

WEEKLY

# Television Digest®

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Television Digest NAB Convention Hq: Suite 1676A, MGM Grand Hotel.

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## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 18, NO. 14

### Broadcast

**WHITE SEEKS REAPPOINTMENT:** FCC member backed by Sen. Baker & Rep. Rhodes, seeks added Senate & House support. White House may prefer someone more in Ferris's mold. (P. 1)

**CBS TO AIR SPORTS APOLOGY,** likely on 'Sports Spectacular' this Sun., in first move to forestall short-term TV licenses. Jankowski expresses 'chagrin' at deception. Smith named acting head of CBS Sports. (P. 2)

**VIOLENCE NEAR RECORD LOW—GERBNER:** Annenberg School says TV violence dropped considerably last fall. Finds heavy TV watchers 'mistrustful' of other people. Comr. White sees attention turning to sex. (P. 2)

**EQUIPMENT HIGHLIGHTS** of NAB Convention will be debut of Type C VTRs by Ampex, Sony, RCA. Engineering Conference covers VTR, VIR, circular polarization, interference, AM stereo. (P. 3)

**'DIRTY WORDS' & SUPREME COURT:** Pacifica & Justice tell Supreme Court FCC violated Constitution in trying to protect children. Agency says licensee 'abused its special trust,' declares that ruling was narrow. (P. 4)

**FCC's WHITE SEEKS REAPPOINTMENT:** After several weeks of low-key lobbying, FCC Comr. Margita White has stepped-up campaign for White House reappointment, getting some congressional backing and asking for more.

White wants President Carter to give her full 7-year term after present 2-year appointment made by President Ford—to fill Charlotte Reid's unexpired term—expires June 30. By law, Carter must appoint non-Democrat to Commission, because it now has Democratic majority.

White has garnered important support of Sen. Baker (R-Tenn.) & Rep. Rhodes (R-Ariz.), minority leaders of Senate & House. They agreed to send letter to Carter urging White's reappointment. White also wants GOP members of Senate Communications Subcommittee to send letter of support, hopes her former boss Sen. Goldwater (R-Ariz.) will spearhead. Ex-Comr. Hooks, head of NAACP, and others also have urged Carter to reappoint White.

White House is in early stages of deciding whom to nominate. Administration is looking for another Republican woman, one with background in economics. "When you look you find," White House official said. He said White has little chance of getting renominated because of conservative Republican background and because if she got it, Chmn. Ferris wouldn't have another chance to get his kind of majority until Quello's term expires in 1980.

### Consumer Electronics

**TREASURY HITS JAPAN** color importers with dumping duties in 30% range. Importers outraged at new duty computation method. Challenge is expected on legal & diplomatic fronts. (P. 7)

**JAPAN TV EXPORTS** to U.S. level in Feb. as rise in b&w offsets decline in color. Finance Ministry figures indicate. (P. 8)

**CB TARIFF HIKE** triggers quick round of price increases. White House decision will raise duty to 21% in first year, 18% in 2nd, 15% in 3rd. (P. 8)

**SANYO COLOR PRODUCTION** at Forrest City, Ark. plant topped 300,000. SMC indicates in annual report. Motorola says CB losses hurt Auto Products Div. results. (P. 10)

**FCC's TV PANEL** show will engage broadcasters, set makers & others in discussion of UHF noise figure. Inquiry on overall TV reception postponed. (P. 11)

**ADMIRAL, SANYO & ZENITH** tell CPSC that color sets with tubes containing steel wool fibers don't pose significant consumer hazard. Relatively few receivers involved. (P. 11)

"If I were Charlie, I'd be calling over here and saying, 'Hey, look here, you've got to do this very carefully,'" White House official said. Precedent for getting Ferris okay on nomination may have been set at FTC where Chmn. Pertschuk had say in decision to fill vacant seat there. White has spoken with Ferris about renomination; Ferris reportedly was non-committal.

Aside from seeking congressional GOP support, White has spoken with Sen. Cannon (D-Nev.), Commerce Committee chmn., hopes for meeting with Sen. Hollings (D-S.C.), Communications Subcommittee chmn.

**CBS TO AIR APOLOGY ON SPORTS:** First public reaction by CBS-TV on planned FCC sanctions for network's handling of alleged "winner take all" tennis matches (Vol. 18:12 p1) is likely to come this Sun. p.m. (April 9) on "Sports Spectacular" program. Network will admit it misled public, will apologize. Second such telecast is planned before network responds to FCC threat to issue one or more short-term licenses to its owned TV stations; response is due April 17.

Last week, Bcst. Group Pres. Gene Jankowski sent memo to "the organization"—meaning all CBS employees—"to convey my personal disappointment and chagrin at the negligence in the handling of these [tennis] events that resulted in the public being misled. This was inexcusable... We have established new procedures that we feel will guard against repetition of these occurrences... I am most distressed that our presentation of a series of tennis matches has jeopardized the reputation for integrity we all have worked so hard to achieve."

While CBS maintains that resignation of Robert Wussler, ex-pres. of TV Network and of CBS Sports, had nothing to do with FCC problems, CBS officials are quick to point out that man in charge during admitted deceptions is no longer at CBS. Commissioners and top staffers expect same argument to be made at agency, say that won't get network off hook. Last week, CBS named Frank Smith, veteran of 27 years with network, "acting" pres. of Sports. Smith was head of network sales until last Oct., when he became Bcst. Group vp for operational resources, responsible for research, technical & human resources, advertising & design.

**VIOLENCE NEAR RECORD LOW—GERBNER:** Amount of TV violence dropped to 2nd lowest point ever last year, according to "violence profile" prepared annually by U. of Pa. Annenberg School of Communications. Although TV violence dropped, report said heavy watchers of violent shows have become more mistrustful of other people and are more likely to stock up on locks, dogs & guns for protection.

Report declared ABC "least violent network," replacing CBS. NBC was called "most violent," 9th time since study began. Differences among networks were slight, however. Children's weekend morning shows were called most violent while prime-time "comic-tone" shows emerged as least violent.

Report is based on fall programs, said percentage of shows with some violence dropped to 75.5% from normal 80-90% range. Rate of violent episodes per hour also dropped, from 9.5 in 1976 season (when networks had record highs) to 6.7 last year. Rate per program fell from 6.2 in 1976 to 5 last year.

"We have found that TV seems to cultivate an exaggerated sense of danger & mistrust in heavy viewers, compared to similar groups of light viewers," study said. "Mistrust is also reflected in responses suggesting that heavy viewers believe that most people just look out for themselves, take advantage of others, and cannot be trusted."

Researchers asked junior high students: "How often is it all right to hit someone if you are mad at them?" and heavy viewers responded, more often than light viewers, "almost always." And heavy viewers reported to researchers that they're more afraid to walk alone in city at night than are light viewers.

Annenberg study was conducted as part of larger study under grants from AMA & NIMH, was done by George Gerbner & Larry Gross; it supports recent NCCB study reporting murder and mayhem on TV declined.

FCC Comr. White, in N.Y. Times Op-Ed piece last week, said sex is taking place of violence. "There is every indication that the networks, in shifting from violent themes, will be



falling over each other to see which can expose most often the most of the female anatomy," she said.

Study this year is expected to get less attention than last, when Congress was keeping close tabs on violence. Interest in violence on Hill this year is minimal (Vol. 18:8 pl), as House Communications Subcommittee examines rewrite of Communications Act, Senate counterpart looks at cable bill, other issues.

Networks last week hadn't seen study, wouldn't comment. But Gerbner, in press release, responded to past criticisms of study as too broad. "It would be scientifically unacceptable to limit the study to specific kinds of violence in selected contexts," Gerbner said. "There is no such thing as 'accidental' violence in dramatic programming. Also, other researchers have shown that violence in fantasies or comedies is as effective as violence in serious programming for conveying some lessons of violence."

**TECHNOLOGY AT NAB:** Equipment highlight of upcoming NAB convention? Easy—the new Type C 1" non-segmented helical VTR standard. Ampex & Sony will be showing their own versions, each with own exclusive features, and RCA will demonstrate Sony-built unit. Bosch Fernseh will continue to push segmented 1" Type B as new standard, with Philips, RCA & IVC also offering same unit.

Ampex has named its version of Type C unit VPR-2, "retaining the exclusive features of the popular VPR-1" (of which 450 are now in use, according to Ampex). Automatic Scan Tracking, proprietary Ampex feature which was standard on VPR-1, becomes optional on VPR-2, which is claimed to have more advanced editing features and transient free jogging. VPR-2 deliveries begin in Sept. Lightweight portable version of Type C unit, VPR-20, has 60-min. record capability, includes AC power pack and quick charger for self-contained batteries. Deliveries start in Dec.

Sony is expected to show Type C standard versions of its BVH-1000 studio VTR & BVH-500 portable. Company officials were silent last week on what they planned to exhibit, but there was speculation Sony would demonstrate own version of automatic tracking.

Broadcast Engineering Conference includes just about every hot topic—1" VTR, of course, and VIR, circular TV polarization, broadcast interference, AM stereo, World Administrative Radio Conference.

About 35% of TV commercials are louder than surrounding programming, according to study for FCC by William Hassinger. He said excessive loudness wasn't influenced by surrounding programs. Study concluded 50% of commercials "were neither louder nor quieter than normal conversation." Hassinger also devised "method of evaluation" of loud commercials which "may prove useful to the broadcaster and to the Commission... to avoid objectionably loud commercials." Ask for FCC/FOB 78-01 in requesting copy from Field Operations Bureau.

D.C. Appeals Court has upheld FCC refusal to afford Community Telecasters additional time to build new WCTF-TV (Ch. 19) Cleveland. Commission had refused to grant 3rd request for additional time to build station, first granted in May 1968, canceled CP and deleted call letters.

Moderators of NCTA convention panels: Finance I. for group owners. David Wicks of Warburg, Paribas. Becker; Finance II. smaller systems. Donald Tykeson. Liberty: Cable System of the Future. Ken Gunter. UA-Columbia: Illegal Taps. Mel Gilbert, Snyder, Tex.; State & Local Regulation, William Strange, Sammons; Franchise Renewals, Douglas Dittrock, Viacom; Special Services, Clifford Schrock, Beaverton, Ore.; Fiber Optics, William Bresnan, Teleprompter; Washington Up-date, Ralph Baruch, Viacom; Serving Rural America, Frank Drendel, Comm/Scope; Get Ready for Advertising, Monty Rifkin, ATC; Cable Religious Experience, Lee Wallenhaupt, Summit Communications; Labor Unions, Patrick Nugent, Karnack; Interference, James Palmer, C-COR; Manager-Engineer Relationship, Donald Shuler & Hugh Bramble, Viacom; Rebuilds, John Raines, Jackson; Staffing, Al Gilliland, San Jose.

To help carry out goal of doubling minority ownership of broadcast stations in 3 years, NAB Minority Ownership Task Force has formed 2 subcommittees, told them to complete work by June board meeting. Funding subcommittee to collect & manage capital will be headed by NBC Washington Vp William Leonard, includes black owner Ragan Henry, Black Network Pres. Eugene Jackson. Group W Chmn. Donald McGannon. Subcommittee on support services will explore feasibility of financial investment seminars, creation of regional technical assistance teams, training programs and sponsorship of specialized publications. Co-heads are Capital Cities Chmn. Thomas Murphy and Markel Foundation Pres. Lloyd Morrisett; other members include NAACP Exec. Dir. Benjamin Hooks and Bank of N.Y. Vp Allan Griffith.

Telemation is talking with Bell & Howell about sale of its hardware manufacturing div.. Telemation announced last week. B&H officials declined comment on broadcast equipment manufacturer's statement which said B&H would buy all Telemation facilities & business except Telemation Productions (TV commercials), real estate & Salt Lake City plant. Latter would be leased to B&H which would take over its 185 employees. B&H is understood to be considering some other broadcast equipment acquisitions, and announcement of Telemation agreement—as well as possible other deals—could be made before NAB convention.



**'DIRTY WORDS' & SUPREME COURT:** "The Commission has 'twisted the dial' for the householder. Such action is the very essence of censorship"—Pacifica Foundation (WBAI [FM] N.Y.). "The inevitable presence of young listeners in the audience cannot justify condemning adults to hearing only what is fit for children"—Justice Dept. (JD).

These were arguments made to Supreme Court last week in seeking reversal of FCC ruling in Feb. 1975 that 7 words used in album by George Carlin were "indecent" at time broadcast by WBAI because children were in audience (Vol. 17:7 p4). "A concern for children was at the heart" of its ruling. Commission told Court. "The FCC in essence held that the broadcast licensee had abused its special trust by broadcasting for nearly 12 minutes a record which repeated over and over words which depict sexual and excretory organs in a manner patently offensive... in the early afternoon when children were in the audience."

In its brief, FCC stressed that D.C. Appeals Court—in 2-1 reversal (Vol. 17:12 p1)—was "sharply divided," quoted liberally from opinion of dissenter Judge Leventhal (Bazelon & Tamm were majority). Commission said it lost in lower court because Pacifica argued for first time that many passages from Bible, Shakespeare, etc., would be banned from broadcast under ruling. "Because the Commission never was asked to consider Pacifica's literary materials, there was nothing in the record to indicate whether the Commission had intended to reach them," agency said.

FCC argued it didn't ban such broadcasts, that WBAI decision said Carlin record could have been

acceptable late at night (although in concurring opinion, Comrs. Reid & Quello said words would be unacceptable for broadcast at any time). Commission said ruling was very limited, didn't ban such words in literary works. However, Bazelon & Tamm said order was sufficiently broad to ban such works, and Pacifica argued that FCC's standard of indecency "also prohibits the unexpurgated broadcast of great works of classical and contemporary literature, including even passages from the Bible."

JD noted it supported FCC in Appeals Court—"mistakenly, we now believe"—but didn't support appeal to Supreme Court. Commission went to highest court in effort to get definitive ruling on what constitutes broadcast "indecency." In brief, agency detailed past rulings—Sonderling, WUHY(FM) Philadelphia, etc.—on same subject, none of which received definitive and/or final court review.

In WBAI case, FCC relied on Sec. 1464 of U.S. Criminal Code which prohibits "obscene, indecent or profane" broadcasts. However, JD noted it has mandate to enforce Criminal Code, said Commission action on WBAI violates First Amendment. Justice added that it is "at least tentatively persuaded that the Commission might properly prohibit the inclusion of the offending words in any radio broadcast specifically directed at younger children."

Somewhat reluctantly, several broadcast groups—including NAB, TV networks, RTNDA, PBS—in joint filing supported WBAI's contention that Commission order violates First Amendment. (None had supported WBAI in Appeals Court.) Supporting FCC were Morality in Media and U.S. Catholic Conference. Supreme Court will hold oral argument April 18.

**Control of pay-cable rates** remains FCC function, Appeals Court 2nd Circuit (N.Y.) ruled last week, supporting industry position. N.Y. State Cable Commission had sought to regulate pay-cable rates, was taken to Federal Dist. Court by cable systems. Latter won, and State Commission went to Appeals Court. NCTA Chmn. Daniel Aaron said: "We're very happy with the decision." He added that "side effect" was to reaffirm NCTA position that FCC has authority to impose limitations on local taxation, including franchise fees. Aaron also said NCTA's exec. committee reaffirmed its commitment to public access channels, despite recent Midwest Video decision which held that FCC doesn't have power to require such channels (Vol. 18:13 p4). "The cable industry does not dance on the grave of public access," Aaron said.

To learn basic WARC issues, write Sen. Percy (R-Ill.) for copy of report on foreign policy implications prepared by Congressional Research Service, written by Joel Woldman of Foreign Affairs & National Defense Div. Percy said Exec. Branch has been slow in preparing for WARC, which starts in Geneva Sept. 1979.

**Cable Trends** is new ad agency specializing in cable systems. It's affiliated with Jackson & Bost: 2200 Century Pkwy. NW, Suite 680, Atlanta, Ga. 30345, 404-325-3445.

**D.C. Federal Appeals Court**—most important to communications industry, since appeals from FCC actions go there—isn't likely to change much, now that Chief Judge David Bazelon has stepped aside and J. Skelly Wright advanced to top position. Bazelon was top judge 15 years, will remain on Court. The 68-year-old judge said he had job "long enough." Bazelon was noted as "super liberal," "activist," who had definite goals in TV-radio, wanted FCC to achieve them, wasn't content to review Commission decisions and merely determine whether they weren't arbitrary or capricious. He was hot opponent of multiple & cross-ownership, liked action of citizens' groups. On other hand, in recent years, he gave broadcasters support in First Amendment areas. "Wright will be just as bad, if not worse," broadcast attorney ventured last week. "Trouble with that Court is that you know what the decision will be just as soon as the 3-judge panel is appointed—and the chief judge makes the appointments."

#### Suite 1676A, MGM Grand Hotel

Relax with Television Digest & Factbook—Suite 1676A, MGM Grand Hotel—while in Las Vegas for NAB convention. On hand for Television Digest will be Dave Lachenbruch, Paul Levine, Tack Nail, Ed Sellers, John Thompson, Al Warren, Paul Warren. If you want, we'll even talk business.



**QUBE** break-even point can't be predicted, said Warner Cable Chmn. Gustave Hauser, commenting on performance of Columbus, O. 2-way system. "We had start up costs last year, and we had them in '75 & '76. We're doing something that's never been done before, so there's no way to predict. We're planning on profits." QUBE had operating loss of \$7.1 million last year, net pre-tax loss of \$7.8 million. Excluding QUBE, Warner Cable revenues rose 7.9% to record \$55.7 million, operating income increased 18.9% to \$15.7 million, pre-tax net improved 51.3% to \$11.5 million. Hauser said there are no firm plans to duplicate QUBE elsewhere, though "preliminary engineering" has been done in Akron—"but no commitment yet." QUBE planned to give Columbus audience chance to anticipate Oscar voting April 3, select favorite actor, actress, et al., before official disclosure—see how their preferences compared with formal vote. System was to start, on April 1, Disney features, "Golden Oldies," "Drive-In" channel (horror movies, etc., none X-rated), all-day long repeats of regular feature films.

