence and the public's role in TV," sales, programming and "a multi-faceted session featuring congressional leaders, top FCC staff, well-known news people [to] talk about the relationship between the electronic press and the government. A dynamic and enlightening session," according to NAB.

For first time, NAB will have separate program for spouses, featuring Phil Donahue, preceded by separate TV & radio panel sessions, on Mon. Registration is running very high and convention already has attained 2 records—230 paying exhibitors using 120,000 sq. ft.

Coaxial links several hundred miles long are possible with new "superlinear, bi-directional broadband amplifier" developed by Manitoba Telephone System (MTS) and Century III Electronics, Vancouver. MTS plans 130-link for Winnipeg, Selkirk, Portage la Prairie & Brandon. Simulated 25-mile link was tested at National Research Council labs, Vancouver. MTS said Winnipeg-Brandon link costs about same as microwave but has greater capacity—up to 8 TV channels forward, 4 back. Amplifier employs "feed forward" circuitry, uses 5-100-MHz. Fiber optics advocates claim their facilities have greater advantages for such distances—bandwidths of 400-600-MHz, etc.

Network program chiefs appear at IRTS luncheon Feb. 7, Hotel Plaza, N.Y. Press release said: "Paul Klein will represent NBC and B. Donald (Bud) Grant will represent CBS, while Fred Silverman is the probable spokesman for ABC, depending upon availability." Later notice to IRTS members stated: "Our guests will be Paul Klein of NBC, Bud Grant of CBS and a spokesman for ABC, who we still hope will be Fred Silverman."

UPBEAT INTV IN SAN DIEGO: Enthusiastic group of independent TV stations—51 to be exact—and various programmers, associate members and govt. functionaries totaling about 400 gather in San Diego's Vacation Village this week for INTV convention. Most of what will be said will be very upbeat—on programming, sales, etc.—with possible exception of reports from Washington.

In fact, House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) was scheduled to open convention at Jan. 29 banquet with yet another jab at broadcasters for failure to cooperate in efforts to rewrite Communications Act (see p. 2). He said "whole point" of forming advisory committee was to get "slant" of broadcasters, yet Subcommittee has ended up talking to broadcasters' lawyers instead.

"Obviously, we have no difficulty in getting the views of lawyers," he said, and "despite... a good-faith effort to learn from the broadcasters themselves—we somehow found ourselves back with the lawyers... I really wish you broadcasters didn't feel so all-fired dependent on your attorneys."

Van Deerlin pointed out FCC has 308 lawyers "there to help you as licensees... A good many matters which you almost automatically take up through legal counsel could just as easily and quickly—and at a lot less cost—be taken up with the Commission directly. Try it." And, if Commission's lawyers don't help, "I believe Chmn. Ferris would like to hear about it. And, I'm sure your congressman would... If push comes to shove, I'll be glad to bat for you myself"—as chmn. of Communications Subcommittee.

FCC Comr. Washburn, in Jan. 30 luncheon speech, will praise independents for "initiative" in use of satellites and for increasing diversity in programming. Citing "Operation Prime Time," he predicts substantial growth in such occasional networks, says "it's exciting and holds promise for many interesting kinds of tailor-made special programs for particular groups." He says independents have "built-in advantages" for local service, predicted they'll continue to grow in profits & programs.

INTV counsel Laurent Scharff says not all news from Washington is bad, predicts UHF will "likely get a lot of support from [Ferris] Commission." Other sessions deal with news, satellites, sales, research, programming, promotion.

Religious organization, Trinity Bcstg. Network, has signed one-year agreement to use RCA satellite for distribution of programs originated by TBN's KTBN-TV L.A. TBN operates KPAZ-TV Phoenix, has applications pending for Oklahoma City, Houston, Denver & Seattle, will file soon for Honolulu. It also plans to offer programs to non-owned station affiliates and cable systems.

In effort to stop jamming by communist countries, Radio Free Europe & Radio Liberty will offer "fairness doctrine" of free time for communist officials who say they jam because stations emit "defamatory propaganda." According to Tony Shub, official of the U.S.-operated stations, free time is "civilized alternative to jamming."

WJLA-TV APPEAL PLANNED: Four Washington groups which had opposed swap of WJLA-TV Washington for KOCO-TV Oklahoma City in \$100-million deal are expected to seek court reversal—plus stay—of FCC approval on 5-2 vote (Vol. 18:3 p1). Court action is expected to negate swap, since both parties have option to drop out if transfer isn't consummated by Feb. 24.

Spokesman for WJLA-TV owner Joe Allbritton told us last week proposal won't survive "beyond the drop dead date... because of the unique circumstances"—primarily Allbritton's ownership of Washington Star and commitment to dispose of WJLA-TV because of FCC cross-ownership rules. Groups expected to go to court include NOW, D.C. Media Tax Force, National Black Media Coalition and Adams-Morgan organization.

Robert Bennett, WCVB-TV Boston gen. mgr., speaking to Boston Execs. Club: "Today's broadcasters simply must begin making more of a contribution in terms of that which they were designed to do—programming, not hoarding money. The FCC could establish a system whereby every station, say in the top 50 markets, would be asked to set aside 5% of their gross revenues to underwrite locally-produced programs, exclusive of news... Or, a formula could be established to measure a station's commitment and the results would affect the length of a station's license. For the station with the optimum, it would be awarded a 7-year license. At the other end of the scale, a station would get only a one-year license."

FCC Network Study Staff is investigating CBS Super Bowl coverage for violating waiver of prime-time access rule in post-game show. Waiver was for 15 min., show ran 30 min. and included some "plain entertainment material," according to Commission official. CBS response to FCC inquiry is due middle of week. Commenting on published report that Commission planned to fine network affiliates in top 50 markets, agency official said "it's something we ought to think about." However, FCC can levy fines only for "willful or repeated" violations of rules.

Joint hospitality suite at NCTA convention—to be run by associate members in lieu of individual suites (Vol. 18:3 p5)—is expected to entertain 2,000 each night for 2 nights and cost \$50-\$60,000. To pay for it, each associate member has been asked to pay assessment of 50% of his annual dues—which are expected to total \$105,000 this year.

MBS Affiliates Assn. has strongly criticized NAB board for "unresponsiveness to the needs of small market broadcasters." Chmn. James Arthur said board is unresponsive in that it failed to grant waiver of 18-min. commercial limitation for small affiliates.

TIO adds KSHO-TV Las Vegas & WCVB-TV Boston, plans TV programs on First Amendment and use of TV by younger viewers (from preschool to teenagers) in continuing "TV in America" series.

Personals

Vincent Wasilewski, NAB pres., speaks at FCBA luncheon Feb. 8, Army-Navy Club, Washington, on "Regulatory Legislation Update"... **Sen. Howard Cannon** (D-Nev.) has been named chmn. of Commerce Committee, as expected, succeeding **Sen. Warren Magnuson** (D-Wash.), who became chmn. of Appropriations Committee... **William Cross**, ex-L.A. firm **Lillick, McHose & Charles**, named FTC asst. gen. counsel, litigation & environmental policy; **Raymond Randall** advanced to acting dir., FTC public information office; **Robert Badal** to acting dir., L.A. regional office.

Neal Goldberg (effective Feb. 13), **Wilmer, Cutler & Pickering**, & **Booker Wade**, Dept. of Transportation, appointed legal assts. to FCC Comr. **Tyrone Brown**... **Angela Shaw**, ex-FCC Common Carrier Bureau and legal asst. to Comr. **Joseph Fogarty**, appointed dir. of newly-formed NAACP Office of Communication, N.Y.

William Gilmore elected vp, radio technical operations, broadcast operations & engineering, ABC-TV, new position... **Philip Luttinger** advanced to dir., national TV research, CBS Bcstg. Group... **Theodore Binder**, ex-CBS Publications, appointed ABC Publishing vp.

Robert Walsh, vp-gen. mgr., WRC-TV-AM & WKYS Washington, returns to WMAQ-TV Chicago as vp-gen. mgr., succeeding **Lee Hanna**, who has been offered exec. post in NBC Stations Div... **Allan Howard**, former exec. vp-gen. mgr., KTVV-TV & KHFI Austin, joins **Corinthian** as vp-gen. mgr., KOTV Tulsa, succeeding **Duane Harm**, now in similar post at WHIS-TV Indianapolis... **Martin Edelman** advanced to gen. sales mgr., KBHK-TV San Francisco, **Francine Link** to sales mgr... **Erwin Parthe**, ex-WNEM-TV Saginaw, appointed program dir., KCMO-TV Kansas City.

Ben Tucker advanced to sales mgr., KJEO Fresno... **Fred Koehler**, ex-WJZ-TV Baltimore, returns to KYW-TV-AM Philadelphia as business mgr., succeeding **Charles Gidel**, named personnel services dir. for all Group W stations, N.Y... **Jim Romanov** promoted to WAGA-TV Atlanta controller, succeeding **Bruce Stender**, who retires.

Richard Bodman, ex-DuPont, elected Comsat senior vp, finance & corp. development... **Diana Calland** advanced to CPB radio activities dir... **Gary Moskovitz** promoted to mgr., electronic recording equipment product management, RCA Bcstg. Systems, new post... **Henry Laura**, ex-NBC radio research, named **Arbitron** eastern sales service rep, TV Station Dept... **Michael Barry**, ex-NAB legislative counsel, opens law practice, 1816 Jefferson Pl. NW, Washington.

David Hamilton advanced to Warner Cable southern vp-regional mgr... **Barbara King**, ex-Columbia Records, appointed **Teleprompter** press & public information dir... **Maysie Stewart** promoted to AP national broadcast exec. for western states, **Dennis Eckert** to broadcast exec. for Ore. & Wash.