There's "no confusion" in NAB's position on proposed special tax on commercial broadcasting to support public stations—favored by House Communications Subcommittee Chmn. Van Deerlin—according to NAB Chmn. Donald Thurston. "I am opposed to a special tax... and to any scheme that may attempt to exact 'conscience money' from broadcasters in exchange for repeal of outdated and unneeded regulations," he said. "Ideally, [public broadcasting] should be funded from general tax revenues, certainly not by the imposition of a special tax on one specific segment of the business community." Thurston said "confusion" was caused when he said he was misquoted by Broadcasting magazine as saying "I don't fear" such a tax. Same week, NAB's Highlights quoted Pres. Wasilewski saying "key goal" for NAB is "the defeat of any proposed legislation to impose a special tax on commercial broadcasting."

Sports blackout hearing will be held in Miami April 28 by House Communications Subcommittee. Second day of hearing is planned later in Washington. Subcommittee also plans hearing on White House Public Broadcasting bill April 18-20, wants Henry Geller, nominated as head of NTIA, to be lead witness.

Program Development Corp. is joint effort of Golden West Bcstrs., Field Communications & WPIX N.Y. to develop first-run TV programs for independents. Priority will be given to late fringe strip programs, prime-time specials and mini-series. Consultant Richard Block will coordinate efforts.

Comment deadline in ACT petition asking FCC eventually to ban commercials in children's TV and to require stations to telecast 14 hours of such programming weekly has been extended from April 7 to May 8, at request of NAB.

ABC is negotiating to sell its remaining 173 theaters to Plitt Theatres for \$50 million in cash & notes, network said. Plitt owns 140 theaters, bought most of them from ABC in 1974.

Taping experience, from Richard Cohen in March 23 Washington Post: "The exact moment becomes frozen in my mind. It happened in a restaurant where a group of us had gone to eat, as they used to say, Chinese. Someone mentioned that the Nutcracker was on TV that night and all the ballet buffs at the table groaned about missing it. There was a woman there, blond, in case that's important, eating Moo Shi pork, which is important, and she said, 'We're taping it.' Then she threw her husband a let-them-eat-cake look and said, 'We'll see it later tonight.' I had the urge to kill. Forget envy. I was not envious. It was something else and it had to do with the fact that some pretty fundamental laws of nature were being tampered with that night -- laws having to do with how you can't be 2 places at the same time, how you can't have your cake and eat it, too..."

There's clear "under-representation of minorities and women as employees at FCC, especially in high level, engineering and/or policy making positions," according to employment profile prepared by Citizens Communications Center. Based on Sept. 25, 1977 employment, study concluded white males "hold almost all of the powerful administrative positions at the FCC." Spokesman for FCC Chmn. Ferris noted figures were compiled before Ferris took over, promised minority employment will improve.

Cable earth station grants: Prescott, Ariz.; Yucca Valley, Cal.; New Port Richey, Fla.; Lovington & Silver City, N.J.; Rawlins, Wyo. Applications: DeLand, Holly Hill & Manatee County, Fla.; Hattiesburg, Miss.; New Bern, N.C.; Greenville, S.C.; Greeneville, Tenn.; Canyon, Del Rio, Kerrville & Uvalde, Tex.

Finding "disparity" in minority employment for 1974-76, FCC has issued short-term license to educational KUHT-KUHF(FM) Houston. Commission said there'd been "dramatic improvement" in 1977, but TV station was ordered to file EEO reports in April 1979 & 1980.

Guidelines for cable accounting have been issued by NARUC, copies available from Box 684, Washington 20044. They're \$5.50 for document covering systems grossing \$200,000 or more, \$4 for report covering those grossing less.

NCTA elects 5 at-large directors during convention, and 4 candidates have filed: Gail Oldfather, Western; William Brazel, TCI; Al Gilliland, Gill Cable; John Saeman, Daniels. For regional directors, ballots must be at NCTA hq by April 14.

WELO-AM-FM Tupelo, Miss. has been granted short-term renewal by FCC, ordered to tell agency within 30 days "the steps it had taken, or intends to take, to avoid fraudulent billing, logging and sponsorship identification violations" of Commission rules.

New CATV Addenda feature: Pay-cable starts are reported as fast as we learn of them—comprising quickest reports in industry.

Loan of \$17 million for Buford TV has been placed by Daniels & Assoc. with First National Bank of Dallas.



**William Ray** retires as chief, FCC Complaints & Compliance Div., his post since 1962; he remains for year as "reemployed annuitant" to revise fairness doctrine and Sec. 315 primers; **Arthur Ginsberg**, asst. chief, named acting chief of Complaints & Compliance... **Francis Pollock**, ex-editor & publisher of Media & Consumer and prof. at Columbia U. Graduate School of Journalism, appointed dir. of FTC public information office.

**Seymour Horowitz**, WABC-TV N.Y. program dir., promoted to vp-programming, ABC owned TV stations; **Roy Polevoy**, ABC TV Spot Sales, moves to owned stations as vp-creative services, new post... **Lee Pardee** advanced to vp-engineering, KTTV L.A. and Metrotape West.

**Kay Wight** promoted to vp-administration and asst. to Pres. **Richard Salant**, CBS News... **Ronald Sutherland** joins ABC TV as vp in charge of business affairs, West Coast; **Marilyn Olin**, ex-pres. of Dahlia Productions, appointed dir.-children's programs, East Coast; **John Dispenza** appointed mgr.-film production, services, broadcast operations & engineering; **Donald Coe**, dir. of ABC News operations, retires April 30.

**David Bleber** advanced to program mgr., WWJ-TV Detroit... **Howard Oleff**, ex-WMAQ-TV Chicago, named national sales mgr., KGTV San Diego... **Lilly Eide** promoted to dir. of communications, WBBM-TV Chicago.

**Arthur Harding**, NCTA asst. gen. counsel, becomes associate in Washington law firm **Fleischman & Walsh** June 1... **James Thrash**, ex-WRET-TV Charlotte gen. mgr., joins **Blackburn & Co.** Atlanta office; **Alan Tindal**, ex-dir. of WWLP Springfield, Mass., joins **Blackburn** in Washington.

**Michael Occhigrosso** promoted to Arbitron vp-statistical services; **Simon Salamon** named mgr., eastern advertiser-agency sales... **Joseph Tiranto**, ex-ABC-TV, appointed vp-syndication, MGM TV... **Seymour Burns**, ex-NTA, joins **Columbia Pictures** TV as vp-production.

**V.L. Patterson** promoted to pres., Cardiff Cablevision... **John Hastings**, C-COR systems engineering mgr., also named south central sales mgr... **Orest Hanas**, ex-RCA Astro Electronics Div., appointed engineering dir., **Oak Industries** CATV Div... **Arthur Kane** promoted to vp-international marketing, **Viacom**... **Michael Marcovsky** advanced to vp-program operations, **Warner Cable's** QUBE.

**Carl Reber** promoted to Comsat vp-finance... Among speakers at **International Communications Assn.** conference, May 15-19, Las Vegas: **MCI Chmn.** **William McGowan** (keynoter), **FCC Chmn.** **Charles Ferris**, **FCC Common Carrier Bureau** Chief **Walter Hinchman**, **Senate Communications Subcommittee** Chmn. **Ernest Hollings** (D-S.C.), **House Communications Subcommittee** Chief Counsel **Harry Shooshan**.

**FCC** received 3,347 complaints from public in Feb., down 348 from Jan.

## WEEKLY Television Digest

with

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**FCC** has severe space problems, and govt. landlord **General Services Administration** isn't helping situation much. Definitely slated to move from 1919 M St. hq.—although nobody knows when or to where—are **Review Board**, administrative law judges and **Field Operations Bureau**. Only 43 employees are involved—but **Commission** has its eye on hearing rooms used by law judges and **FOB** examining rooms. Awaiting space are expanded **Office of Plans & Policy**, 60 employees to process fee refunds and some 25 in **Common Carrier Bureau** to handle new pole attachment authority. There's also trouble ahead at 2025 M St.—which houses **Cable Bureau**, **Chief Engineer** and some **Best. Bureau**, **Safety & Special** and **Common Carrier** offices. Landlord reportedly wants to raise rent above that which **GSA** can legally pay.

**National Federation of Local Cable Programmers** holds first convention and "hometown U.S.A. video festival" contest July 6-9 in **Madison, Wis.** Workshops will feature access, minority programming, satellites, news, promotion & press relations.

### Covering Comments Filed

To insure full coverage, **Television Digest** requests all parties and counsel filing comments in major govt. inquiries & rulemaking proceedings to send copies to us. For comments filed at or near our deadlines of **Thurs. & Fri.**, we urge that you advise our editors by phone. We're concerned with the following, among others, of those involved with **TV-radio**, consumer electronics and related industries: **Congress**, **White House**, courts, **FCC**, **FTC**, **CPSC**, **Justice Dept.**, **Copyright Office**, **Commerce Dept.**, **ITC**, **State Dept.** In addition, major comments filed with state agencies are needed.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 17 (11th week of 1978):

	March 11-17	1977 week	% change	March 4-10	1978 to date	1977 to date	% change
Total TV. . . . .	345,914	247,220	+39.9	267,697	2,962,510	2,709,468	+9.3
color . . . . .	215,317*	150,924	+42.7	175,396	1,899,981**	1,668,552	+13.9
monochrome . . . .	130,597	96,296	+35.6	92,301	1,062,529	1,040,916	+2.1
Total radio . . . . .	768,097	757,408	+1.4	614,539	8,496,284	6,983,042	+21.7
home, portable . .	511,845	487,398	+5.0	355,125	5,803,189	4,232,600	+37.1
AM-only . . . . .	158,017	121,929	+29.6	55,853	1,674,031	1,111,345	+50.6
FM & FM-AM . .	353,828	365,469	-3.2	299,272	4,129,158	3,121,255	+32.3
auto . . . . .	256,252	270,010	-5.1	259,414	2,693,095	2,750,442	-2.1

Color TV 5-week moving average: 1978-187,182\*; 1977-155,647 (up 20.3%).

\*Highest for 11th week of any year. \*\*Record.

**MASSIVE DUMPING DUTIES HIT JAPAN COLOR:** In move that's sure to force yet another Japan-U.S. international trade confrontation and spawn additional rounds of court fights, Treasury Dept. last week launched fullscale collection of huge dumping duties from importers of Japan-made color TVs. Action, and way it was handled, left faces of importers red with anger, faces of Treasury officials red with embarrassment.

Proposed dumping levies on color run as high as 30% of value, eventually will cover all sets imported since 1972-b&w imports from Japan also are subject to dumping penalties, but Treasury hasn't taken action in that area yet. Total importer liability could exceed \$500 million, but \$350 million appears to be more realistic ceiling.

In March 28 announcement, Treasury said it notified importers of dumping duties totaling \$46 million, covering sets imported in 1972-73. Because duties are being levied on importer-by-model basis, there's no way yet to assess impact on any particular company, but some will be hit much harder than others.

Dumping determination dates back to 1968 filing of complaint by EIA Tube Div. Treasury issued tentative positive determination in 1970, finalized it in 1971. Since then it has assessed extra duties only on sets imported through 1971. Long delay in clearing up backlog has brought agency under strong congressional pressure, and for last year it has been working on system to speed processing.

Importers were warned move was imminent at highly confidential meeting Treasury called at request of Japanese Embassy. Then Treasury outlined get-tough policy it was adopting for new computerized method of calculating dumping margins-usually difference between home-market and export pricing-but contended decisions on allowable price adjustments hadn't been finalized.

Importers left meeting to find duty assessment notices mailed by Customs already on their desks, creating belief that meeting was just window dressing to placate Japanese govt. Treasury's explanation was that mailing of notices was computer error; however, it had to admit that notices themselves were accurate. Whether Treasury spokesmen who attended meeting were among those who knew session was little more than charade couldn't be determined.

Treasury has adopted unique dumping-duty calculation system, never utilized before. In



adopting it, agency in effect accuses Japanese companies of submitting false information in effort to minimize liabilities. In official statement, Treasury more diplomatically says that while Japanese did supply data, "much of the needed information was insufficient."

Basic problem is matching set exported to U.S. by specific manufacturer with similar model same company sells in Japan. Because of differences between U.S. & Japanese market requirements, many export models have no exact Japanese counterparts. Japanese say they matched them up as best they could. Treasury contends otherwise.

Under new system, Treasury makes comparable-model selection. It then takes 67% of suggested retail price, subtracts Japan's domestic 15% commodity tax, and uses what's left as "fair-value" comparison against export price to determine dumping percentage margin—generally running 10-15%. That margin is then multiplied by Japanese retail price (usually inflated there as it is in U.S.) to establish dumping duty—as much as 30% of export price.

Commenting on procedure, Treasury Gen. Counsel Robert Mundheim said agency "recognizes that importers may exercise their right to file administrative protests challenging this approach, and some may later appeal to the Customs Court." He said Customs "plans to attempt to work with vested parties to design an opportunity for promptly hearing & resolving any claims including that the amount involved is incorrect, and avoiding unnecessary disruptions of the business affairs of the importers." First such meetings, we've learned, start April 3.

Problems posed by looming massive dumping liability for importers are gigantic, not least of which is coming up with cash. Treasury made it clear it doesn't intend to soften its stance, so hope for relief through administrative hearings is minor. That leaves courts. But law requires that dumping penalties be paid before court challenge is filed. Bonding also is becoming difficult. Importers have been posting 10-15% countervailing duty bonds and 20-100% TV dumping duty bonds since mid-1977, and surety companies are getting nervous as potential debt piles up. Treasury's dumping action will mean higher bond costs for most companies. Smaller firms may find it impossible to get bonds at all.

EIA-Japan, through attorney H. William Tanaka, said Treasury move represented retroactive change in long established policies on which Japanese exporters and U.S. importers have relied in setting prices. Change, he added, "applies a new formula which disregards the particular facts affecting the foreign-market values which establish the basis of anti-dumping duty liability."

Situation at week's end was one of confusion as each company tried to determine where it stood. Matsushita stated it couldn't understand Treasury action, contending that it never sold TV in U.S. at less than fair value and that it believes it owes no dumping duties at all.

There's no doubt virtually all importers—about 100 are involved, Treasury says—will seek review, and multi-company test court case can be expected. Strong counter measures on diplomatic front by Japan probably also are in cards.

**JAPAN TV EXPORTS LEVEL IN FEB.:** Strong upsurge in Japan's b&w shipments to U.S. in Feb. offset equally sharp decline in color, leaving total TV shipments for month about even with year-earlier level, Finance Ministry reports.

Japan exported 272,400 sets to U.S. in month, off just 1.7% from Feb. 1977, as color declined 32.8% to 111,900, while b&w rose 45.1% to 160,500. Month's color exports included 98,800 complete receivers, 13,000 chassis & kits. Jan.-Feb. TV export-to-U.S. total of 510,500 was down 0.5%, with color off 20.9% to 239,700, b&w up 28.7% to 270,900.

**TARIFF HIKE BOOSTING CB PRICES:** Ink was barely dry on White House order increasing CB import tariffs before industry (importers and the few domestics left) began announcing 10-15% price hikes. At same time, 2 domestics—E. F. Johnson & Pathcom—said U.S. production would be increased as result of decision. Whether higher prices and more production will be enough to pump new life into flagging CB industry is another question.

Under schedule announced March 28 by Special Trade Representative (STR) Robert Strauss,



duties will be increased over next 3 years; up 15 points to 21% in first year, to 18% in 2nd year, 15% in 3rd, then back to current 6% in 4th. New duties take effect almost immediately—President Carter has 15 days from announcement to issue proclamation putting duties into force, could do it as early as April 3 when he returns from current trip.

Domestics were generally ecstatic over decision, even though it falls far short of original plea to ITC for maximum 50% hike (Vol. 17:45 p6) and below recommendation of 3 ITC commissioners for 5-year increase beginning with 30% boost in first year. With appreciation of yen since original ITC filing in Nov., E.F. Johnson Pres. Richard Horner said STR decision "is only about 10-15% off our original request of 50%.

"I feel very good about this," Horner said. "If they didn't do it now on CBs, they'd be doing it 3 years from now on home computers." Decision puts importing nations on notice that U.S. consumer electronics market—"the largest, most available consumer market in the world"—isn't up for grabs, he declared. Horner & other domestics said tariff hike was far better solution to problem than adjustment assistance, recommended by remaining 3 ITC members.

Strauss said adjustment assistance alone wouldn't be enough to help industry overcome effects of inventory overhang, depressed prices and financial losses, but added that firms, workers & communities in which they're located remain eligible for assistance. "Moderate" hike announced by STR will have less impact on prices than 30% ITC proposal, he said, exerting only mild influence on overall inflation but permitting domestics to raise prices slightly and still compete with imports.

Horner forecast 10-15% price rise over next 3-4 months, said Johnson may add more models to new Messenger II line now being phased in as result of decision. Pathcom Pres. William Thomas said that his prices will climb 10-15% in next 30 days, that U.S. production—restarted on limited basis in Jan.—will be doubled, additional production workers hired. "You can bet our competition will be raising prices also."

That includes Dynascan & President, both importers. Dynascan Pres. Carl Korn said prices on Cobra line would go up within next week "to pass on the duty increase to the consumer. There is no way we can absorb that." Decision is "empty victory," for domestics, Korn said, will inevitably result in higher prices to consumer and aggravate inflationary trend. "This is another case where govt. just doesn't think of the consumer." Only positive side of decision, Korn feels, is fact that consumers tend to become interested in product when prices begin to rise. "They may decide to buy before prices go too high."

President's Malcolm Parish said that his firm's prices will go up 15% on April 10, that distributor will be given opportunity to buy existing inventory at current prices, allowing retailers to raise prices 15% immediately "and make some money for a change." Overall, Parish said decision was good and for President primarily because company isn't associated with lower-end mass-market segment of business. "The guy who buys quality CB radios will still buy them, no matter what happens." Results for his firm, he said, will be higher dollar volume in 1978 than if decision hadn't been made. "If this puts confidence back in the CB market, it will be a good decision." Royce also announced price hike (5-10% May 1), but decision came before tariff hike, was attributed to improving market and drastic change in yen.

Motorola's International Program Dir. Lionel Olnier hailed decision as clear signal to rest of world that consumer electronics markets "will not be released to disorderly marketing by foreign suppliers," but company couldn't be reached at press time for comment on pricing and production plans. Hy-Gain Pres. Andrew Andros said decision would result in rejuvenation of order-taking from U.S.—but whether that includes Hy-Gain is another matter. Hy-Gain entered Chapter XI in Jan., is holding merger or acquisition talks with undisclosed companies, and tariff decision is certain to be used as leverage in moving them forward.

Congressional override of decision is possibility, but extremely remote one in view of prevailing political atmosphere over trade issue, and unhappiness in Congress with previous Carter refusals to impose tariffs. This is first time it has been done under escape clause in 1974 Trade Act.



**Note:** Labor Dept. issued separate report saying about 1,100 workers in CB production have been declared eligible for adjustment assistance, and some 1,300 more workers will be partially or totally laid off in 1978. Commerce Dept. said 5 of remaining 10 domestic firms (unnamed) in CB field may be eligible for adjustment assistance, that each case will be judged on own merits.

**SANYO'S U.S. RESULTS:** Successful first operating year for Sanyo's U.S. color producing subsidiary, Sanyo Mfg. Co., is detailed in SMC annual report for fiscal year to Nov. 30 indicating about 307,500 sets (19" & 25") were turned out in Forrest City, Ark. — equal to 4.4% of total domestic U.S. 1977 color production.

SMC figures show plant made 13,000 25" in Jan.-Feb., after takeover from Warwick; they indicate output of 36,500 in 2nd quarter, including initial 19" production; 74,700 in 3rd quarter, 170,300 in 4th. SMC reported that 87.5% of sales, or \$82.88 million, was taken by Sears, remaining 12.5% (\$11.8 million) was primarily for Sanyo's own-brand U.S. marketing arm. SMC reports it purchased \$40.2 million worth of color TV production parts from Japanese parent. Total represents 45.7% of \$88.1 million it indicates as cost of goods sold, showing that more than half of production value is represented by U.S. parts & labor. In addition, SMC says, it has become exporter, turning out limited quantities of color console cabinets for sale to Japanese parent.

Motorola losses from CB last year kept Automotive Div. profits "below the division's standard," company said in annual report. It reported sales of Div. rose 21% to \$198.9 million, put net at \$11.2 million. Semiconductor Div. sales rose 23% to \$582.3 million; profit was \$80 million. Communications Group net was \$130.9 million, as sales rose 20% to \$823.5 million. Motorola reported R&D spending totaled \$100 million.

In addition to CB, Motorola's watch crystal & module operations were in red last year, though company says it expects modules to be profitable in 1978. It reported sharply increased sales of CRT display modules by Data Products unit, said that in semiconductors, IC sales rose 40%, discrete volume was up 10%.

Advent will offer first car stereo speakers, new home speakers in \$100 range this spring, company says in report to holders for fiscal 9 months to Dec. 24. It reported video projector sales rose 31.6% to \$6.3 million in 3rd quarter, 44.2% to \$15.1 million for 9 months, said audio business was up 78.6% to just under \$6 million and up 17.3% to \$11.7 million for same respective periods. Severe winter weather caused video parts shortage & plant shutdowns in Feb., will have adverse impact on 4th-quarter results, company reported.

Fairchild annual report indicates loss of \$24.5 million from consumer products in 1977.

New brochures for consumers available from EIA Consumer Electronics Group April 15: "Guide to Video Products," covering purchase, installation & service of TV receivers, projectors, VTRs & games; "Guide to Audio Products," covering radios, home & auto stereo, CB.

**IMPORT IMPACT AID:** Capehart will get import adjustment assistance in form of \$3.57-million govt.-guaranteed low-interest loans, Commerce Dept. announced. Earlier this year, Labor Dept. declared group of displaced Capehart workers eligible for import impact aid (Vol. 18:6 p 10). Commerce also said it was opening probe into aid eligibility of digital watch producer Microstar, Hauppauge, N.Y.

Meanwhile, LD approved assistance for former Bulova & Delta Electric workers, rejected assistance for some displaced GE workers. Labor found Bulova employees lost jobs because company switched to importing electronic watch movements from Hong Kong, Japan & Switzerland starting in 1976, then halted domestic production last year. Increased imports also were ruled responsible for job losses at Delta's smoke-detector horn plant in Marion, Ind. Labor study showed horn imports increased from 3.1 million in 1975 to 7.1 million in 1976, to 10 million last year. Imports-to-production ratios for those years were 155%, 177.5% & 322.6%, respectively, agency said.

Former employees at GE Imaging Devices Operation in Syracuse lost jobs producing vidicon tubes mainly because of end to govt. contract which accounted for 50% of sales. LD said most GE vidicon customers who switched supply sources went to other domestic producers, and that while GE's Imaging Systems Operation purchased some imported vidicons for its CCTV cameras, they were of type not made by GE. New eligibility probes opened by LD cover workers formerly making CB base stations for Browning Labs, Laconia, N.H., and those formerly involved with receiving tubes for RCA Distributor & Special Products, Deptford, N.J.

New import breakout for b&w TV picture tubes guarantees that GE & other firms will continue to be able to import 12" & 15" tubes duty-free from Taiwan & S. Korea. Ordered scrapped by Special Trade Representative's (STR) office was old system eliminating duty on tubes 16.4" & under imported from underdeveloped countries, while charging full 15% rate on larger sizes. Preference now is for b&w tubes 11.4" to 16.4", with duty levied on both larger & smaller sizes. Change was made as concession to IBEW which had requested that tubes be dropped completely from preference list. In other actions, STR rejected request by Eastern Electronics to remove small transformers & rectifying apparatus from preference lists, as well as requests from Brazil, India & Singapore that resistors and some types of non-receiving electronic tubes be added to list. Currently ineligible for preferences are tape players from Taiwan & Korea; radios from Taiwan, Hong Kong, Korea & Singapore; CBs (except 49-MHz toys) from Taiwan. No countries are eligible for preference on TV or parts.



**FCC's TV PANEL SHOW:** Turning down staff recommendations that UHF noise figure be dropped to 14 dB, FCC decided to hold panel discussions on issue in April, released public notice inviting interested parties to contact Office of Plans & Policy (OPP). Additional notice setting deadline for submitting requests to appear and specific questions to be discussed will be issued soon. Current proceeding stems from 1975 Counsel for UHF Bestg. (CUB) petition seeking change to 10 dB over 30-month period to improve UHF reception.

Chief Engineer Raymond Spence and other staffers argued that figures should be dropped initially only to 14 dB (effective Oct. 1, 1979), that further lowering of figure be included in new inquiry on overall improved TV reception (Vol. 18:13 p10). But even though improved reception inquiry was on agenda with noise figure, Commission never got to it. General feeling was that not enough had been heard from manufacturers & broadcasters on possibilities of lowering figure further.

"We know there's a tradeoff between the noise figure and other important characteristics," staff engineer told us after meeting, "but we don't have any feeling where the tradeoff begins to cut, where it becomes binding. Is it 14 dB, or 12, 10 or 8? We don't know, and we want a reasoned judgment from those involved." He said FCC hopes to attract broad range of experts and "hopefully get some crackerjack ideas out of the set makers, who can share their knowledge and insight with the Commission."

In pressing for 14dB, Spence said going lower at this point could pose problems when FCC gets into overall reception improvement question and attempts to eliminate taboos which prevent expansion of UHF allocations. Setting stricter standards now, he said, may boil issue down to question of choosing between improvement of current UHF reception or creating opportunities for new UHF stations. He argued also that 14 dB is within state of art, would involve minimal cost to consumer and only minor changes by set makers.

Proposed inquiry on overall improvement—now in abeyance until noise issue is settled—poses 21 specific questions (many with 2 & 3 parts), including: (1) How would intermodulation, IF beat, oscillator radiation, other characteristics of new TI high-performance set (Vol. 18:10 p12) help reduce taboo distances? (2) To promote UHF comparability, should FCC require electronic tuning? (3) Should antenna system standards be considered? (4) To what extent should transmission & reception of VIR signal be required? (5) How can ghosting be reduced and how much would it cost? (6) Should video & audio jacks be requirement of FCC TV certification? (7) Would public benefit from program of TV receiver grading (modeled after DOT tire, EPA mileage or consumer interest group ratings)?

Improvements not only would improve UHF reception, inquiry notice says, but would result in more efficient use of spectrum by reducing taboos. At same time, TI receiver "increases the performance of VHF as well, with potent public benefits

from an increase in VHF channel assignments..." TI receiver addresses only some of changes leading to improved TV receiver, notice says, but implementation of these changes "would require a major redesign of future TV receivers and require a major investment by the American public over an extended period." For that reason, changes not addressed in TI proposal should also be considered, notice stated.

**TV RECALL TALKS:** Potential safety hazard is minimal, so there's no need for recall of Admiral & Sanyo 25" color TVs assembled with Zenith-made tube that could cause shock to consumers, representatives of those companies contended at meeting with Consumer Product Safety Commission staffers in Washington last week (Vol. 18:13 p7).

As explained by Zenith, some strands of steel wool used in cleaning tubes were caught in implosion bands, and, it's understood, could protrude in front of set. Manufacturers contended there is no hazard at all unless all of following exist: (1) Set is hot-chassis type, and polarized line cord has been defeated. (2) Implosion band is metal (Sanyo uses plastic) and connected to chassis. (3) Steel wool strands are exposed around face of tube or are in contact with an exposed metal frame around tube.

Zenith said that while it produced & used tube, all of its sets are cold-chassis. Admiral & Sanyo contend there's 0.0054% chance of injury, so hazard potential isn't substantial and recall isn't warranted. CPSC asked companies to submit additional data.

Tubes were made by Zenith last year and early this year. Zenith said it changed manufacturing process to eliminate problem March 9. Admiral says tube was used in 8,750 consoles. Sanyo says 5-6,000 consoles, all made for Sears, are involved, unspecified number still in factory warehouse.

Record first-quarter & March color sales to dealers are assured, with 12th week sales expected to total around 176 units, up some 16.6% from same 1977 week and 5th consecutive record week. Sales for year's first 12 weeks exceeded 2 million for first time in history. Sales for 11th week totaled 215,317, 2nd best figure for any week this year and up whopping 42.7% from same 1977 week (see State of the Industry). Monochrome sales, which trailed 1977 for 7 of year's first 8 weeks and entered March down 7.6% in year-to-date performance, made up entire deficit in first 3 weeks of month; end of year's 11th week saw b&w running 2.1% ahead of 1977, color up big 13.9%.

Booklet detailing dealer & distributor TV sales recordkeeping responsibilities under 1968 Radiation Control Act is available from FDA, Bureau of Radiological Health (HFX-25), 5600 Fishers Lane, Rockville, Md. 20857... Revised standards for part flammability testing are covered in new booklet "Flammability Tests for Electronics Components," from EIA Standards Sales Office, 2001 Eye St. NW, Washington 20006 (\$4.50).

Japanese home VTRs are starting to go to Europe. Thomson Brandt will buy 3-hour VHS system from JVC, also has license to manufacture system. Contract involves purchase of 30,000 decks annually.



## Personals

Gary Hodge, ex-Akai, joins Sanyo as Radio & Tape Recorder Div. national sales mgr. . . Robert Summer promoted at RCA Records from vp-domestic operations dir. to pres., succeeding Louis Couttolenc, who resumes former duties as pres. gen. mgr. of Mexican subsidiary.

Phil Roybal, ex-National Semiconductor personal computer components business mgr., joins Apple Computer as mktg. mgr. . . Allen Jefferis, ex-Hewlett Packard, joins National Semiconductor as MPU training mgr.; Mike Turner advanced to hybrid product mktg. dir., replacing Brent Welling, now linear product mktg. dir. . . Gunnar Hurtig promoted at Fairchild Semiconductor from product mktg. mgr. for Japan to LSI Group mktg. mgr., assuming former responsibilities of Vp William O'Meara, now sales vp.

Jim Maynard resigns as Nikko Audio mktg. & sales dir. mid-April, plans & successor unannounced; John Schroder, East Div. sales mgr., Jeffrey Quist, secy.-treas., & Yogi Tuchiya, finance dir., named vps. . . Jon Dahlquist advanced at Dahlquist Inc. from vp to pres., succeeding Saul Marantz, who retires, but continues as consultant. . . William Delaney, former sales rep, appointed Sharp east TV product sales mgr., succeeding Kevin Sullivan, resigned to form rep firm.

William Moore, ex-Citibank, appointed GTE business development vp, new post. . . John Fuhrman, ex-Hy-Gain product development dir., joins Midland Communications Div. as amateur & marine product development mgr. . . Herb Fitzgerald promoted at AVX Ceramics from midwest sales mgr. to mktg. mgr., succeeding Fred Fry, resigned; Denver Lough, ex-Chicago Miniature Lamp, joins as distributor sales mgr. . . Tony Mirabelli (Quasar), Richard Kelly (Video Corp. of America) & John Dale (Fuji Photo), named to ITA board.

William Fisher, Rockford, Ill., re-elected NARDA pres. . . Marilyn Watts, RCA mktg. services vp, to speak on market targeting techniques at Conference Board's April 27 seminar on consumer marketing in Chicago; W. Stanley Stuart, Ball Consumer Products Div. vp-gen. mgr., to chair session on mktg. strategies; Robert Greenberg, ex-Harman-Kardon pres., to discuss product distribution.

COMPACT took exception to Congressional Joint Economic Committee report stating import restraints on steel & color TV help generate inflation. In letter to Committee, COMPACT pointed to ITC report showing average factory color prices at end of 1977 were lower than those at end of 1976, despite quota placed on Japanese color exports to U.S. in July 1977 (Vol. 18:12 p9). COMPACT said quotas can help hold down inflation by keeping domestic producers in business, because "if foreign producers ever gain a dominant position [in U.S. color market] we can assure you that prices would rise sharply."

EIA-sponsored U.S.-African Telecommunications Conference & Exhibit, aimed at exposure of U.S. telecommunications products & systems, will be held in Nairobi Jan. 17-19, 1979.

## 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
Kansas State Network			
1978-6 mo. to Feb. 28	8,171,000	856,000	.50
1977-6 mo. to Feb. 28	7,578,000	820,000	.48
1978-qtr. to Feb. 28	3,900,000	377,000	.22
1977-qtr. to Feb. 28	3,630,000	373,000	.22
Movielab			
1977-year to Dec. 31	27,577,746	912,622 <sup>a</sup>	.64
1976-year to Dec. 31	26,802,816	449,554 <sup>a</sup>	.32
1977-qtr. to Dec. 31	6,802,867	558,994 <sup>a</sup>	.39
1976-qtr. to Dec. 31	6,915,732	17,202 <sup>a</sup>	.01
A.C. Nielsen			
1978-6 mo. to Feb. 28	151,174,000	11,459,000	1.06
1977-6 mo. to Feb. 28	127,403,000	8,865,000	.82
1978-qtr. to Feb. 28	77,411,000	6,078,000	.56
1977-qtr. to Feb. 28	65,331,000	4,323,000	.40
Outlet Co.			
1978-year to Jan. 31	247,561,000	9,502,000	3.93 <sup>b</sup>
1977-year to Jan. 31	148,458,000	5,370,000	2.33 <sup>b</sup>
1978-qtr. to Jan. 31	107,331,000	6,271,000	2.57 <sup>b</sup>
1977-qtr. to Jan. 31	49,542,000	3,172,000	1.42 <sup>b</sup>
Superscope			
1977-year to Dec. 31	178,600,000	400,000	.17
1976-year to Dec. 31	181,000,000	7,900,000	3.43
1977-qtr. to Dec. 31	54,800,000	(2,200,000)	--
1976-qtr. to Dec. 31	51,000,000	1,700,000	.72

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

RCA should be No. 1 in color TV sales this year, Pres. Edgar Griffiths said in Wall St. Journal interview. He's quoted as saying RCA is "running about even with Zenith" and that "he believes RCA can improve both its share of the market and its profitability in [color] business this year." Other points Griffiths made in interview: (1) First-quarter sales were up about 10% but he wouldn't estimate gain in earnings, which will set record. (2) No decision yet on videodisc, but "we're watching with great interest to see what happens to pre-recorded tapes of old movies that are selling for \$40 & \$50. If they sell well, you can rest assured that \$10 & \$15 discs of the same movies would be immensely successful." (3) Isn't concerned about post-Christmas dip in home VTR sales. "You will see us getting into heavy advertising & promotion efforts to make this a year-round product." (4) RCA won't re-enter video game business, except perhaps as part of a home video communications center concept.