Don't "tinker" with nation's TV system without considering what will work better, ABC Pres. **Elton Rule** told Charlotte civic group recently. Said Rule: "When we talk about changing the system, we should talk about what will do a better job of serving the public's needs and wants, not what will satisfy the special opinions of a small group of people in Washington or anywhere else..." On FTC's plans for restricting pre-sweetened food ads: "If a product is clearly harmful it should be banned, [but] if restrictions are necessary to prevent misuse, they should be applied even-handedly and across the board, not just to TV." On other groups intervening: "More and more we're seeing Congress, the Administration and the regulatory agencies taking an interest in what goes on the air. Legitimate criticism is important—we couldn't do our job without it. But somehow, when a congressman calls to tell you a show should be cancelled, it sounds like more than just criticism. It sounds like the first step across the line into censorship."

Digital VTR capable of recording full TV picture in color has been developed by **Independent Bcstg. Authority (IBA)** and was scheduled for demonstration Jan. 26 at IEE meeting in London. Device is based on modified **Bosch/Fernseh 1"** segmented helical VTR, will be described but not demonstrated by IBA's **John Baldwin** Feb. 4 at SMPTE conference in Atlanta. Much of work on digital VTR was done by former IBA Engineering Dir. **Howard Steele**, who now heads new Sony broadcast equipment subsidiary in Netherlands. Presumably, he plans to continue work on digital VTR, but using Sony non-segmented, rather than Bosch segmented machine.

Supreme Court has refused to review FCC order in 1975 denying renewal to **WOOK(AM)** Washington, owned by **Richard Eaton** (Vol. 17:37 p1). Commission ruled Eaton's United Bcstg. isn't qualified to be licensee because of violations involving lotteries, false advertising and technical operations. Several other Eaton licenses are under attack, with many of same charges included. At FCC, Judge **Thomas Fitzpatrick** in initial decision would deny renewal for **Bartell Bcstg.'s WMJK(FM)** Miami on charges of broadcasting false, misleading & deceptive programming.

Earth station grants for cable: **Enterprise**, Ala.; **Liberal**, Kan.; **Aiken**, S.C.; **Grundy**, Richlands & **Tazewell**, Va. Applications: **Cape Coral**, Fla.; **N. Platte**, Neb.; **Durham & Raleigh**, N.C.; **Hamilton**, O.; **Canonsburg**, Pa.; **Clute**, **Conroe** & **Plainview**, Tex.; **Lynchburg**, Va. (For details, see CATV Addenda.)

Cable carriage and exclusivity rules are "a life net without which the program market would collapse," wrote **MPAA Pres. Jack Valenti**, in memo to **Sen. Hollings** (D-S.C.), chmn. of Communications Subcommittee. Valenti urged Congress to provide FCC with guidelines retaining restrictions on carriage.

No restrictions on cable carriage of radio stations are needed because no evidence was produced to show that such carriage hurts anyone, FCC said as it concluded rulemaking.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for 1978's first 2 weeks, through Jan. 13:

	Dec. 31- Jan. 13	1977 (2 weeks)	% change	Dec. 24-30
Total TV.	373,610	413,598	-9.7	312,041
color	253,833	266,909	-4.9	202,049
monochrome	119,777	146,689	-18.3	109,992
Total radio	1,080,754	1,012,401	+6.8	536,119
home, portable	580,469	489,316	+18.6	264,432
AM-only	191,489	261,296	-26.7	139,039
FM & FM-AM	388,980	228,020	+70.6	125,393
auto	500,285	523,085	-4.4	271,687

Color TV 5-week moving average: 1977-78—172,923; 1976-77—162,966 (up 6.1%).

1978 COLOR SALES OFF TO STRONG START: Color sales to dealers for year's first 2 weeks, while off 4.9% from record pace of same 1977 period, were at annual rate of more than 9.3 million (see State of the Industry above). It was 2nd best opening fortnight in history.

That's about all you can read into first EIA statistics of 1978. Blizzards in Midwest last week on top of heavy snows in East week before could affect retail sales and wholesale deliveries in Jan., but shouldn't push 1978 sales down in comparison with 1977. Just one year ago, country was in grip of nationwide spell of record-breaking bad weather, causing extreme energy shortages (Vol. 17:5 p7). Much of consumer electronics industry was shut down Jan. 26-27, including Zenith Chicago-area operations, RCA Bloomington & Indianapolis plants, Magnavox Ft. Wayne hq. Admiral III. facilities were shut down for shorter period; Quasar stayed open.

* * * *

EIA figures on phono sales to dealers show sales of 4,348,881 in 1977, up nearly 38% from comparable figure of 3,158,000 of 1976. Breakdown of 1977 figures indicates 735,373 consoles, up 11.2% from 688,000 in 1976, compact systems at 3,311,672 and component ensembles at 301,836, these last 2 categories up 46% from combined total of 2,470,000 in 1976. In addition, EIA tallied some 354,833 compact systems without phono last year; EIA has discontinued tallying sales of portable-table phonos, which came to 698,000 in 1976.

ITC SPLITS ON CB IMPORT REMEDY: Dividing neatly along party lines, ITC came up with 2 proposed remedies for damaged domestic CB industry—import adjustment assistance or 5-year tariff increase. Democratic appointees (Chmn. Minchew, Comrs. Alberger & Ablondi) voted for adjustment assistance, while Republicans (Comrs. Parker, Moore & Bedell) urged tariff increase from current 6% to 36% in first year, sliding downward by 5% annual increments to 16% in 5th year. Higher duty rate would apply to imports from all countries.