Ad notes: GE led list of consumer electronics firms included in TvB's roster of top-500 network TV advertisers for 1977, with ad outlay of \$24.2 million. Other industry firms ranked: RCA \$16.1 million, North American Philips \$11.9 million, Tandy \$8.5 million, GTE \$7.7 million, Zenith \$5.57 million, Sony \$5.37 million, Texas Instruments \$3.7 million, Rockwell \$2.9 million, Matsushita \$2.6 million, Pioneer \$1.4 million, Memorex \$807,100, Pathcom \$449,000, Dynascan \$332,800, Kraco \$306,200, Lafayette \$281,000, Superscope \$238,400, Sharp \$228,800, Motorola \$104,000. . . Atari Consumer Div. appoints Doyle Dane Bernbach.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**NAB-POLICY & BUSINESS:** Record number expected for NAB's 'broadcasting international' convention, including 7 FCC members, Hollings, Van Deerlin, other congressmen. Ferris maiden speech as FCC head. (P. 1)

**FERRIS FCC SLOW TO GET GOING:** Big hang-up has been key staff selections, nearly completed last week. Broadcasters wonder when expected tougher regulatory policy will emerge. FCC April-June schedule light. Cornell heads OPP. (P. 2)

**SUPREME COURT DECISION** backing FTC's right to order corrective ads produces uneasy reaction. Krasnow concerned about impact on other FTC issues. Bell finds it 'very punitive measure.' (P. 3)

**CBS's ON-AIR APOLOGY** for 'winner-take-all' tennis has 7-min. Jankowski statement giving all details, describing plans for avoiding repetition. (P. 4)

**NEW EQUIPMENT AT NAB:** Top-of-line microprocessor studio camera from RCA, production-model Type C VTRs from Sony. (P. 5)

**FTC 'NANNIES' OR 'COPS':** ABC's Rule attacks agency's 'very questionable social theories,' seeks equal treatment if product is harmful. Pertschuk says FTC is 'cop on the beat of competition.' (P. 5)

**NAB CONVENTION-POLICY & BUSINESS FORUM:** All 7 members of FCC will participate in NAB convention April 9-12 for first time in several years. They'll share attention of what NAB expects to be record number of broadcasters—surpassing 1977's 6,176 in Washington—with several members of Congress, including Senate & House Communications Subcommittee Chmn. Hollings (D-S.C.) & Van Deerlin (D-Cal.), respectively. (Note: Ex-broadcaster James Quello, now commissioner, hasn't officially attended NAB since joining FCC, and his predecessor, Nicholas Johnson, boycotted last 2-3 NABs while a commissioner.)

Theme of convention is "Broadcasting International"—there really isn't much international about program (one Wed. panel), although NAB claims record number of foreign broadcasters will be present. There also aren't very many issues worrying a very healthy broadcasting industry. Unlike year ago (Vol. 17:13 p1), courts haven't provided industry with major convention conversation topic and FCC again was silent on blockbuster issues for 2nd year in row (although some may be coming soon, see p. 3). Cable has been relegated to single Tues. workshop at 9 a.m.—on official agenda, that is.

Awaited anxiously, however, will be closing Wed. luncheon speech of FCC Chmn. Ferris.

### Consumer Electronics

**RECORD COLOR SALES** in first quarter at 10.2-million annual rate, climaxed by 10.9-million pace in March. Manufacturers agree sales are up, but figures may be artificially inflated by huge increase at Sanyo Mfg. (P. 7)

**REP. VANIK PRESSES TREASURY** for reasons why Japan TV dumping duty assessments aren't up-to-date, may call hearing. Melco's Yamaguchi says proposed levies could force Japanese firms out of U.S. market. (P. 8)

**TAIWAN TOPPED JAPAN** as leading color set & chassis supplier in Feb. Color imports from all countries doubled those of Feb. 1977. B&w shipments rose 38.3%. (P. 9)

**FCC EXPERT PANEL** meets May 10 on cutting UHF noise figure. Cost factors, effect on taboo-reduction drive, up for discussion. (P. 10)

**JVC RESTRUCTURES** along product marketing lines, creates separate hi-fi, home entertainment, professional video units. (P. 10)

**MAGNAVOX REGAINED** financial health just year after N. American Philips takeover, NAP annual report shows. Earned \$16.2 million in 1976, \$14.6 million last year. (P. 11)



Topics to be covered in speech haven't been shared with other commissioners and asst. to Ferris said text has been "embargoed," but that tone will be "upbeat." EEO, we're told, is expected to play prominent role in Ferris's maiden speech as chmn. Luncheon address will follow panel of 5 commissioners—White, Quello, Brown, Lee, Fogarty—answering questions of broadcasters. NAB had wanted to put Ferris on during Wed. morning session (he insisted on lunch, when NAB planned only entertainment by country singer Charley Pride) because of fear delegates would be leaving in droves last day since eastern-bound airline schedules from Las Vegas in afternoons are nearly non-existent. "We're holding our breaths about the crowd that'll show up," NABer said. "But if anybody'll keep 'em here, Ferris's first speech should." (Note: NAB dropped closing Wed. luncheon speech several years ago because of poor attendance.)

Generally speaking, TV, radio & engineering delegates will go their separate ways in Las Vegas' mammoth Convention Center, which will feature record 120,000 sq. ft. of exhibitors. There are 3 joint sessions: (1) Yesterday (Sun.) for presentation of Distinguished Award to Cox Bcstg. Chmn. J. Leonard Reinsch, speech by Sen. Cannon (D-Nev.) and concert by Mormon Tabernacle Choir. (2) Wed. morning, featuring Van Deerlin, FCC commissioners, panel on "worldwide broadcast freedoms," Sen. Laxalt (R-Nev.). (3) Ferris luncheon.

Among TV highlights: Mon.—Hollings speech; panel on TV sex & violence; speech by NAB Pres. Wasilewski; numerous workshops, including EEO & license renewal; luncheon speech by "Roots" author Alex Haley; debate between ex-FCC Chmn. Richard Wiley and United Church of Christ's Everett Parker on question of more govt. regulation of TV; TvB presentation on competitive selling. Tues.—More workshops, some repeated from Mon.; debate on children's TV advertising with Comr. Washburn, ex-FTC staffer Nancy Buc and Jean Gussow, Columbia U.

On radio side: Mon.—More EEO & renewal workshops; ratings; Wasilewski speech; RAB; FCC policies. Tues.—FCC panel, featuring bureau & division chiefs; Radio Hall of Fame presentations; luncheon speech by ex-Cal. Gov. Ronald Reagan.

Engineering: Mon.—Satellite distribution; TV circular polarization; WARC; luncheon speech by George Jacobs, U.S. Board for International Bcstg.; ENG; FCC-industry technical panel. Tues.—AM stereo; TV automation; luncheon speech by BBC Engineering Dir. James Redmond; presentation of Engineering Achievement Award to John Moseley, Moseley & Assoc.

There's a new "special for spouses" Mon. morning on "all you wanted to know about broadcasting but were afraid to ask." It features Comr. White, NBC Exec. Vp-Affiliate Relations Raymond Timothy, ABC Radio Network Pres. Ed McLaughlin and Betty Painter, KYSM(AM) Mankato, Minn. Panel will be followed by talk-variety show host Phil Donahue.

**FERRIS FCC SLOW TO GET GOING:** "We're still waiting for the first shoe to drop"—broadcast lobbyist. "He ain't done nothing yet"—lawyer. "Ferris sure doesn't lobby for votes before he goes into a meeting"—commissioner. "The target of the network inquiry will be their owned stations; the rest is just bull"—senior FCC staffer. "He sure hasn't taken hold like [Mike] Pertschuk at the FTC"—broadcaster.

This is sample of reactions we received, asking Washington broadcast figures to evaluate first 6 months of Charles Ferris's tenure as FCC chmn. Generally, there's been great surprise that long-time congressional aide hasn't staffed up quicker (some key appointments were announced last week, see below) and put his personal brand on Commission much sooner. "His major accomplishment to date has been riling the Commission's staff" is common view within FCC.

None of Ferris's critics quoted above questioned his integrity or his political independence from White House. "It's mostly a case of we're afraid of what may be coming—and wondering why it hasn't happened yet," we were told. "He relies too much on too small a group of advisers—[Frank] Lloyd [administrative asst.], [Gen. Counsel Robert] Bruce and [FTC Chmn. Michael] Pertschuk."

That Ferris relies heavily on Lloyd & Bruce is obvious from checking his Jan.-March appointments calendar; their names show up repeatedly. Sometimes subject of session is mentioned (most often "personnel matters"), often it isn't. However, key staffers denied there's



been any close liaison with Pertschuk or Trade Commission staffers.

Defenders of Ferris point out that he has spent most of his time on personnel and common-carrier matters; "the broadcast issues simply haven't shown that crisis." Ferris himself expressed frustration at filling key spots, but with April 7 announcements about only major vacancy remaining is deputy gen. counsel and that spot is expected to be filled soon. "I'm damned happy with the personnel I've gotten and the time spent was well worth it," Ferris told us.

FCC chmn. also hasn't lost many votes in cases where he expressed interest to other commissioners in advance—such as CBS sports troubles (see p. 4), CB deadlines, AT&T tariffs, TAT-7, Execunet and appeal of Midwest Video cable access decision of St. Louis circuit court (Vol. 18:10 p3).

Among major FCC actions due soon of interest to broadcasters: (1) Ex parte contacts—Gen. Counsel Bruce has recommended interim policy that would fall within scope of D.C. Appeals Court decision, while at same time agency seeks comments on permanent policy. During interim, "a middle of the road" procedure will be followed to protect FCC processes and at same time permit commissioners to receive needed information. Bruce will recommend that parties calling on commissioners be required to have written presentation prepared in advance for public record. Bruce will talk individually with commissioners in next couple weeks on interim policy & inquiry.

(2) Repayment of citizens' groups by FCC will be recommended for rulemakings, not adjudicatory proceedings. (3) Staff is close to coming up with new proposed fee schedule, along with refund plan, but "there's still a lot of nitty-gritty work going on," we were told. "It's getting high-level attention."

Ferris issued 3-month calendar last week and issues above aren't mentioned. In fact, official public schedule is very light. (Lately, Commission has been meeting only 2 days weekly, and attendance has been close to 100%.) With all commissioners at NAB convention in Las Vegas this week (see p. 1), there's no meeting. Next week, there's April 18 session on WARC, April 20 agenda meeting. April 25 is about cable—telephone-cross-ownership, definition & satellite delivery—followed by Senate Appropriations hearing next day.

First week of May, some commissioners will be going to April 30-May 3 NCTA convention in New Orleans but agenda meeting is scheduled May 4-5. On May 9, common-carrier matters are scheduled, followed next day by UHF TV reception and noise levels (see p. 10). May 11-12, FCC is sponsoring telecommunications policy research conference, followed by ICA conference May 15. Minority ownership is subject of May 17 special meeting; regular agenda is next day; UHF May 19. Week of May 22 is open, with agenda meeting scheduled May 31.

June 7, FCC takes up group of noncommercial broadcast subjects (underwriting, FM allocations, definition of educational station, multiple ownership) with computer inquiry special meeting next day. Oral arguments are scheduled June 13, regular agendas 15 & 28; other meetings during month are on non-broadcast matters.

In major staff appointments last week, FCC named economist Nina Cornell chief of Office of Plans & Policy, succeeding Carlos Roberts, who becomes head of Safety & Special Services. Cornell is senior staff economist on President's Council of Economic Advisors, specializing in regulatory procedures. She has doctorate from U. of Ill. Roberts succeeds Charles Higginbotham, retired.

Susan Greene was named to head newly instituted children's TV task force at FCC, as expected (Vol. 18:9 p6). Unit first was established by then-Chmn. Burch, hasn't been staffed for several months. Greene will "provide advice to the Commission on whether and how it should restudy the children's programming and advertising issues." She comes to FCC from CTIC, where she was project dir., and in 1969-71 she was with Children's TV Workshop.

**COURT OKAYS FTC 'CORRECTIVE ADS':** There's considerable dismay in industry, naturally, over U.S. Supreme Court's decision upholding FTC's power to order corrective ads. Though decision wasn't any big surprise, it has industry concerned about any such strengthening of FTC



power. Agency is now free to require Warner-Lambert to spend \$10 million advertising that Listerine won't "help prevent colds or sore throats or lessen their severity," as company had long claimed.

Said NAB Gen. Counsel Erwin Krasnow: "The FTC will welcome any additional ammunition in its arsenal, and this, adding to the FTC power, is certainly not good news... It's upsetting that the court didn't recognize there are definite First Amendment interests here. Commercial speech is part of free speech. Just because it's commercial speech doesn't mean it isn't covered by the First Amendment. But this is something we'll have to live with." He said he's concerned that decision will stiffen FTC backbone in matters such as proposed rulemaking on children's TV ads.

"It certainly will lend some encouragement to hard-liners [at FTC]," Howard Bell, AAF pres., told us. "We were disappointed. Hopefully, there will be opportunities in the future to modify the ruling by other cases that may point up the fact that there are exceptions and this is going too far. It's a very punitive measure. We think this is a very dangerous precedent."

Meanwhile, FTC has approved voluntary ad rules drawn up by Cal. Wine Institute, first time Commission has given such approval, according to L.A. Times. Code stresses avoidance of promoting wine drinking by teen-agers, forbids use of models or personalities who appear to be under 25 or too sexy.

**CBS's ON-AIR APOLOGY:** Unique—or at least unheard of in modern times—was broadcast by CBS apologizing for misleading "winner-take-all" tennis broadcasts. Under FCC gun (Vol. 18:14 p2), network had Bcstg. Group Pres. Gene Jankowski offering 7-min. statement during April 9 sports program 1:25 p.m., to be repeated week later.

Jankowski starts with: "For more than 50 years, CBS has tried to adhere to the principle that a CBS broadcast must be what it purports to be. I regret to say that in 4 tennis broadcasts between Feb. 1975 & March 1977 this was not the case. Let me emphasize that no question has been raised as to the competitive integrity of these matches. But the matches were described by CBS, both on the air and in print, as 'winner-take-all'—and they weren't 'winner-take-all.' The financial arrangements made by independent promoters with the players involved substantial payments to the losers."

Jankowski then goes through whole thing, detail by detail, tells what it has done to avoid repetition, ends up with: "We regret that these 4 tennis matches departed from our accustomed standards. We are determined that those standards will be maintained in the future, for CBS's reputation for integrity is our most priceless possession."

Over objection of Best. Bureau—which feared flood of similar requests—FCC waived ascertainment requirements for WHMI-AM-FM Howell, Mich. (stations' signals cover much of Detroit). Stations in markets of less than 10,000 aren't required to conduct continuing ascertainment of public interests & needs. Chmn. Ferris & Comr. Brown dissented, will issue statements.

FCC should "get out of the business of setting time standards for radio stations," NAB told agency last week. It asked Commission to stop delegating to staff authority to consider commercial content when passing on renewal applications (Vol. 18:12 p6), arguing counting of commercials "is clearly beyond the jurisdiction" of Commission.

Views on VHF drop-ins and cable are offered by Stanley Besen, Rice U. economics prof. who becomes FCC network inquiry co-dir. in June, in March-April issue of Regulation magazine, published by American Enterprise Institute. In "Deregulating Telecommunications," he asserts that VHF drop-ins pose no threat to service to public, saying: "[Drop-ins] would operate over the air, would be advertiser-supported, and would be local stations. At worst, their introduction would merely displace one local station with another. Nonetheless, the Commission continues to protect UHF TV without having substantial evidence that this benefits viewers. (The only evidence that the Commission examined was on the impact the drop-ins would have on the number of UHF stations.)" As for cable: "The imposition of full copyright liability—an alternative that could have eliminated the need for restrictions on signal importation and provided for adequate compensation to program suppliers—was rejected by the Congress. As a result, the level of the fee schedule is likely to provide the FCC with a convenient excuse for continuing some restrictions. But, even if the restrictions should be removed, the controversy would simply shift to the Copyright Royalty Tribunal, which would then have to consider changing the fee schedule."

Because station is owned by women almost exclusively, FCC should expedite processing of application to increase power of WLEM(AM) Emporium, Pa., owners say. Terming it a classic "mothers & daughters" operation, petitioners want power increased from 1 to 5 kw; complaint application was filed over 21 months ago and hasn't yet been accepted for filing.

#### Suite 1676A, MGM Grand Hotel

Relax with Television Digest & Factbook—Suite 1676A, MGM Grand Hotel—while in Las Vegas for NAB convention. On hand for Television Digest will be Dave Lachenbruch, Paul Levine, Tack Nail, Ed Sellers, John Thompson, Al Warren, Paul Warren. If you want, we'll even talk business.



**NEW NAB EQUIPMENT:** Completely new RCA top-of-line studio camera, production versions of Sony 1" Type C standard VTRs and JVC's "full-fledged entry" into broadcast video, will be among equipment highlights of NAB exhibits this week in Las Vegas.

RCA's new camera, TK-47, is microprocessor-controlled, fully automatic and "not just an updated TK-46." It features computer-assisted setup. RCA also will show new MPU-controlled assembly editor for TR-600 VTR, featuring facilities for previewing & storing, followed by complete edit in one operation. CRT display gives operator option of simple yes/no decision-making in answer to questions. RCA is offering new automation accessory for videotape cartridge system which provides electronic cartridge identification by means of bar code similar to that used by supermarkets and making possible programmable random play of cartridges, instead of sequential play as at present. RCA also will announce that all TK-76B cameras are convertible to TK-760 studio-field cameras.

Sony reports it will show 14 new products. Its BVH-1000 studio 1" VTR and BVH-500 portable now are made to Type C standard, with some deliveries already being made. It also will demonstrate IF-1000 system to interface 3/4" & 1" VTRs for ENG & EFP, BVE 5000 computer editor, improved BVP-200 color camera for use with Plumbicon or Saticon tubes and new BVP-300 portable camera. Sony also promises "something that will really surprise you—it's a totally new technology. And it's never been seen before. Anywhere."

JVC's broadcast/professional equipment line, to be sold through dealers, includes 3/4" complete electronic editing recorder with high-speed & automatic search in both forward & reverse, at \$6,425. All operations, including assemble & insert editing, can be controlled from remote automatic control unit (\$3,650). Complete editing set-up with 2 editing recorders & remote unit is \$16,500, to be available in June. Completing JVC broadcast line are previously shown 3-tube ENG/EFP camera at \$18,000-\$22,000, depending on type of tube & lens, and 3/4" portable videocassette recorder.

Philips will show new LDK-14 portable ENG/EFP camera and LDK-25 studio & field camera. Marconi will premiere Mark IX family of color cameras for studio, remote & portable use. Panasonic will have ENG camera, AK-750, designed for variety of pickup tubes. Panasonic's best studio camera (AK-920) will be \$20,000 without tubes. New portable 3/4" VTR will get first NAB showing.

Under licensing agreement, CMX Div. of Orrox announced it will manufacture & market Videola under license from Vidtronics. Videola, at \$10,000, is system which collects time-code and other information from an edit controller and converts it to CMX-compatible edit decision list.