Split leaves remedy issue up to President Carter, may prompt renewed congressional criticism of ITC's failure to come up with solid remedies once injury is found. It's understood 2 final recommendations were hammered out of 4 or 5 possibilities favored by various commissioners. "It came down to a question of party affiliation," knowledgeable insider told us. "That's why we've got 2 proposals instead of one, but at least it wasn't 6."

Although industry isn't ready to forecast how Carter will act, adjustment assistance is seen as strong possibility. Assistance wouldn't require offsetting trade concessions specified for

unilateral tariff hike or quota, or long negotiations with other countries on voluntary export limits. Also, adjustment assistance isn't considered protectionist so couldn't become touchy issue during current round of Geneva trade negotiations.

Importers also split in reaction to vote. EIA-J labeled 30% duty hike "shocking" in view of ITC staff finding that recent increase in yen value would require only 9% duty hike (Vol. 18:3 p11, 18:4 p7). "If relief is granted," Exec. Vp Toshio Taki said, "it should take the form of adjustment assistance for the firms & workers who need help rather than exorbitant duty increases or other restrictions on imports, which would burden the American consumer and disrupt international trade."

Radio Shack Pres. Lou Kornfeld said split vote "is the next best thing to a victory for free-market activity, and I'm pleasantly surprised after what I'd heard might happen." Radio Shack supported import side in ITC case. Partly due to severe winter storm which swept Midwest, we weren't able to contact domestic producers who petitioned ITC for relief.

Even if tariff hike is final solution, importers still will be able to ship some CBs to U.S. at current 6% rate. Hand-held units were excluded from finding at last minute—presumably because overwhelming majority already come from offshore producers—and CB-tape combinations never were included in original relief petition. Although CB-tape combinations aren't significant in CB market now, it's conceivable importers could beef up production, lower costs, build profitable combination market.

Effect of duty hike to 36% would drive average price of 40-channel automotive CB to importers from \$54.74 to \$74.44, based on prices through first 11 months of 1977. Impact on consumer is impossible to determine, would depend on direction market—and prices—take during year.

ITC is busy in other areas of consumer electronics. At request of House Ways & Means Trade Subcommittee, it has launched broad fact-finding investigation into telephone-equipment industry. Study will look into patterns of domestic production, imports & exports of equipment & parts, concentrate on telephone switchboards and other products which may be susceptible to import competition, but won't cover answerers, dialers or other accessory gadgets. Probe is expected to take 9 months. Behind investigation is Communications Workers Union, which has been pushing Congress to consider import restrictions.

* * * *

Meanwhile, FCC is mounting massive crackdown—accompanied by publicity campaign—on illegal 23-channel CB sales. On Jan. 17, U.S. marshals, armed with Dist. Court warrants, seized 350 illegal 23s from L&T Electronics, Irondale, Ala., and U.S. attorney in Ala. expects to present case to federal grand jury soon. Raid was based on evidence gathered by FCC Field Operations Bureau (FOB) personnel, who bought two 23s at L&T in Jan.—despite store signs indicating units weren't for sale.

"This is our top enforcement priority right now," FOB Deputy Chief James McKinney told us. "If we don't emphasize this right now, we're afraid that illegal sets stored in warehouses will be out on the street and go on sale." McKinney said FCC isn't sure how many 23s are still around, or how many are being offered for sale. "We're not finding anybody with thousands of sets in warehouses, but they are being sold and we're determined to stop it."

Enforcement campaign actually began in Dec., McKinney said, when FOB personnel visited 400-500 stores—mainly mass CB merchants—and left warnings that CBs produced under old specs must be gone by year's end. Suspect stores were revisited in Jan.—"some even told us in Dec. they were planning to sell 23s in Jan." In some cases, 23-channel purchases were made, and McKinney said FCC would follow up by asking U.S. attorneys across country to prosecute on basis of FCC evidence.

Violations have become flagrant in some areas. Dallas dealer, for instance, apparently mentioned in TV interview that he planned to sell 23s, angering local U.S. attorney who called FCC and said he wanted to take action. Crackdown does have detractors within FCC. Staffer described campaign as "high-profile, low-cost affair. At this point, retailers really ought to be allowed to just get rid of those 23s—that's the realistic thing to do."

NATIONWIDE PROJECTION-TV RETAIL CHAIN: Putting projection-TV sales on mass-market nationwide direct-to-consumer basis, featuring widely advertised low-cost unit, can corral 1% of color TV market, or 90,000 sets a year. This is forecast of British marketing specialist John Bloom, with 6 Cal. stores now in various stages of readiness and plans "to go national in the next 90 days."

Bloom's basic product is 2-piece, single-tube projection set with 4.5-ft. washable Hodges screen, U.S. Precision lens, currently using 13" Quasar as projection source, selling at surprisingly low \$750—competitive with middle-of-line 25" console. Those closely involved in projection TV say Bloom's "Projecto Beam" set is as good as any single-tube set, better than most. Step-up projection unit is \$875 (5.5 ft.), with models due soon at \$950 (6 ft.) and just over \$1,000 (7 ft.). Projecto Beam is 50% owned by big Chicago-based electrical contractor James P. Driscoll Inc.

Bloom is expert on direct sales, says he made \$30 million in England selling washing machines via home demo, sold 7,000 weekly for peak of 26% market share. "In England, I spent \$150,000 a week on advertising" (he writes all own ad copy), Bloom told us, adding he's already spending \$20,000 monthly promoting projection TV in L.A. area alone.

Projecto Beam stores currently are in Beverly Hills, Anaheim & San Diego, with new outlets just opening in San Francisco & San Jose, to be followed in week or so by store in Sacramento. Bloom told us he's selling 40-50 sets a week in Beverly Hills, projects 30 weekly in Anaheim, 30-40 in San Diego. Advertising consists of heavy schedules in local newspapers and regional TV Guide editions, keyed to \$750 price and featuring coupons.

Company already has own cabinet factory, also plans to assemble sets at Driscoll facilities in Miami, Columbus, Chicago & N.Y. Bloom says he will establish or franchise national service organization, may import color sets directly from Far East as projection source. Secret of operation, he adds, is in advertising & promotion and sheer size & scope. "Only people with financial backing can do it on the scale we want."

Projecto Beam plans "factory outlets" throughout U.S. Many of these will be independently owned "distributors." Says Bloom: "Distributors put up no money, get a percentage of what they sell and can make \$50,000-\$100,000 a year. We control & own the product, handle advertising. The dealer may already have his own TV store—he just can't handle competitive projectors. He works for us—we supply everything. He must have a store, be prepared to work and want a controlled product."

Projecto Beam stores also handle VTRs, prerecorded cassettes. "We have rights to several hundred movies, which list at about \$70 each." Stores offer special package—4.5-ft. TV, Betamax, 2 movies, \$1,695. Software emphasis is on adult films—"almost everyone wants 'Deep Throat.'"

Can systematized, highly advertised direct retail effort put single-tube projection TV on mass-market map? Total sales this year are forecast at about 60,000 units, almost half of them expensive 3-tube sets. Therefore, capture of 1% of TV market by one assembler would be breathtaking accomplishment. Whether or not John Bloom can do this, his widely advertised sets at \$750 could be cause for concern among competitors selling roughly same thing at \$1,295 & up.

Note: After long period of silence, GE last week confirmed our Oct. 3 report that it plans to introduce home projection TV system this year (Vol. 17:40 p10). In answer to question last week, Vice Chmn. Walter Dance said unit would be introduced with new line next May and indicated it would be "strong competitor" to Advent VideoBeam. He declined to give details.

Rumanian color TV due for marketing here later this year by ECA Div. of Elcod Corp. (Vol. 18:3 p12) will use slot-mask tubes supplied from Japan by Hitachi; 12" b&w models use 110-degree tubes from NEC, according to Pres. Eli Douek. He said Rumania has no domestic color tube production, uses Japanese tubes for b&w exports because they're UL-listed—b&w sets are cold-chassis, with AC-only &

AC-battery versions operating internally at 12 volts. Commenting on Commerce Dept. import data, he said average dutiable value indication of about \$43 for all 12" b&w sets from Rumania was significantly low. AC-only models run \$3-\$4 more, battery-portables higher, Douek said, pointing out those figures don't include duty, insurance & freight charges.

CATALOG TV: Diminishing Japanese influence in low-end color TV market—especially private-label field—is evident in new Wardspring catalog, which lists only one Japan-made set compared with 3 in fall book. Remaining 15" (\$375, unchanged from fall) is expected to be phased out in near future. Ward also hit new low in 19", with Taiwan-made set at \$294. Penney spring book reflects selected \$5-\$10 changes in color; both catalogs feature sharp price cuts on MPU games.

Ward: Taiwan 19" (\$430) was dropped, \$390 & \$440 step-ups added, 2 Japan-made 19" sets (\$495) replaced by GE-made VIR (\$525) & remote (\$540). Only changes in console line are new 25" at \$740, high-end remote at \$780 replacing similar manual unit at \$790. In monochrome, JVC radio-3" combination was dropped, 12" leader was cut \$2 (now \$88), and two 19" sets were cut \$2 (\$128 & \$158). Cybervision MPU game was added, Fairchild VES MPU was dropped and Bally Arcade was cut \$20 to \$249 from Christman book.

Penney: Remote 15" (\$389) was dropped, leader 12" increased \$10 to \$309, with 13" leader up \$5 to \$324. New 19" AccuScan sets—leader (\$459), step-up with electronic tuning (\$479) & high-end with remote (\$539)—replace 3 RCA-made AccuScan auto-color 19s (\$469, \$489 & \$539) in fall book. Only change in monochrome line was \$5 cut on 9" leader, now \$89. Book shows \$10-\$40 cuts on 4 MPU games: Coleco Arcade down \$10 to \$84.88; Arati Video Computer System \$25 to \$165; Fairchild VES \$30 to \$140, RCA Studio II \$40 to \$100. Price on ball-&-paddle TV Fun unit was dropped \$20 to \$49.88; Coleco Combat game is cut \$15 to \$55.