**FTC—'NANNIES' OR 'COPS':** "National nannies" is latest epithet applied to FTC by broadcasters who have been having a field day with agency's proposal to restrict TV ads for children. Expression (coined by Washington Post), was used by ABC Pres. Elton Rule, who told HRTS that FTC staff seemed to have

some "very questionable social theories," such as:

"TV ads make children into naggers their parents cannot turn down. Parents abdicate control of their children's TV viewing for fear that their kids will be 'social outcasts.' Parents are not only unwilling but are incapable of handling this job."

"If any product is clearly harmful," Rule said, "then the place to ban it is in the marketplace. If advertising restrictions are necessary, they should be applied even-handedly and across-the-board. Banning only the TV advertising of a product doesn't solve a problem caused by the use or misuse of the product."

ABC Senior Vp Everett Erlick, speaking to ABC radio affiliates in Las Vegas, warned: "Today we are talking about advertising to children, but tomorrow we could be dealing with another discriminatory assault on any type of broadcast advertising. It is a very short step from sugared cereals on TV to sugar-sweetened soft drinks on radio."

FTC Chmn. Michael Pertschuk, speaking to ABA Antitrust Law Section, defended agency: "We are not, as the Washington Post might have it, a regulatory-minded national nanny, but a cop on the beat of competition, and competition is the silver bullet of deregulation... A substantial share of our energy has been directed toward deregulation. We've begun by cleaning our own house... Regulatory reform may not promote the economic interest of the private bar. For meaningful reform suggests resisting pressure to protract litigation, denying quickly motions to quash subpoenas where our authority is not subject to legitimate challenge and refusing to judicialize proceedings that Congress clearly intended to be open & informal. And it requires a realization that litigation may play a less prominent role in our future efforts."

**WQAL(FM) Cleveland**—joined by NAB—has asked FCC to reconsider hearing on station's renewal application because it proposed only 2.3% news and 0.9% public affairs (Vol. 18:11 p4). Said NAB: "At the very least, before the Commission embarks upon what may be a new and incipiently unlawful policy," it should reconsider staff delegation policies. Action "betokens a new era of programming control and censorship despite the fact that programming has traditionally been an area..." outside FCC's jurisdiction. NAB also argued hearing appears to put licensees on notice that FCC "is not concerned" about formats, station location or number of services in market.

**NBC has received trickle of hate mail** since announcing plans for "Holocaust," 9-1/2 hr. drama on persecution of Jews, NBC Pres. Herbert Schlosser told National Conference of Christians & Jews. He said some have condemned show as "Zionist plot & Jewish propaganda."

**N. J. would get a VHF channel** under legislation proposed by its senators. Case (R) & Williams (D), and Rep. Maguire (D). They want Communications Act revised to provide each state with at least one VHF.



## Personals

**Carl Ward**, CBS vp-affiliate relations, promoted to vp-administration, new post; **Robert Hosking**, WCAU-TV Philadelphia vp-gen. mgr., succeeds Ward; **Bruce Bryant** promoted to vp-gen. mgr., affiliate relations; **David Fuchs**, CBS News vp-public affairs broadcasts, advanced to vp-asst. to pres., CBS TV Network.

**Daniel Gold**, ex-WFSB-TV Hartford vp-gen. mgr., appointed to same post at WCAU-TV Philadelphia, succeeding Hosking (see above); **G. William Ryan**, WPLG Miami, succeeds Gold at WFSB-TV; **Alan Perris**, WJXT Jacksonville vp-gen. mgr., succeeds Ryan as WPLG vp-gen. mgr.; succeeding Perris is **Amy McCombs**, WFST-TV program mgr.; Hartford, Miami & Jacksonville stations are owned by Post-Newsweek.

**Derk Zimmerman**, KBHK-TV San Francisco, moves to WFLD-TV Chicago as gen. mgr., succeeding **James Warner**, resigned... **Phyllis Tucker** advanced to mgr., NBC west coast film production.

**Sig Mickelson**, ex-CBS News pres. and recently vice chmn., Radio Free Europe & Radio Liberty, named lecturer, San Diego State U., for 1978-79... Ex-Secy. of State **Henry Kissinger** addresses April 19 IRTS luncheon, N. Y. Hilton... **William McGowan**, MCI pres., speaks at April 17 FCBA luncheon, Army-Navy Club, Washington; luncheon also will honor all past FCBA presidents... **Elliot Maxwell**, ex-Senate Committee on Intelligence, joins FCC Office of Plans & Policy as "principal advisor" on privacy & security of communications messages.

**Clifford Ford**, WKYC-TV Cleveland sales dir., advanced to station mgr... **Alan Levin** promoted to vp-asst. to pres., CBS Entertainment; **John Agollia** to vp-business affairs; **Martin Garcia** to controller.

**Walter Wurfel**, deputy White House press secy., keynotes Fla. Assn. of Bcstrs. April 24 "broadcasting day," Gainesville... **Charles Hitchins**, Blair TV mgr. of Chicago ABC sales unit, promoted to vp... **Harvey Chertok**, dir. of advertising, promotion & publicity for Time-Life TV, elected vp... **Robert Womack**, ex-WNEW-TV N. Y., joins Arbitron as TV eastern sales rep.

**Peter Kuyper** retires May 1 as Paramount corp. development vp, becomes consultant with hq in Newport, R.I., where he has ownership interest in WADK (AM)... **Steven Orr**, ex-CBS TV stations vp, joins 20th Century Fox TV as domestic sales vp; **Jerry Greenberg**, ex-WBBM-TV Chicago, named dir. of communications.

Promotions at Petry TV: **Rod Sterling**, Chicago mgr., to vp-mgr. of L.A. office, succeeding **Roger LaReau**, retiring; **John Gardner** succeeds Sterling; **John Popkowski** succeeds Gardner as Chicago group sales mgr.; **Art Scott** & **Ed Karlik** to sales dirs. for all Petry offices; they're succeeded as N. Y. group sales mgrs. by **Bruce Fauser** & **Arnold Annex**.

**Benigno Nosti** promoted to pres., Viacom Latin Americana... **Donald Lefebvre**, London managing dir., promoted to Telemation marketing dir.

"Memorandum of understanding" on EEO broadcasting matters, between FCC & EEOC, has been proposed by the agencies, with comments requested by April 17. (NAB, pleading pressure of convention and other Commission proceedings, sought 30-day extension, is likely to get at least 20.) Broadcasters are concerned that move bodes greater burden on industry. According to **Frank Washington**, legal asst. to Chmn. Ferris, proposal is designed to reach matters not properly handled by either agency—"a no-man's-land... things fell in the cracks." Meanwhile, FCC dismissed request by 8 minority & women's organizations that FCC investigate hiring practices of 907 stations. Commission said that group hadn't followed procedures set up for such objections, that there were ample opportunities for filing specific complaints. It also noted that it was employing, as of April 1, "more stringent EEO processing criteria."

**Washington Cable Forum** is group being organized for monthly informal exchange of ideas. First session is breakfast meeting April 20, Capital Hilton, with Sen. Cannon (D-Nev.) as speaker. NCTA Pres. **Robert Schmidt** said: "It will be a bit of an insider group. The membership requirements are loosely defined right now. We're inviting a number of lawyers and company officials at first, then see whether to enlarge. We're thinking of 20-30 folks at first, but it just might grow." There are cable clubs in N. Y. & Denver.

TV viewing rose to new Feb. high last Feb., totaling 7 hours daily, TvB says. That's 5 min. above previous Feb. high and 16 min. below all-time high of Jan. 1977. Meanwhile, PBS says number of households viewing public TV on weekly basis during Feb. increased 8.6% (to 22,871,000 homes) from year ago. Even greater, PBS says citing Nielsen, was increase in number of households watching public TV during prime time, which jumped 11.8% from previous Feb. (to 12,977,000 homes).

**HEW awards 100 grants**—totaling \$14 million—for facilities of 47 public TV and 52 radio stations; 8 radio grants are for new stations, 7 TVs.

## Obituary

**Ernest Wilkinson**, 79, founder of Washington law firm Wilkinson, Cragun & Barker, former pres. of Brigham Young U., died of heart failure April 6 in Salt Lake City. He started law firm after World War II, served as Brigham Young U. pres. 1951-71, ran unsuccessfully for Senate in 1964. He was noted for litigation on behalf of Indians, including judgment for \$32 million obtained for Ute Indians for land taken by govt. in 1880. Survivors include brother Glen, partner in law firm, wife, 3 sons, 2 daughters.

**George Gillingham**, 83, retired FCC information dir., died April 3 in Washington. Native of N. J., he began career as reporter on Newark & Philadelphia newspapers, served in both World Wars as information officer in Chemical Warfare Service. He was with Pathfinder magazine 1922-33, PR officer with TVA next 6 years, joined FCC in 1939, retired in 1965. Survivors include brother, 2 nephews, niece.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 24 (12th week of 1978):

	March 18-24	1977 week	% change	March 11-17	1978 to date	1977 to date	% change
Total TV. . . . .	292,883	253,655	+15.5	345,914	3,255,393	2,963,123	+9.9
color . . . . .	176,038*	150,915	+16.6	215,317	2,076,019**	1,819,467	+14.1
monochrome . . . .	116,845	102,740	+13.7	130,597	1,179,374	1,143,656	+3.1
Total radio . . . . .	735,615	727,617	+1.1	768,097	9,231,899	7,710,659	+19.7
home, portable . .	499,135	497,990	+0.2	511,845	6,302,324	4,730,590	+33.2
AM-only . . . . .	121,893	94,452	+29.1	158,017	1,795,924	1,205,797	+48.9
FM & FM-AM . .	377,242	403,538	-6.5	353,828	4,506,400	3,524,793	+27.8
auto . . . . .	236,480	229,627	+3.0	256,252	2,929,575	2,980,069	+1.7

Color TV 5-week moving average: 1978—191,051\*; 1977—154,550 (up 23.6%).

\*Highest for 12th week of any year. \*\*Record.

**BEHIND RECORD FIRST-QUARTER COLOR SALES:** When first-quarter color TV sales-to-dealer figures are released next week by EIA, they'll show record 2,287,800 units, up 14% from last year and 7.4% from previous record set in 1973. Sales for quarter work out to 10.2-million rate on annualized basis. March sales were hottest of year so far—966,300, up 25.3% from last year, 14.2% from 1973—at annual rate of nearly 10.9 million.

More vital statistics on color's hot first quarter: Feb. & March sales to dealers set records for those 2 months. Eight of year's first 13 weeks were records for those weeks. Four of March's 5 weeks were records. Final week, not yet officially reported, fell short of 233,000 record set in 1974; sales totaled about 211,800, up 13% from 1977.

TV manufacturers unanimously agree that color sales in first quarter have been excellent, but most privately concede that their own weren't quite so good as EIA figures indicate. In fact, members of EIA Mktg. Services Committee were concerned about numbers, did careful study, came up with strong endorsement of integrity of numbers.

Actually, there may be very simple explanation of why numbers are so much stronger than sales gains by most individual manufacturers—and you saw it if you read last week's Television Digest carefully. Color TV production by Sanyo Mfg. Co. for first quarter 1978 apparently is 115,000-130,000 above same 1977 figure (Vol. 18:14 p10). Sears buys 87.5% of Sanyo's output and its sets are considered sold when they're manufactured—so they're automatically included in EIA's sales to dealers. Sanyo's increase in sales to Sears alone could represent almost half of first-quarter increase over 1977, bringing actual increase by remainder of industry down to more realistic 7%, instead of 14%. As 2nd half of year approaches, Sanyo's gains over last year are expected to decline sharply. Most of industry, in fact, doesn't expect roaring pace to continue into 2nd half.

Sales are high amid some of most violent price competition in recent history, color TV makers agree. Both RCA & Quasar reported highest first-quarter sales to dealers in their history (Quasar includes Motorola sales in its claims). Rough pricing is no longer attributed to imports, but to monumental battle for supremacy between RCA & Zenith, fallout from which is hurting smaller companies. As result, little chance is seen by most majors for major price increases this year.



As for imports, more hikes are definitely in works because of yen's ever-increasing strength against dollar. Sony, which had hoped to reduce color prices or at least hold the line, now says there will be some "slight increases" in May, but, according to Consumer Products Exec. Vp Joseph Lagore, "further increases will probably be necessary down the road." Panasonic Exec. Vp Ray Gates expects across-board increase July 1. Just returned from negotiating session with parent Matsushita last month, Gates indicated all plans had been made based on rate then of about 239-242 yen to dollar. "Now it's 218 and that changes everything." Sharp will increase all prices in May.

Color TV sales to dealers are outpacing retail sales, many manufacturers agree. RCA Consumer Electronics Vp Roy Pollack thinks sales bulge represents strong dealer restocking. "Going out of 1977, retail inventories were quite modest," he says. He sees sales increases leveling off as year progresses. "We still believe 9 million color sales [to dealers] is a good figure." In pricing, "since the first quarter of 1977, competition has been as severe as the mind can envision—there's been no letup from quarter to quarter."

Magnavox Consumer Electronics Pres. Alfred di Scipio thinks EIA figures accurately reflected current strong color market, but forecasts some leveling-off later in year. Magnavox surveys, he said, show 10-million area as reasonable for year. He says color mix is temporarily distorted toward low end in both console & portable-table categories. Di Scipio sees some firming of prices, given continuing strong market, but no substantial increases.

Some shortages of individual models are showing up as result of unexpectedly strong business, according to Quasar Vp Alex Stone. First quarter was "hell of a lot stronger than we thought it would be in Dec." On pricing—"if they go down any further, there'll be people jumping out windows."

"Most of the industry's trying to figure out what the [EIA] numbers mean," says GTE Consumer Electronics Co. Pres. Robert O'Neil. "We thought we were doing sensationally—but now we find we're only doing good" compared with EIA figures. Pricing is usually lower in Jan.-March than in May, "so we're hopeful for some modest increases—if portables go up to \$388 from \$368 and consoles go to \$569 from \$549, the \$20 bill will be appreciated."

There may be some dealer buying to beat anticipated price increases on Japanese sets, Sony's Joe Lagore said, but "we have no explanation of why [industry] sales are going through the roof." Sony's sales this year are up about same 14% as industry for first quarter—"but I don't know why—there is no strong feeling of increased retail sales."

Domestic manufacturers must be getting big share of increased business, reasons Panasonic TV Gen. Mgr. Stan Hametz, since Japanese makers are hamstrung by quotas and hampered by rising prices. However, "in spite of the pricing situation, our business is better than we expected."

**VANIK PRESSING TREASURY ON DUMPING:** Japanese may feel Treasury got too tough in trying to clear up TV dumping case, but others, including Rep. Vanik (D-O.), think it wasn't tough enough. Vanik heads Ways & Means Trade Subcommittee, has asked Treasury to explain why recent dumping duty assessments cover only 1972-73 imports from Japan (Vol. 18:14 p7), and not 1972 to present.

Behind Vanik's query lies threat of hearing into Treasury's handling of this and other anti-dumping cases. At hearing last Nov., Vanik was sharply critical of Treasury's delay in wrapping up TV dumping case, which one Committee staffer terms "the most flagrant example of Treasury's egregious failure to enforce the anti-dumping law."

Treasury developed new hard-line approach to problem of dumping duty calculation for TV case, one that excludes many previously acceptable marketing cost allowances Japanese would normally have used to explain why export prices are lower than those charged at home. Result is, in many instances, dumping duties as much as 3 times higher than anticipated. Sending out bills covering limited period is, it's understood, Treasury's way of softening financial blow to importers. However, Vanik doesn't appear to share agency's views. With full committee tied up in tax revision, late April seems to be earliest Subcommittee could meet.



Direct call for Treasury to speed up assessment process came from TV industry-union group COMPACT. Fast action by Treasury in 1971 could have saved U.S. TV industry then, prompt action now will "serve notice that the law will be enforced," head off influx of low-priced TVs from Taiwan & Korea, group stated.

Treasury action "could force Japanese companies out of the U.S. market," if allowed to stand, according to Yashito Yamaguchi, pres. of Mitsubishi subsidiary Melco Sales. Treasury's assessment method is "incredible, destructive & totally unacceptable," shows "no regard for the complicated distribution methods and complex manufacturer-dealer relationships that exist in the domestic Japanese market," he stated.

Meetings with Treasury over past 7-1/2 years led Japanese TV executives "to believe a more reasonable decision [on calculation] would be forthcoming," Yamaguchi said, added that adoption of new "automatic method of appraisal indicates succumbing to congressional pressures and ignoring their own findings."

**TAIWAN TOPPED JAPAN IN FEB. COLOR IMPORTS:** Changing pattern in color TV import trade forced by rising value of yen and quota on Japan-to-U.S. shipments is shown strikingly by Taiwan's first-time emergence as No. 1 supplier in Commerce Dept.'s Feb. import data, toppling Japan from traditional top spot. Figures also show that VTR imports suffered 2nd consecutive monthly decline.

Paced by massive increase in imports of color sets & chassis from Taiwan, Feb. color influx jumped 97.4% from same 1977 month to record 381,700, while b&w rose 38.3% to 453,400, for TV import total of 835,200, up 60.2%. Two-month TV total of 1.45 million was up 28.4%—color 48.3% to 674,100, b&w 15% to 776,000. Feb. color total includes 179,300 complete receivers (up 45.8%), 202,400 chassis & kits (up 187.6%); 2-month complete color was up just 2.7% to 377,400, incomplete at 296,700 was up 240.9%.

Imports of cassette & cartridge color VTRs, including both home & industrial models, totaled 25,800, 5-month low. While up 354.5% from same 1977 month, figure is down 21.8% from Jan. and 49.7% from Dec. Jan.-Feb. total of 58,700 represents sixfold hike from year earlier. Figures show EIA was on target with Feb. estimate of home VTR imports at 20,200, lends credence to belief industry has some inventory-adjusting to do before imports start rising significantly again (Vol. 18:12 p8).

Surprise of Taiwan's displacement of Japan in color prominence was timing. Facilities build-up by local producers, as well as U.S. & Japanese export assemblers there, has been publicized heavily over last 8 months. But emergence of Taiwan as major factor in color market here wasn't expected until late in 2nd half.

Commerce reported Taiwan supplied 384,700 TVs in Feb., up 84%, including 123,900 color (up 1,152.6%), 260,700 b&w (up 30.9%). Japan's results for month were 228,100 total TVs (up 17.6%), with color at 119,600 (up 4.8%), b&w at 108,500 (up 35.8%). Japan retained firm grip as leading supplier of complete color TV, with 96,900 in month (down 10.7%) against Taiwan's record 45,900 (up 368.1%). In color chassis & kits, however, Taiwan was way out in front with 78,000 to Japan's 22,700. On 2-month cumulative basis, Japan still outranked Taiwan in total color, 271,600 (down 20.4%) to 184,100 (up 762%). Japan's 2-month overall TV total of 471,900 was off 9.9%, as b&w rose 9.7% to 200,300. Taiwan's 630,500 TV total was up 49%, including 11.1% gain to 446,400 for b&w.

South Korea also made impressive gains in Feb., with total TV rising 87.2% to 92,700, as color jumped 149.2% to 14,100, b&w 79.2% to 78,600. Korea's Jan.-Feb. TV total of 144,600 was up 44.1%, with color up 102.2% to 29,400, b&w up 34.3% to 115,200. Also in color, Canada supplied 19,800 in month, raising total to 40,800 (there were no commercial-quantity color imports from Canada until late 1977); Singapore supplied 1,800 in Feb. (up 140%) for 2-month total of 2,500 (up 99%). Feb. color chassis imports from Mexico jumped 62.1% to 101,700, for Jan.-Feb. total of 141,800, up 97.7%.

Ability of Taiwan, Korea and even Canada to crank out major quantities of complete color



for export to U.S. signals futility of any realistic hope that unilateral quota on Japan's exports will create market opportunity for domestic factories. If imports just keep on present track, we can expect Japan to fill 1.56-million complete-set color quota this year, Taiwan to supply some 600,000, Korea about half that, and Canada an additional 250,000, for total of at least 2.7 million. That would be up 8% from last year, just 4% below 2.8 million record of 1976. Based on estimates now that total U.S. color market will grow only about 5% this year to 9.5 million, expected hike in imports will leave little room for gain in domestic production.

\* \* \* \*

President Carter can order CB duty rate hike, but he can't legislate market bounceback. CB business is still sinking, according to Feb. import data showing total transceivers at 416,-800, down 81.2%, for Jan.-Feb. total of 807,400, down 79.1%. CBs, including toy walkie-talkies, totaled 400,000 in month, down 71.7%; 778,200 for 2 months, down 68.7%, decline led by former mainstay mobile units. Mobiles were down 75.6% in Feb. to 171,600, off 73% for Jan.-Feb. to 344,100.

**FCC'S 'PANEL OF EXPERTS':** How far can UHF noise figure be dropped without hampering FCC effort to reduce taboos and how much will lower figure cost consumer? Those and other questions will be discussed May 10 by panel of experts now being rounded up to give FCC feedback on controversial noise question (Vol. 18:14 p11).

FCC asked those wanting to participate to file letter by April 14 describing technical expertise. Panelists selected, including some possibly chosen separately by FCC, will be required to submit written response to questions by May 5. Following panel, those without specific technical expertise and those wishing to make general, non-technical comments on issue will be given opportunity to speak if letter is submitted by April 14.

Questions: (1) How far can noise figure be dropped without endangering taboo-reduction effort, significantly degrading picture quality or slowing adoption rate of electronic tuners? (2) How will various reductions of noise figure increase cost of production-line TV set, and how far (and at what cost) can figure be lowered by improved quality control, new components or major set redesign? (3) How many viewers will be affected by 2- & 4-dB reductions, and what will effects be? (4) Can 14 dB be achieved by Oct. 1979, or sooner, and how much additional time will be needed if FCC goes to 10 or 12 dB?

Comr. Quello wasn't happy about way public notice announced action, saying: "The notice persistently presents that staff position as the official FCC position, and does not represent the action actually voted by the Commission... In fact, the document referred to is purely and simply a staff recommendation and carries absolutely no official imprimatur, actual or implied." Obviously, he wants staff to have to defend its position, before commissioners in hearing, just as other parties must.

Zenith settled trademark-infringement suit brought against it by Allegro High Fidelity of San Francisco. Terms weren't disclosed. Suit sought to enjoin Zenith's use of Allegro on compact stereo line, asked \$20-million damages.

**JVC RESTRUCTURES:** Taking page from Sony's book (Vol. 18:9 p10), JVC has restructured U.S. organization along marketing lines and created 3 support operations. Company's growth requires more product specialization on part of sales reps, according to Pres. S. Hori, who said U.S. sales volume doubled last year, is expected to increase 60% this year.

Former JVC America has been split into Hi-Fi Components Products Div. & Home Entertainment Products Div. In addition to TV & radio-cassette recorders, HEPD gets responsibility for Vidstar VHS home VTRs, cameras & accessories. JVC Industries has been replaced by Professional Video Products Div. which will concentrate on non-consumer video products. Providing support for all 3 new marketing units will be Service & Engineering, Planning and Imports & Mdse. Control Divs.

In personnel realignment, Richard O'Brien becomes corp. sales & mktg. vp; Sparky Wren is now asst. to pres., mktg.; Henry Hermes becomes asst. to pres., & service vp for all product divs.; Harry Elias is now HEPD sales vp; George Meyer is national mdsg. mgr. for both HEPD & HFCDP, with added responsibility for merchandising & sales training; Cliff Shearer is national ad & promotion mgr. for all product divs., Kurt Murai Planning Div. Mgr.

Film-to-videocassette transfer service is offered on national basis by Swenson Productions, Glen Ridge, N.J., whose Eric Swenson says it's serving customers from Alaska to Fla. Among services: Super-8 to Betamax transfer, 60 min. (20 50-ft. reels) \$35 plus \$14 for cassette. Still photos or slides to cassette, 25¢ per picture. Company also provides videocassette coverage of weddings, parties, etc. "for the price of a commercial photographer."

Movie studios' & unions' requests to file amicus briefs in Universal Studios-Disney copyright suit against Sony (Vol. 18:13 p10) were rejected by Judge Ferguson in L.A. federal court. He said large number of issues which could be raised by so many firms would constitute "insurmountable burden" on Sony. In addition, he said, it would be unfair to Sony to have same parties appear as witnesses and friends of court.



**MAGNAVOX 1977 RESULTS:** Magnavox has become highly profitable, according to information in North American Philips annual report which shows it took just one year for NAP to turn Magnavox from money-loser to money-maker. Historical data, available only through 1975, indicates that virtually all of improvement was centered on Magnavox's consumer electronics business.

Here's 5-year summary of Magnavox net results, with 1973-5 breakout for consumer electronics (1976 & 1977 results are for holding company of which Magnavox is dominant asset):

**MAGNAVOX EARNINGS**  
(in millions)

	1973	1974	1975	1976	1977
Total. . .	\$6.9	(\$12.6)	\$ 1.5	\$16.2	\$14.6
CE-only. .	(\$3.3)	(\$13.4)	(\$10.3)	n.a.	n.a.

NAP report shows sales of consumer electronic & electrical products last year rose 14.4% to \$569.3 million, but net from those operations dropped 21.5% to \$44 million. NAP attributes falloff to reduced earnings from electronic games & electric appliances, noted income from those products declined by \$5 million in 4th quarter. Quota limiting Japan's color exports to U.S. is opportunity for U.S. set makers to be more competitive, and Magnavox is investing in automated equipment & new circuit design "to reduce cost while increasing performance of its sets." Magnavox "fully expects to remain competitive with off-shore-produced units" after quota agreement expires, NAP states.

Atari sold 850,000 video games in 1977, including about 340,000 programmable Video Computer Systems (VCS), Warner annual report of parent Warner Communications says, making it leading home game producer in terms of dollars during year. But production inefficiencies, late deliveries and lower-than-anticipated shipments—all caused by tight chip supplies from semiconductor makers—led to disappointing earnings (Vol. 18:9 p12). Same chip problem affected software, and firm was unable to meet demand for cartridges. "Management has dedicated itself to development of a line substantially earlier than in 1977," report concludes, "with the result that chip delivery problems and manufacturing inefficiencies should not be negative factors in 1978."

Coleco will report "substantial loss" in 4th quarter, company says, adding that it's being wooed by unnamed "major company." Dip in earnings is generally attributed to late deliveries of game chips before Christmas, cutting back substantially on number of finished games it was able to deliver. Announcement of problem was coupled with statement that "major company has recently indicated an interest in acquiring Coleco," but that "no negotiations are going on at present and any contacts have been preliminary."

**Distribution notes:** GTE Consumer Electronics appoints Myers Sales, Cleveland, and S-W Distributors, Berkeley, Ill., for Philco line... Apple Computer appoints CompuShops Distributing, Dallas, for home computer line.

**Motion for dismissal** as defendants in \$1-billion antitrust suit brought by Zenith & NUE was filed in Philadelphia federal court by Melco Sales & parent Mitsubishi Electric. Brief cites affidavits denying allegations they engaged in unlawful conspiracy to fix prices or help Japanese producers monopolize U.S. TV market, challenges right of any U.S. court to hear case. Melco says all price actions charged in suit were result of Japanese govt. orders, thus aren't subject to American court review. It also questions whether court should become involved in "delicate & sensitive" international trade issues with which Congress & President "are far better-equipped to cope." Melco goes on to accuse Zenith of "using this private civil litigation as one part of a multi-faceted effort to subvert & destroy foreign competition... in a desperate effort to shore up its deteriorating financial position. This is a situation that has been caused not so much by fair & hard competition from abroad, but rather by plaintiff's management & operations."

**Hitachi may enter color production** in U.K. after all. Despite rejection by British govt. of plan to set up color plant (Vol. 17:50 p11), Hitachi apparently still is interested, reportedly has opened negotiations for takeover or participation in color manufacturing of GEC. Company is unrelated to GE, which is selling Hitachi a 50% interest in U.S. color TV business (Vol. 17:50 p7). Similarly, Rank is talking about joint TV production with Japan's Toshiba. Intense import competition and domestic-market softness is continuing to take toll among U.K. color producers. Last week, Thorn said it will close 2 color plants, eliminating 2,200 jobs, while Decca will shut one facility, lay off 350. Excess domestic color production capacity was behind U.K. turnaround of Hitachi's earlier plant bid.

**Projection TV notes:** Patent application for f1.1 plastic lens system for 3-tube TV projectors using standard 5" tubes has been filed by U.S. Precision Lens, which says it will increase brightness of such projectors as Advent type by 50% with no other changes and no increase in costs. U.S. Precision Chmn. Roger Howe estimates his company will sell lenses for 45,000-60,000 projection TV systems in year starting July 1, "based on the business we can see now"... Magna-Vision, North Wales, Pa. projection TV assembler, changes name to PTV Network "to eliminate consumer confusion" with other companies.

**First exhibit** at N.Y. Museum of Modern Art devoted exclusively to consumer electronics equipment will feature 34 products made by Denmark's Bang & Olufsen April 14-June 18. Included will be receivers, radios, turntables, tape decks, loud-speaker systems, headphones, microphones & TV sets, shown as examples of visual design. Show marks 5th time in history museum has featured products of single manufacturer in design exhibit—others being Thonet (furniture), Olivetti (business machines), Chemex (coffee makers), Braun (housewares & appliances).

**U.S. electronics companies** have invested about \$289 million in Taiwan manufacturing since 1952. This is about 56% of total U.S. \$516 million investments there.



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with  
Consumer Electronics...

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## Personals

**Robert McCarthy**, ex-Sylvania video products vp, joins Magnavox as sales planning & admin. vp, assuming duties performed on interim basis by **Charles Dolk**, who continues as product management vp...**Ronald Falkenstein**, ex-Channel Master, appointed Acoustic Research field sales mgr., succeeding **James Benedict**, resigned to enter rep field.

**Herbert Hershfield** promoted at GRT from vp to senior vp, mktg...**Robert Deffeyes** named Graham Magnetics pres.-chief exec...**Philippe Chauveau** promoted at ITT Electronics & Industrial Components Group from asst. mktg. dir. to mktg. dir...**Jay Litus**, ex-RCA Solid State, appointed Solid State Scientific IC mktg. mgr...**Michael D'Agostino** advanced at RCA Solid State to MPU product mktg. mgr.; **Robert Singleton** named mktg. mgr. for timekeeping products; **Donald Carley** appointed automotive IC programs mgr.

**Michael Eisner**, Sony controller, named vp...**John Jackson** appointed mgr. of new Maxell Engineering Dept.; **Warren Mann**, ex-BASF, named East sales mgr...**Mike Dalgaard** promoted at Yamaha Audio Div. to national sales mgr.; **Mark Harris**, ex-Maxell, named Northeast mgr., succeeding **Dalgaard**; **Ray Mehlbaum**, ex-Toshiba, named West & North Central mgr.; **Jay Eagle** appointed for South & Central...**Jack Calkins**, ex-Knowles Electronics, named Switchcraft purchasing mgr., succeeding **Bjorn Hested**, resigned.

Casio is moving into popular-priced watches with 4 models in \$31-\$80 range. Company says they will use same modules found in its \$150-\$300 watches, but have simpler cases & bands. Casio says production in Japan is being doubled to 300,000 monthly.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Advance Ross</b>			
1977-year to Dec. 31	39,172,625	2,259,029	.66
1976-year to Dec. 31	26,547,170	1,986,855	.58
1977-qtr. to Dec. 31	8,651,395	1,751,809	.51
1976-qtr. to Dec. 31	8,974,319	1,043,885	.31
<b>Chris-Craft Industries</b>			
1978-6 mo. to Feb. 28	39,946,000 <sup>a</sup>	2,687,000 <sup>b</sup>	.49
1977-6 mo. to Feb. 28 <sup>c</sup>	39,105,000 <sup>a</sup>	2,832,000 <sup>b</sup>	.52
1978-qtr. to Feb. 28	17,671,000 <sup>a</sup>	1,533,000 <sup>d</sup>	.29
1977-qtr. to Feb. 28 <sup>c</sup>	18,876,000 <sup>a</sup>	292,000 <sup>d</sup>	.01
<b>Corning Glass Works</b>			
1978-12 wk. to March 26	279,899,000	22,017,000	1.24
1977-12 wk. to March 27	269,390,000	24,107,000	1.36
<b>MGM</b>			
1978-6 mo. to Feb. 28	167,128,000	17,822,000	1.22
1977-6 mo. to Feb. 28 <sup>c</sup>	147,189,000	13,710,000	.92 <sup>e</sup>
1978-qtr. to Feb. 28	92,606,000	9,607,000	.66
1977-qtr. to Feb. 28 <sup>c</sup>	75,432,000	6,335,000	.43 <sup>e</sup>
<b>Tele-Communications</b>			
1977-year to Dec. 31	52,790,000	1,989,000 <sup>b</sup>	.30
1976-year to Dec. 31	46,078,000	1,008,000	.12
<b>Telecor</b>			
1978-9 mo. to Feb. 28	92,877,000	4,240,000	1.00
1977-9 mo. to Feb. 28	72,373,000	3,230,000	.77 <sup>e</sup>
1978-qtr. to Feb. 28	26,124,000	983,000	.23 <sup>l</sup>
1977-qtr. to Feb. 28	18,915,000	711,000	.17 <sup>e</sup>
<b>Wells-Gardner</b>			
1977-year to Dec. 31	8,176,363	(2,975,559)	--
1976-year to Dec. 31 <sup>c</sup>	14,629,227	(1,148,772)	--

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

**Tenna won't be charged** with participating in illegal ocean freight rebate scheme as result of guilty pleas entered in Cleveland federal court by ex-Chmn. **Harvey Ludwig** and Seatrain Lines. Ludwig admitted he personally accepted \$235,000 in kickbacks from Seatrain in 1972-75 in return for Tenna's shipping business. Ludwig resigned from car radio & accessory firm in July 1976 after Justice & SEC opened probes into rebate practice (Vol. 16:30 p11).

Japan's electronics output in fiscal 1978 will total \$24.6 billion (at 230 yen to dollar) up 7.1% from 1977, EIA-Japan estimates. It forecasts consumer electronics will rise 5% to \$10.3 billion, industrial equipment & computers increasing 11.8% to \$6.86 billion, parts up 5.8% to \$7.4 billion. Within consumer electronics, EIA-J sees increases of 48% for VTRs, 12% for stereo components, 19% decline for CB.

## Obituary

**Martin Benedek**, 74, ex-General Instrument chmn. and electronic parts pioneer, died March 26 in Palm Beach. He was co-founder in 1926 of Mica-mold Radio Corp., where he developed method still used for mass production of capacitors. When Automatic Mfg. Corp., which he founded in 1936, was merged into GI in 1955, he was elected chmn. He continued as a dir. & chmn. of finance committee until his death. Wife, 3 sons, survive.



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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**NAB—MOSTLY GOOD NEWS & PROSPERITY:** Everything goes right at Las Vegas convention as Ferris draws 3,500 for maiden industry speech. Van Deerlin vetoes mandatory access. Reagan attack on big govt. is big hit. (P. 1)

**SEX, VIOLENCE & KID TV** receive NAB focus. FCC's Washburn wants kid ad reductions. ACT's Charren pleased with NAB attention. (Pp. 3 & 6)

**JAGODA EYED BY SENATE:** White House's Jagoda gets Senate flak on public broadcasting role during Geller nomination hearing. Goldwater discusses holding nomination up pending Jagoda appearance. Geller gets nothing but kudos. (P. 4)

**RADIO GETS FCC ATTENTION** at separate convention panels of commissioners and top staff. Lee chastises broadcasters in their opposition to new technology. (P. 5)

**PUBLIC 'SKEPTICAL OF BIG GOVT.'**, Wasilewski tells TV delegates at NAB. Sees 'alliance' of ex-public interest lawyers now in govt. (P. 5)

**'COPING WITH CABLE':** NAB panel describes how to deal with cable. Fox cites cooperative agreement. Ungar says it's 'myth' that FCC intends to drop all cable rules. (P. 7)

**MINORITIES & WOMEN AT NAB:** Broadcasters attacked on hiring & promotion policies. FCC's White says EEO not designed just to satisfy FCC. (P. 7)

**1" VTR SWEEPS NAB**, as Ampex, Sony, Philips, RCA, NEC & Marconi offer Type C standard recorders. Digital frame-store prices down. (P. 8)

**NAB—MOSTLY GOOD NEWS & PROSPERITY:** Just about everything that could went right last week at NAB's 56th convention in Las Vegas. There were 20,879 attendees—6,200 officially registered broadcasters (just over 6,176 record in Washington last year), 5,984 exhibitors and 8,695 registered guests who toured 122,445 sq. ft. exhibit area.