Sinclair says production of pocket 2" b&w TV has more than doubled each month since set was introduced here in Jan. 1977, and company is expanding sales force to cover all U.S. & Canada. Set, which has tuners covering all U.S. and most European bands, lists for \$395. Commerce figures indicate imports of 1,941 10"-&-under b&w in first 11 months of 1977 from U.K., where Sinclair's Microvision is made, at average FOB cost of \$174.50. However, Sinclair says figures are grossly understated, claims it brought in some 5,000 units last year. First lower-priced knockoffs of Microvision are expected to show up soon, according to some reports, at less than half Sinclair's price.

New Sony speaker has square diaphragms on high, mid & bass-frequency drivers, is claimed to provide previously unattainable fidelity. Diaphragms are honeycomb structures made of aluminum, carbon fibers & other strengthening materials. Designed for high-power operation, system is slated for introduction in Japan this summer at \$2,100.

Yuasa Battery of Japan has started production of silver-oxide batteries, following end of distribution agreement with Union Carbide. Sony took over Japanese sales of UC's Eveready silver-oxide batteries Jan. 1. Also entering silver-oxide field is Japan Storage Battery which has started sampling watch, calculator & camera OEMS.

PORTABLE VHS RECORDER: Marketing debut of JVC's lightweight portable VHS cassette recorder and companion color cameras will be Feb. 20 in Japan. Export to U.S. in prospect, but officials didn't give timetable. Basic recorder weighs 16.5 lb. (20.5 lb. including battery, RF converter & cassette), consumes only 10 watts, provides 45-dB color signal-to-noise, is priced at 248,000 yen (about \$1,033). Companion color cameras are 251,800 yen (\$1,050) with fixed lens and 298,000 yen (\$1,242) with zoom; both have electronic viewfinders. Tuner & RF unit is 56,000 yen (\$233). System was said to be capable of one-hour recording or 3-4-hour playback on battery charge.

JVC says it's now producing the portable VTRs & cameras at about 2,000 monthly. Last summer, Sony introduced portable VTR weighing just under 20 lbs. with battery & cassette; the one-hour Beta-format unit is designed for industrial market, sells at about \$1,600 (Vol. 17:30 p10).

RCA Electro-Optics & Devices, meanwhile, estimates approximate price of \$5,000-\$6,000 for its CCD color camera when sales start next year (Vol. 18:3 p8). Quantity production eventually could bring price down to consumer level.

Panasonic has designated Technimedia, Hollywood, Cal. as authorized VHS duplication center. Previously authorized centers (Vol. 17:46 p10) are Magnetic Video Corp. (Mich.), Bell & Howell (Ill.), Video Software Productions (N.Y.).

QUASAR'S B&W REVIVAL: Trend toward compact specialty monochrome sets of unique design will accelerate this year, Quasar believes. Dealers got preview of Quasar b&w introductions for all of 1978 at company's Las Vegas suite during CES. Display made clear that recently introduced 5" AC-DC portable at \$150 is forerunner of complete line. Scheduled for Feb. introduction is 7" version with same features, including operation by 9 D cells or rechargeable batteries. In May, Quasar will introduce horizontal step-up for 5", with AM-FM & weather radio, varactor TV tuning and shoulder strap. This will be followed in Aug. by AC-only 5" with electronic digital clock controlling TV, AM & FM bands.

Dec. will see introduction of 2 more Quasar novelty TVs—varactor-tuned 7" version of TV-AM-FM-weather-band portable, and 3" AC-DC combination the size of large hard-cover book, including FM-AM bands and accessory slide-on fresnel lens to magnify picture to equivalent of about 5".

Games From Haiti: Montgomery Ward Cybervision game/computer (Vol. 18:4 p9) is being made in Port-au-Prince, Haiti, we've learned. Industries Nationales Reunies will supply game to Broadrein Instruments (Columbus, O.), is prime Ward contractor for game. Haitian firm reportedly produced components for U.S. military at one time, has been seeking deals with U.S. game/computer design & engineering companies. So far, only consumer electronics produced in Haiti have been TV-radio subassemblies & components.

GE RESULTS: GE reported unaudited 4th-quarter sales rose 4% to \$4.72 billion, with earnings up 14% to \$292.2 million, raising sales for year to \$17.5 billion, up 12%, net to \$1.09 billion, up 17%. TV, audio products, components as well as broadcasting & CATV services contributed to improvement, company said.

GE had good color TV sales in 1977, expects continued growth this year when industrywide volume could hit 9.5 million, Vice Chmn. Walter Dance said at press briefing in N. Y. last week. Launching of General TV of America, U.S. manufacturing venture with Japan's Hitachi as partner (Vol. 17:50 p7), should come around end of first quarter, Dance said, noting that late start means GTA won't get full benefit of increased production as supplier to Hitachi until 1979. Chmn. Reginald Jones declined to provide financial details of venture with Hitachi, said "we'd rather see this kind of arrangement, one that protects U.S. jobs," than one which might involve export of production and plant closings.

Corning reported record 1977 earnings, despite decline in income from operations in closing quarter (see financial table). Color TV bulbs, electronic components & ceramic substrates were cited as having particularly strong performance last year.