Though President Carter turned NAB down for 2nd year in row (he spoke to ASNE convention in Washington April 11), all 7 FCC commissioners, Sens. Cannon (D-Nev.) & Hollings (D-S.C.), Rep. Van Deerlin (D-Cal.) and several dozen other govt. officials were there. NAB staffers had worried about FCC Chmn. Charles Ferris drawing crowd for his maiden speech at closing Wed. luncheon (see below). They needn't have, over 3,500 showed up, many staying around for hour-plus concert by Charley Pride that followed.

**WILEY & PARKER IN BOX:** Audience gives ex-FCC chmn. TKO in debate over increased regulation of TV-radio. (P. 9)

**NUBA'S IMPROVE-UHF PLANS:** Stressing moves in ratings, cable, children's advertising, tuner noise. (P. 10)

### Consumer Electronics

**JUSTICE DROPS PROBE** into antitrust charges against TV makers. Zenith's Nevin & Rep. Vanik attack Treasury backing down on TV dumping duty levies. (P. 12) Treasury's dumping roster. (P. 15)

**GE PROJECTOR** at \$2,800, to be added to line in June. Single-tube, one-piece unit uses special 13" tube, optics developed by outside firms. Narrow viewing angle could be problem. (P. 13)

**B&W IN COMEBACK** in March after lagging in first 2 months. Color inventories at comfortable level. Color moving average at highest point in any first half. Another record in 14th week. (P. 14)

**NEW ATARI PRODUCT** on way will be more sophisticated step-up from VCS programmable. Game-oriented system will feature some computer functions. (P. 15)

**TOSHIBA COLOR LINE** includes 5" AC-DC, 21" programmable with MPU-controlled tuning. Toshiba, Sony, Technics beef up hi-fi lines. Mid-fi marketers upgrading. (P. 16)

**RCA NET** at record in first quarter. Sanyo Mfg. posts strong performance. APF reposts loss for 1977. (P. 18)



Everybody we could find—exhibitors, broadcasters, NAB convention planners, spouses and just plain hangers on—left feeling good about convention itself, though some weren't so happy about other enticements Las Vegas has to offer. Two comments heard most often in hallways were "gee, business is great" and "do you know of a TV station I can buy?"

TvB Chmn. Marvin Shapiro detailed just how good business is—survey of 45-50 TV stations shows first quarter national sales up 18.8%, local sales 18.1%. "I know most of you...are experiencing excellent gains as 1978 unfolds," he said.

While Ferris declined to submit to questions—he rejected invitation to appear on panel with 5 other commissioners—his speech was described to us as "excellent for his purposes." He criticized somewhat: "Today, too much programming is still the same from hour to hour, channel to channel, with only the names of the networks changed to protect the appearance of competition... Today, the tyranny of Nielsen's numbers has strengthened its hold." He promised somewhat: "I am determined" to solve problem of "revised & simplified" FCC procedures. "TV... will not—and cannot—be made fertile by overlaying it with a vast swampland of regulations."

Ferris rested his case essentially on 5 "principles" to determine "how, and to what ends, the Commission will move": (1) "Integrity & independence of the Commission's process is more important than any of its particular decisions." (2) FCC will be "even-handed in enforcing its rules and in protecting the public interest. In the past, the FCC sometimes has been more attentive to [licensee] abuses against your commercial clients [fraudulent billing] than it has with the misuses of the medium in relation to... the public... No longer should the Commission be tougher on smaller than on the larger licensees... Your licenses cannot be viewed as a vested interest to be held in perpetuity. I intend to enforce the public interest standard for renewal."

(3) "I will not exceed my authority by intervening directly in your specific program decisions... You must, however, be sensitive to viewpoints and opinions of those who do not have FCC licenses... Journalistic integrity [in broadcasting] means opening the medium to many." (4) "FCC should seek to stimulate excellence through diversity and diversity through competition... I do believe the consumer's interest is paramount. But I reject the myth that the consumer's interest and increased government intervention are identical."

(5) "Perhaps most importantly, I believe that the FCC should encourage new technology and services, rather than helping any vested interest hold them back. Your industry... will not prosper now by explaining why not to advance in communications technology... You cannot argue for less regulation of your own medium and at the same time argue for more protection from competing information sources."

At end of Ferris speech, NAB Chmn. Donald Thurston promised Assn. will "accept the challenge to embrace and adapt to new technology."

FCC Comr. Fogarty said he was "extremely impressed" with Ferris speech. "It was liberal, forward-looking, and the industry doesn't have to be afraid of us. It was reasonable. Any broadcaster who does a decent job has nothing to worry about."

Just ahead of Ferris's speech, NAB Pres. Vincent Wasilewski engaged in spirited interview of House Communications Subcommittee Chmn. Van Deerlin (D-Cal.). Much of it dealt with Communications Act rewrite. When rewrite bill emerges in June, Van Deerlin predicted broadcasters will like what they see. He was applauded when he said that ascertainment "makes no sense whatsoever" and that continued regulation of most facets of radio "is a dreadful waste of commissioners' and staff time."

Van Deerlin said that longer licenses will be provided in bill and that he "personally" would abolish equal time requirements. He noted, however, that law is very popular with most members of Congress and that fairness doctrine part of Sec. 315 is "near and dear to the hearts" of many broadcasters who find it a comfortable crutch. He also found it "disappointing" that most broadcasters oppose most changes and new technology.

Van Deerlin drew biggest applause on 2 points: (1) Mandatory access shouldn't be required



for over-the-air broadcasting because cable can and should provide such service. (2) He wished he had his "yes" vote back which helped ban cigaret ads from TV-radio, and he believes that proposal to ban certain commercials in children's shows is "hypocrisy." He said if product is harmful, it should be banned or controlled at point of sale.

At opening general session April 9, Sen. Cannon (D-Nev.), chmn. of Senate Commerce Committee, both condemned and praised broadcasting. He "took exception...to some of the more blatant charges leveled against programming," but added: "Radio and TV have brought their own form of pollution into our world. We must recognize the growing disenchantment of many Americans, not simply with the violence and vulgarity...but with the general banality of much of the fare they're offered every day."

Other senator at convention, Hollings, Communications Subcommittee chmn., offered some reassurances: "We don't want to go in and mess up broadcasting. We think it is working good. We don't want to put anything in your way."

In accepting NAB's Distinguished Service Award, Cox Bcstg. Chmn. J. Leonard Reinsch took another view: "As I have listened to the bleatings of the do-gooders, the political hacks, and even some of our competitors, I have always taken comfort in reminding myself [that] nobody likes us but the people out there."

At Mon. TV lunch, "Roots" author Alex Haley said TV could help make people "less hostile" about each other, become more united and learn respect. He said ethnic groups need to know more about each other and TV can best help accomplish this. He also urged broadcasters to "mine our resources" for new talent among minorities and women.

Most enthusiastically received presentation at convention undoubtedly was Tues. radio luncheon speech of ex-Cal. Gov. Ronald Reagan. He was interrupted with applause many times during extemporaneous remarks attacking big govt. and later while answering questions. When he was asked, "Governor, how do we help get you elected to the highest office of the land?" an ovation erupted.

"There's a hostility today toward business of any kind," Reagan said in attacking FCC, courts, FTC and just about all of federal establishment. He singled out FCC for criticism on format changes—"the bottom line is the whole thing"—and D.C. Appeals Court which he charged is trying to be "the program director."

In critical comment about TV stations being sold because of threatened ban of newspaper-TV cross-ownership in same market, he added: "Too many of us in business and industry have switched rather than fight...When you get in bed with government, you're going to get more than a good night's sleep."

By any measuring stick, it was an excellent convention—one without any "controversy," Wasilewski said. It was a convention where first step may have been taken toward alleviating one of Assn.'s continuing problems. NBMC Chmn. Pluria Marshall—who always has thought NAB wasn't trying to help blacks, in fact had called it "racist" (Vol. 18:11 p1)—met privately with Thurston and NAB Senior Vps Donald Zeifang & Erwin Krasnow.

Thurston said Marshall made several "constructive" suggestions and told black leader that "inflammatory rhetoric" can kill such projects as NAB Task Force on Minority Ownership before they get started. Both sides said meeting was very "productive," promised to continue dialog in future. Marshall reportedly also promised to judge NAB efforts for minorities on what happens "today and in the future," not on past.

**SEX, VIOLENCE & KID TV:** Increased sexually-oriented programming expected in fall, coupled with rising concern over direction of FTC on children's TV ads, put panels on sex, violence & children's TV in NAB spotlight. Highlights: (1) FCC Comr. Washburn called on broadcasters to reduce ads on children's shows, suggesting 6-min. per hour limit (p. 6). (2) TIO Dir. Roy Danish said public has no great concern about sex & violence, claimed print media has made up "hue & cry."

(3) Dr. Joan Gussow, Columbia U. nutritionist, said TV ads for food to children are contri-



buting to "out-of-touchness with real food," should be banned (p. 6). (4) Lawyer Nancy Buc said FTC proposal to restrict children's TV ads is simply move by one group to impose life-style that no longer exists and is "simple solution to a complicated problem" (p. 6).

(5) ACT Pres. Peggy Charren was described as "more an ally than an adversary" by Squire Rushnell, ABC's vp for children's programming (p. 6). (6) Charren decried NAB's lobbying to kill FTC children's ad proposals, said NAB should instead head off rulemaking through self-regulation, sees children as a "top item" to broadcasters (p. 6).

**JAGODA EYED BY SENATE:** It was nomination hearing of Henry Geller to head NTIA (Vol. 18:13 p2) last week before Senate Commerce Committee, but man put under scrutiny was Barry Jagoda, White House special asst. for media & public affairs.

Jagoda had been asked to appear at hearing by Sen. Hollings (D-S.C.) upon prompting by Sen. Goldwater (R-Ariz.) to explain why Jagoda is making policy decisions in public broadcasting, viewed as a conflict of interest because he's one of President's PR men.

Jagoda didn't show up, sent letter instead, and irritated both Hollings & Goldwater, latter pressing for Jagoda to be invited to appear again with possible penalties if he doesn't. "His failure [to appear] will in my judgment delay action on Mr. Geller's nomination and ultimately cast doubt on the future federal financing of public broadcasting," said Goldwater. Hollings hasn't decided whether to invite Jagoda again, said he plans to meet with Goldwater on matter, agreed delaying Geller nomination was one possibility.

Hollings said at hearing that recent discussion with Jagoda over latter's involvement in policy decisions left him concerned. Jagoda told us later that he wants "to do everything I can to satisfy them," although that falls short of appearing at hearing. "I would seek to talk in an informal setting. I haven't anything to hide," he declared. He said White House officials have told him "advisors who don't make policy should not testify."

Jagoda said he'll be getting out of involvement in broadcast policy as Geller takes over that role, also because of Goldwater & Hollings. Whatever action Jagoda takes, senators are expected to quiz future CPB Board nominees heavily on Jagoda's involvement. "You think it's bad now," said minority aide. "Just wait till the CPB nominees come up."

House Communications Subcommittee, holding hearings on Public Broadcasting bills this week, is expected to discuss Jagoda's involvement, particularly in programming and his role in PBS telecast of Vladimir Horowitz concert from White House.

Geller received numerous kudos during hearing but intense questioning only on one issue—how U.S. is preparing for WARC—of particular interest to Goldwater. Latter and Hollings were only members of Committee present. They posed no hostile questions.

Under questioning, Geller said that common carrier was most important area facing NTIA, that he opposes siphoning provision in cable legislation, he acknowledged that White House public broadcasting bill doesn't solve inadequacies of funding. He said White House is awaiting Carnegie Commission report for suggestions.

Geller said NTIA's role will be primarily long-range planning, told senators: "NTIA can propose, but not dispose. Except in the area of federal spectrum allocation and assignment, we cannot act on our own. We can only recommend. Our clients are you, the Congress, and the FCC. This means that we must do a thorough job of analysis—that we must succeed on the cogency of our arguments. The fact that we are the principal adviser to the President on these issues—that we speak for the Executive Branch—will get us attention. But our ability to persuade depends on the quality of our work."

President Carter earlier this month signed NTIA into law, eliminating OTP and later last month nominated Geller as asst. secy. of Commerce, which houses NTIA.



**RADIO GETS FCC ATTENTION:** Small market radio broadcasters dominated questioning of 5 FCC commissioners—Lee, Quello, Fogarty, White, Brown—at closing session of NAB convention in Las Vegas last week. Major concerns there—and also during questioning of top NAB staffers at radio-only session previous day—were deregulation, higher power and post-sunset operation for Class 4 AMs, EEO & ascertainment.

Only TV subject to get major attention of commissioners (and they all spoke on issue) was recent decision telling local station it couldn't receive protection from cable duplication if distant station's signal is "significantly viewed" off air. Quello said he couldn't get majority to compromise by exempting small stations; White said she hopes FCC will have liberal waiver policy. All commissioners urged broadcasters to file comments on petition for reconsideration, particularly if they can show economic injury.

Lee mildly chastised broadcasters for seeming always to oppose change and technological advancement. "Look a little bit above the bottom line" sometimes, he suggested. There was much talk about Commission's "ambiguous" rules which require small stations to hire Washington lawyers. Commissioners stressed stations don't need lawyers for most matters, said FCC staff is there to help and it's just matter of knowing whom to call on what issues.

Commissioners disputed contention of moderator John Summers (NAB exec. vp-gen. mgr.) that, after listening to FCC debate on fee refunds several weeks ago, he got impression agency is seeking way "to refund just as little" as possible. After hearing denials and explanation of FCC problems on refunds, Summers said: "I like what I hear." Refunds are expected to start in July.

On deregulation, Fogarty received huge applause when he said "the arbitrary stand of 6% [minimum news & public affairs for radio] doesn't make sense to me. White said time will come when radio will be totally deregulated; Quello said he agreed that should happen and while strong case can be made "it may not be a reality that can be achieved." Lee pointed to significant progress made by FCC, added that "we can't take the reins off entirely."

In answer to question, Brown said something is missing in licensee's efforts if broadcaster can't identify black leaders for ascertainment. Best audience response came for question from young "white unemployed male" who claimed he still is unemployed because of EEO rules. Brown and other commissioners said rules are designed to protect all. White & Fogarty ("I'm very deeply impressed") praised efforts on NAB's Minority Ownership Task Force.

At staff panel, Bcst. Bureau Deputy Chief Martin Levy said that Bureau has "crash program" underway to clear up AM application backlog, that results will begin to show as early as this week. Bureau Chief Wallace Johnson said one FCC action he wished he hadn't recommended was AM freeze started couple years ago. Flood of applications at deadline has swamped agency ever since, and big

handicap in clearing up backlog has been shortage of engineers; there are none on Civil Service register for agency to hire.

Johnson added that rulemaking authorizing AM stereo will be ready for FCC action by July, predicted it will be early 1979 before new service is authorized. He said it would be just "wild guess" as to when agency might act on MBS petition for several hundred earth receiver stations. None of panelists held out any hope for increased power or post-sunset operation for Class 4s, said no negotiations currently are underway with Canada for changes in NARBA to permit such operation.

General Counsel Robert Bruce said upcoming Supreme Court decision on indecency in WBAI (FM) N. Y. case (to be argued April 18) will give guidance to both Commission and broadcasters. Panelist agreed occasional obscenity on live news broadcast will happen, can't and shouldn't be controlled.

**PUBLIC 'SKEPTICAL' OF BIG GOVT.:** "The American people have grown skeptical of big government [but] the FTC hasn't gotten the message," NAB Pres. Wasilewski told TV session at last week's convention. Attacking Trade Commission's proposed restrictions on children's TV advertising (p. 6), he said it is result of "alliance" of former "hard-working pro bono lawyers" who now are in govt. "These same people now occupy primary, secondary and tertiary policy positions in... the regulatory agencies."

Wasilewski said during recent talk shows on which NAB officials appeared, "the public came down hard... on TV's side. So it is not the public that is calling for changes. It is the government." He added that broadcasters don't "excessively worry" about scientific changes, that "we can adapt to the satellites and the fiber optics and the like and make them work for us."

In earlier speech to radio members, Wasilewski stressed need for political involvement by broadcasters, related industry position on Communications Act rewrite and payment of performance fees (see p. 10).

**Public broadcasting bill**, alternative to White House's, was introduced last week by chairmen of Senate & House Communications Subcommittees, Sen. Hollings (D-S.C.) & Rep. Van Derlin (D-Cal.). Introduced before House begins hearings on subject this week, bill provides for 3 additional years funding, as opposed to 5 proposed by Carter, although at same level as Carter's. Other provisions: Only 5% of appropriation for CPB could be for administration, CPB & stations would have more stringent requirements for open meetings than under Carter bill, CPB board wouldn't be required to include 2 representatives from PBS and 2 from NPR as under Carter bill. Backers say it has stricter accounting and EEO provisions than Carter bill.

**New inspection checklists**—one for AM-FM, other for TV—have been issued by FCC, listing "items most likely to be reviewed during an inspection."



**KID TV 'A TOP ITEM' AT NAB:** Even ACT's Peggy Charren walked away from NAB last week feeling children's TV received sufficient attention from broadcasters.