Video Corp. of America (formerly Teletronics International) told stockholders sales of S/T Videocassette Duplicating Corp., joint venture with Sony, rose 41.5%, and income climbed 68.2% in quarter ended Sept. 30, resulting from "greater penetration of the industrial & corporate... markets." New subsidiary Teletronics Video Services is completing installation for videocassette duplication near Chicago, has Sony, JVC & Panasonic industrial dealerships. Home Video Corp. subsidiary is completing catalog of movies & other programs for home rental & sale.

Admiral reduced losses in fiscal opening quarter to Dec. 31, parent Rockwell said in reporting 37% rise in net for period on essentially flat sales.

Buckbee-Mears declared special 5¢ quarterly dividend, first such payout since Aug. 1975.

Superscope suspended 4th-quarter 25¢ dividend because of "disappointing" results for period, says it won't resume payouts until "business conditions and company profitability" warrant them.

Gladding reached agreement with creditors calling for 40% cash payment for those owed less than \$5,000. Others will get 33% in cash, 17% in new preferred stock, divide up million new common shares. Arrangement is subject to approval of bankruptcy court... **Hy-Gain** filing with bankruptcy court (Vol. 18:2 p9) shows assets of \$19 million, liabilities \$34 million.

Sumitomo 3M, Japanese joint venture of 3M, Sumitomo & NEC, is entering videocassette field, plans to import Beta-format cassettes from 3M in U.S., manufacture VHS cassettes in Japan.

Free copy of UL's 1978 "Catalog of Standards for Safety" is available from UL Publications Stock Dept., 333 Pfingsten Rd., Northbrook, Ill. 60062.

SYLVANIA SHIFTS AUDIO: Sylvania has started to phaseout assembly of compact & console stereo systems at Smithfield, N. C. plant in preparation for expanding color TV manufacturing there. No job losses are anticipated as result of changeover which is slated for completion by midyear.

Sylvania has already arranged to have compact & console stereo assembled by outside sources, spokesman said, noting units would continue to use chassis imported from company's Taiwan plant. Decision should have no effect on types of audio equipment offered by Sylvania or Philco. However, move does effectively remove Sylvania from ranks of domestic audio manufacturers. Sylvania's stereo receiver production was discontinued last summer, although one model remains in line.

Sylvania will replace stereo assembly operation at Smithfield with a color production line, raising number of lines there to 7, increasing plant's color capacity by about 17%. Spokesman said action was taken because of increased demand for color TV.

GE Computer: GE will enter home computer market "somewhere down the line," Chmn. Reginald Jones said at N. Y. press briefing last week, with system "probably involving both the TV set and the telephone." Jones indicated GE is interested in becoming active in software as well as hardware, forecast that home computer eventually would be able to access central data bank. "We've got a lot of things flying around in the wind," he said. "I can't be specific at this time, but it may be possible to have a combination of computer activities and communications in the home."... Representatives of leading home computer manufacturers will be in N. Y. this week to appear at clients-only seminar sponsored by broker Morgan Stanley.

New projection-TV systems: (1) ESS/Tinsley rear-screen unit, advertised as being viewable in normal room light, was shown in darkness at CES. Single-tube unit (52" screen) is priced at \$2,295-\$3,495. (2) Agar International has 50" (\$2,569) & 66" rear-screen projectors, using 19" TV set. (3) Cinema Systems International announced Dyna-beam, using Toshiba set and Mylar washable screens. at \$1,295-\$1,895. (4) Pad Inc., Toronto, plans single-tube systems using Sanyo, Sony & Quasar sets at \$1,000-\$2,000.

Scratch Sharp from list of Japanese TV producers seeking U.S. production base. At recent press briefing, Pres. Akira Saeki said company has no intention to manufacture color here since current economic conditions would make an annual output rate of 200,000-300,000 unprofitable. Instead, he said Sharp will concentrate on cost cutting in Japan. Forecasting Japan would produce 1.1-1.2 million home VTRs this year, he said Sharp won't enter production until oversupply in Japan ends and software availability improves.

Hot product for 1980s could be home burglar alarm, according to Frost & Sullivan study, which predicts continued deterioration of social conditions will cause market to rise.

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with
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Personals

John Lange shifts at Rockwell from Automotive Operations materials & systems vp to Consumer Operations materials vp, new post... Alvis Ward, an Altec dir., named interim chmn. & chief exec., assuming duties of late Pres. William Garmon, who died Jan. 22 in apparent suicide... Bernard Shine promoted at Sprague Products Co. from vp-gen. mgr. to pres., succeeding R. William Woodbury, retired, who continues as consultant... Gustav Malm named Koss asst. national sales dir.

Lionel Olmer, onetime Foreign Intelligence Advisory Board exec. secy., joins Motorola Govt. Relations Office in Washington as international programs dir... Richard Pieranunzi advanced at Motorola Semiconductor to industrial & communications strategic mktg. mgr... Gary Figg, ex-Micro Power Systems, joins NEC America Electron Devices Div. as optoelectronic product mktg. mgr.

George Cobbe advanced at Hewlett-Packard from instruments mktg. mgr. to intercontinental operations mgr., new post... Wayne Timpe promoted at GC Electronics from engineering & product development dir. to mfg. & R&D vp; Al Andreini appointed Rockford, Ill. plant mgr., succeeding George Kolb, retired; Steve Woodyatt appointed industrial engineering mgr., succeeding Andreini.

Thomas Shepherd, GTE Consumer Electronics vp-gen. sales mgr., is recuperating in Genesee Memorial Hospital, Batavia, N. Y. from serious injuries suffered in auto accident.

Japanese home VTR production totaled 356,000 units in Jan.-Aug. 1977, according to EIA-J, with full 1977 output estimated at about 700,000 and 1.3 million forecast for 1978.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
American TV & Communications			
1977-6 mo. to Dec. 31	31,657,690 ^a	4,152,031	1.07
1976-6 mo. to Dec. 31	24,898,078	2,714,689	.74
1977-qtr. to Dec. 31	16,552,177 ^a	2,178,642	.56
1976-qtr. to Dec. 31	13,009,962	1,437,644	.39
Andrea Radio			
1977-year to Dec. 31	1,905,164	63,845	.13
1976-year to Dec. 31	1,978,590	117,299	.23
1977-qtr. to Dec. 31	479,909	7,504	.02
1976-qtr. to Dec. 31	572,782	43,154	.09
Corning Glass Works			
1978-year to Jan. 1	1,119,630,000	92,083,000 ^b	5.20
1977-year to Jan. 2	1,025,905,000	83,713,000 ^b	4.74
1978-qtr. to Jan. 1	250,760,000	21,280,000	1.20
1977-qtr. to Jan. 2	242,517,000	19,384,000	1.10
General Electric			
1977-year to Dec. 31 ^c	17,500,000,000	1,088,000,000	4.79
1976-year to Dec. 31	15,700,000,000	930,600,000	4.12
1977-qtr. to Dec. 31 ^c	4,720,000,000	332,000,000	1.46
1976-qtr. to Dec. 31	4,520,000,000	292,200,000	1.29
Lee Enterprises			
1977-qtr. to Dec. 31	26,532,000	6,170,000 ^b	1.25
1976-qtr. to Dec. 31 ^d	20,132,000	2,960,000	.59
LIN Bcstg.			
1977-year to Dec. 31	43,668,000	8,280,000	3.01
1976-year to Dec. 31	37,943,000	6,106,000	2.36
1977-qtr. to Dec. 31	12,875,000	2,806,000	1.01
1976-qtr. to Dec. 31	11,231,000	2,111,000	.80
3M			
1977-year to Dec. 31	3,980,000,000	412,900,000	3.57
1976-year to Dec. 31 ^d	3,514,000,000	338,500,000	2.94
1977-qtr. to Dec. 31	1,008,000,000 ^a	108,900,000 ^a	.94
1976-qtr. to Dec. 31 ^d	875,400,000	88,900,000	.77
Raytheon			
1977-year to Dec. 31	2,818,264,000 ^a	113,240,000 ^a	3.67
1976-year to Dec. 31	2,462,770,000	85,242,000	2.79 ^e
1977-qtr. to Dec. 31	747,011,000	30,652,000	.99 ^e
1976-qtr. to Dec. 31	687,405,000	21,241,000	.69 ^e
Rollins			
1977-6 mo. to Dec. 31	140,916,383	10,471,502	.78
1976-6 mo. to Dec. 31	120,312,468	9,435,728	.70
1977-qtr. to Dec. 31	71,418,619	5,551,499	.41
1976-qtr. to Dec. 31	60,148,769	5,040,508	.37
Scientific-Atlanta			
1977-6 mo. to Dec. 31	30,722,000	1,549,000	.94
1976-6 mo. to Dec. 31	23,848,000	1,211,000	.73
1977-qtr. to Dec. 31	16,062,000	787,000	.48
1976-qtr. to Dec. 31	12,708,000	667,000	.40
Scripps-Howard Bcstg.			
1977-year to Dec. 31	49,829,179	11,538,734	4.46
1976-year to Dec. 31	47,418,721	11,229,727	4.34
1977-qtr. to Dec. 31	15,354,583	4,091,104	1.58
1976-qtr. to Dec. 31	13,877,860	3,620,544	1.40
Technical Operations			
1977-qtr. to Dec. 31	20,800,000	116,000 ^b	.09
1976-qtr. to Dec. 31	24,200,000	102,000 ^b	.07

Notes: ^aRecord. ^bIncludes special credit. ^cPreliminary. ^dRestated. ^eAdjusted.

Consumer confidence index in Dec. climbed to 100.4, highest point since late 1972 and up 10 points from Nov., Conference Board reports. Buying plans index jumped to 137.6, up 12 points from Nov. Among strongest rises were plans to buy color & monochrome TV—some 6.8% of families surveyed planning to buy color in next 6 months, vs. 5.6% in Nov. and 6.5% in Dec. 1976, and 1.8% planning to buy color, up from 1.5% in Nov. and same figure as in Dec. 1976.