"I think I was amazed because it was obvious children were a top item," she said. "There is a feeling they [broadcasters] are going to have to do something or they'll lose something."

Convention offered 2 panels on children's programming, a 3rd on sex & violence, which also focused on children. Viewed most important pronouncement was that of Comr. Washburn, who urged industry to reduce to 6 min. per hour the total advertising on children's shows.

Said Washburn: "The economic health of children's TV has remained strong [since ad time for children's programs was reduced to 9-1/2 & 12 min. on weekends & weekdays, respectively]. Accordingly... the time has now come for the industry to give serious consideration to further reductions..."

Washburn also asked industry to give "further protection" to children under 5, suggesting clustering of commercials. For urging reduction & clustering of commercials, he praised Post-Newsweek & Group W for "self-regulation," which he said is "preferable to rulemaking."

At same session, Dr. Joan Gussow, Columbia U. nutritionist, supported ban on ads to kids for unhealthy foods, rapped "hard selling" by advertisers, stated TV ads contribute to "out-of-touchness with real food." Washington lawyer Nancy Buc, on other hand, argued at session that FTC's proposed action against children's TV ads is simply an unrealistic attempt to restore to society a long-gone lifestyle. She said society has made it impossible to return to a "cavity-free time" because: "We seem to want more fat and we want more sugar."

Other session, entitled "Children's Programming Isn't Kid's Stuff," began with unusual comment from ABC Vp for children's programming, Squire Rushnell, who described ACT's Peggy Charren as an "ally more than an adversary." She returned praise, saying ABC's children's shows were among best.

But Charren lambasted NAB for lobbying against FTC children's advertising proposals instead of attempting self regulation. "That would make more sense," she said. And she proposed 4 actions industry should take on children's TV: (1) Better scheduling & clearance of quality programming. (2) Better scheduling of network specials. (3) More diversity in prime time access spot. (4) Reduce to 6 min. per hour total time for ads during children's shows. ("I almost fainted dead away when he [Washburn] proposed the same thing," she said later.)

**Oneness Communications**, designed to help minorities acquire broadcast properties, has been formed by minority specialist Lim Hilburn & broker-financial consultant John Herklotz & Assoc. Details: 1900 Ave. of the Stars, L.A. 90067, 213-553-1012.

**Ampex** has been named official supplier of VTRs & tape to Moscow Olympics.

**SEX & VIOLENCE—WHO'S COMPLAINING?** "Print media hype," rather than public concern, is source of all the to-do about sex & violence on TV, according to TIO Dir. Roy Danish. Addressing some 2,000 at NAB convention during session on S-&-V, Danish said letters received by industry on subject are generalized & poorly defined complaints.

Danish and other panelists, Sir Brian Young of Britain's Independent Broadcasting Authority, and actor-producer Michael Landon agreed that taking sex & violence out of TV would make programming "anemic & pale," as Young put it.

"They do belong in any series of drama," Young said. "They are often most moving when tacit & implied... Too often they're used as cheap substitutes for imagination to get a... snicker. The public is quite right when they say to the broadcasters 'you use them too cheaply, too crudely, you sometimes forget how I feel as I sit watching with my mother and my teenaged daughter.' So if they come across with discretion and with sincerity, that is the key thing."

Landon said he had little concern about sex on TV. "I don't think sex is important. I think violence is important," he said after some questioning from moderator Phil Donahue. "Violence," said Landon, "is portrayed as all very safe and all very desensitized. They die easily. Boom. It's another life, so what... People are losing any kind of feeling for each other."

Landon & others stressed impact of TV on children. TV, said Landon, should prompt discussions between parents & children. However, it has created "a bunch of passive people who sit back and say entertain me," he said.

Danish, expanding on media hype theme, said there has been "an exploitation of the subject [by print media] which has had the effect of establishing the notion there is a great hue & cry about sex on TV. There has been no great hue & cry." Asked by Donahue if he had any criticisms of industry, Danish said rush for popularity in programming has produced "no risk-taking" and little incentive for diversity.

**Unusual critique:** We found following scribbled on sheet of paper following FCC Chmn. Ferris' speech at NAB convention: "No mention of FTC and its campaign against kid TV ads or FCC's newly restarted study of kid TV. No mention of network inquiry, yet 2 direct praises of CBS-TV by name. Said he'd stay clear of 'direct' involvement in programming, yet went out of his way to rap rating services. Hails PBS as offering alternative service which commercial networks' alliance on ratings won't allow."

**Corporate affairs at NAB:** (1) Ampex announced it's acquiring Duca-Richardson Corp., Wheat Ridge, Colo., broadcast switcher manufacturer. (2) Bell & Howell and Telemation announced they've signed pact under which B&H will acquire assets of latter's video hardware manufacturing div. (Vol. 18:14 p3). (3) IVC, which filed under Chapter XI last July, said it moved into black in 6 months ended Jan. 31 (net \$504,000 vs. \$3.1-million loss in same 1977 period).



**'COPING WITH CABLE':** Broadcasters on cable panel during NAB convention maintained firm stance vis-a-vis cable—but there appeared to be less vehemence in their opposition than in earlier years.

Bill Fox, KCST-TV (Ch. 39) San Diego, described agreement between stations & operators, said it provides "good working relationship." Agreement includes: (1) Systems continue carrying all grandfathered signals. (2) Stations are given top-50 syndicated exclusivity protection. (3) Stations are carried on their original channels (except for KCST-TV, on Ch. 3). (4) Each station is carried on only one channel. (5) When distant network station is blacked out, cable tells viewer where network is available locally.

Arthur Hamilton, WHSV-TV Harrisonburg, Va., urged: Know your rights. Demand your rights. Monitor performance. Maintain frequent contact. Examine applications for certificates of compliance.

Attorney Richard Hildreth pointed out that there's now a law providing fines for violations by cable. He urged negotiating with cable first—then filing complaint with FCC, if necessary.

FCC's Robert Ungar acknowledged that it's very difficult for broadcasters to show how public may be hurt by cable's impact on stations, and he noted that Commission doesn't ask stations to submit their finances—"this would be a last resort." He said it's "myth" that Commission intends to get rid of all cable rules. "We hope," he said, "to make our regulation more rational."

Asked how stations may show cable impact, he said they should describe loss of audience and its effect on revenues and service to public. But, he said, "You can't just threaten to fire a highly paid anchorman. I'd be impressed if a broadcaster had to drop a syndicated entertainment program. News often is very profitable." He said one station "screamed" about cable but actually had better ratings on cable than off air.

Clarence James, member of Copyright Royalty Tribunal, said group hadn't decided how to distribute fees to be collected from cable, hopes to have interim rules before July.

**First major cable customer of Times Fiber** turns out to be the biggest—Teleprompter. Company bought fiber optic cable and accessories for one-km link in Manhattan from its system to new TPT hq and 8-km 12-channel trunk to replace microwave in Lompoc, Cal. system. It's noted that installations aren't experimental, won't have backups. TPT has been testing fiber for 2 years, is said to have no outtages.

**New HBO affiliates**—serving 70,000 subscribers, passing 150,000 homes: Waycross & Valdosta, Ga.; Columbia, S.C.; Hickory, N.C.; Memphis, Tenn.; Little Rock AFB, Ark.; Piedmont, Cal.; Zanesville & Nelsonville, O.; Marion, Ind.; Pana, Ill.; Paducah, Ky.; Newark & Bound Brook, N.J.; Beaver Falls, Coatesville, Plum & White Haven, Pa. Total earth stations on HBO network: 213.

**MINORITIES & WOMEN AT NAB:** Broadcasters got earful of criticism from panelists in several NAB panels on minorities & women, ranging from charges of racism to scolding from FCC commissioner.

Management consultant Thomas Gwyn said that white managers often assume blacks are "incompetent until proven otherwise... It's felt by black managers that whites do not trust what black managers say until they check with whites." And, he said, "If you as white managers expect less you will probably perceive they are producing less."

At same session, Mary Jane Parson of ABC Leisure Attractions sharply criticized reporting of broadcasters to FCC which showed many minorities & women in top management categories. This is false reporting, she said, because few are actually management and earn top salaries.

At another session, FCC Comr. Margita White told broadcasters: "It is essential that broadcasters not think of EEO as papers to satisfy the FCC. I believe it is more."

About same time broadcasters were hearing about minorities & women, American Society of Newspaper Editors Board voted to work toward bringing number of minority journalists up to proportion equal to percentage in general population by turn of century.

**New Trac 7** radio audience measurement system will permit faster and more accurate ratings, delegates were told at last week's NAB convention. NAB Research Vp John Dimling said responses to phone interviews are taped and entered into computer, providing opportunity to "dig for depth of information as well as to correct apparent errors." According to RAB Vp Richard Montesano, "one person interviewed under the Trac 7 system is worth several people interviewed by other methods."

**Broadcasting must adopt new technology** and absorb functions of older methods of communications, BBC Dir. of Engineering James Redmond told engineers at NAB convention. He said BBC is developing "FM keying system" whereby signal on car radio will automatically be interrupted for important or emergency messages in area where motorist is driving. "One frequency would be enough if this system was used worldwide," he said.

**ABC annual report** shows broadcasting brought in \$1,283,744,000 of its total \$1,616,872,000 revenues, contributed \$273,578,000 pre-tax earnings to company's earnings of \$231,660,000. Theatres grossed \$81,205,000, netted \$4,848,000; records' figures were \$166,774,000 & loss of \$29,807,000; publishing grossed \$55,021,000, netted \$7,064,000; leisure attractions, etc. had revenues of \$21,142,000, lost \$1,307,000.

**Dynacomm is new CATV manufacturer's** rep formed by Tom Shea & Walter Ullrich, 462 S. 10th Ave., Mt. Vernon, N.Y. 10550, 914-699-0990. For New England, N.Y. & N.J., it reps Avantek, Powervision, AVA, Richco Plastics, Tocom, Multiplier Industries.



**1" VTR SWEEPS NAB:** Station engineers had plenty to talk about—and to shop for—at NAB convention. They came in record numbers, and exhibitors were happy with spending mood and with general aspect & layout of Las Vegas convention which seemed to encourage it—or, at least, made showgoing easier & pleasanter.

Although there was no single product so new as to monopolize attention, show was dominated by several major existing & developing products: (1) New SMPTE Type C non-segmented 1" helical VTR was launched formally as potential U.S. standard by 5 manufacturers. (2) Digital frame-store devices showed up in record numbers, with prices rapidly declining. (3) New-generation studio & ENG/EFP cameras (as well as other ENG equipment) were launched on market. (4) Competition accelerated in satellite antennas & receiving gear. (5) New sources opened up for transmitters, and TV stations were confronted with major pitch to convert to circular polarization (CP).

Type C VTR is off to races, Sony offering 30-day delivery on its BVH-1000 (\$39,000) & portable BVH-500 (\$35,000), and Ampex promising midyear delivery of its compatible VPR-2 (\$30,000-\$75,000) and late 1978 for portable VPR-20 (\$35,000). Both announced programs for retrofitting predecessor machines to meet standard. While Ampex continued to plug its Automatic Scan Tracking option at about \$10,000, which provides broadcastable slow-, fast- or stop-motion, Sony was showing its own answer in Hilton Hotel suite—"Dynamic Tracking," which works on different principle but achieves similar result, and in addition provides broadcastable backwards motion. It will be available in year as retrofit at \$17,200, including replacement time-base corrector, or as feature adding \$16,000 to BVH-1000 cost.

Most unexpected development in 1" VTR field was deal under which Philips will sell Ampex-built Type C standard & portable recorders—and, presumably in exchange, Ampex will handle Philips' new, and widely praised, LDK-14 ENG/EFP camera. Marconi, too, promised Type C VTRs—to be made by Ampex at first—and to retrofit existing Marconi-brand (Ampex-made) 1" units. RCA showed Sony-made Type C VTRs, didn't even display Bosch/Fernseh Type B (BCN) segmented VTRs but said it still had them available. NEC spokesman said company would show its own Type C VTRs in Sept. IVC said it was "considering" Type C, would watch market before deciding.

If Philips & RCA haven't actually defected from BCN camp, they're certainly going along with what they consider a tide toward Type C in U.S. And Bosch/Fernseh seemed to be trying gallantly to stem tide by plugging actual availability of BCN portables (vs. "promises" by Ampex & Sony for Type C), simple tape-threading & tape-handling of BCN, claimed convertability to digital recording.

First Type C VTR accessory showed up in Ampex display—unique slo-mo adaptor for any VPR-2 equipped with Automatic Scan Tracking which does most things "instant-replay" disc recorder can do, when plugged into VPR-2's remote connection, at \$9,500.

If Type C loomed as possible standard, 2" quad VTR sales didn't seem to be suffering much. Ampex said 1978 is 2nd best quad sales year in history, and RCA said 2" sales continued strong—quad still providing interface to world of more than 11,000 broadcast machines.

There seemed to be another barrier to 1" VTR's ever becoming established as the broadcast standard—and this was rapid sweep of technology. Assuming it would take 10 years to establish 1" VTR as new standard replacing 2" quad, would this format be overtaken in interim by perfected, competitive digital recorder? No one can answer this question, of course, but NAB revealed breathtaking progress in frame-store technology—predecessor of digital recording—and rapid decline in prices.

Biggest surprise in this field was Ampex's ESS-2, actually billed as "first commercially available completely digital video recorder." Unlike last year's predecessor, which recorded & stored still pictures only, new version provides up to 27 sec. of real-time recording per disc pack. Stills and motion segments may be recalled in any sequence, and ESS may be used for animation. ESS-2 prices run \$85,000-\$150,000 vs. \$200,000 for ESS-1. Other frame-store prices were down, NEC cutting its unit to \$33,000 from \$40,000, and Adda Corp., which last year showed system at \$63,000, demonstrating simpler unit at below \$20,000.

Most important new studio camera introduced undoubtedly was RCA's TK-47, microprocessor-controlled automatic unit at about \$100,000, deliveries to start in 4th quarter (Vol. 18:15 p5). ENG cameras created new excitement, with Philips' first major entry into field, LDK-14. Deal under which Ampex handles same camera gives that company potent weapon in field, as does Ampex's own automatic studio camera BCC-10. Another camera-licensing deal bore fruit at NAB—Sony demonstrating its own one-piece version of Thomson-CSF's Microcam (BVP-300), deliveries to start late this year at \$35,000. Sony also announced summer delivery for portable BVP-200 at \$18,000.

Toshiba tested U.S. market waters by displaying 2 cameras now in use in Japan, presumably to determine whether to go after U.S. camera business. PK-31A studio camera with faceplate control to improve resolution would sell for about \$100,000 without lens, while ENG/EFP PK-39 with 10-1 lens is scheduled for June availability at \$35,000. Two new camera pickup tubes were introduced—Philips 73XQ Plumbicon (claimed to be "better than most 30-mm tubes" and now included in studio LDK-25 camera) and EEV's 30-mm Leddicon variable-light bias tube with control on socket.

Computer editors in new versions were introduced by Ampex, RCA, Sony and others. CMX announced it had bought rights to market Videola from Vidronics. Videola can be used by anyone with film editing experience, stores 1,600 edits per floppy disc, may then be sent to post-production house for interfacing with CMX equipment, which performs actual edits.



**WORLD FREEDOM FIGHT:** Broadcasters listened quietly & intently as panelist on "Worldwide Broadcast Freedoms," Philippine broadcaster-publisher Eugenio Lopez Jr., described how he was taken by police for "brief" questioning—and imprisoned for 5 years before escaping. He pleaded for cutoff of U.S. aid to country dominated by President Marcos.

Attorney Leonard Marks termed free press around world "an endangered species," said all U.S. presidents are concerned about their images, seek to tailor media to their desires. He noted that undeveloped countries had agreed to ban outside reporters, issue only govt. material—then found they don't want each others "official" material.

Sig Mickelson, vice chmn., Radio Free Europe & Radio Liberty, described UNESCO's anti-free-press activities, urged vigorous U.S. participation in WARC: "Frequencies can be given away, never be retrieved."

Moderator was Mark Evans, Metromedia, former ambassador to Finland, who urged broadcasters to contribute funds to send specialists to train journalists in 3rd World countries—joining substantial contributors such as NAB, Bonneville, MBS.

NBC was replaced by Hertz as RCA's biggest profit center in first quarter, according to RCA Pres. Edgar Griffiths, who said NBC's net slipped "as a result of weak prime-time ratings in the TV season now ending." NBC is still profitable, he pointed out, expressed optimism "for its long-term future after its new management takes hold." Because of diversification, RCA is "no longer as dependent on NBC as in the past," Griffiths stated. He also reported increased earnings for Communications Group despite continued loss at Americom and declining net for Alascom, said record net for Commercial Systems was paced by broadcast equipment, cited heavy demand for portable color cameras, VTRs.

Noting trend at state & local levels to levy new taxes against TV-radio, NAB has published primer designed to help broadcasters block such taxes. Booklet reviews existing taxes & constitutional issues, gives pointers on how to fight proposed taxes.

Restrictions on over-air pay TV have been removed by FCC which concluded that service shouldn't be treated differently than pay cable; a year ago, restrictions were lifted on latter by D.C. Appeals Court.

Wometco plans to sell losing properties—hotel-apartment TV service in Miami and N.Y. photography business—while dropping Canadian film production. Potential buyers have been found for first 2, company said.

Sale of KBSC-TV Corona, Cal. to Oak Bestg. was affirmed by D.C. Appeals Circuit, which approved FCC's action denying petition by KWHY-TV L.A. Both stations hold subscription-TV authorizations.

Rogers Telecommunications, which holds 26% of Canadian Cablesystems, is buying 24% from Edper Investments for \$17.5 million.

**WILEY & PARKER IN BOX:** It was unanimous—at least among telecasters in audience. Ex-FCC Chmn. Richard Wiley scored TKO over Everett Parker of United Church of Christ (UCC) on question of whether there should be more regulation of broadcasting. Confrontation came during "In the Box" TV session at NAB convention.

After opening presentations—during which Parker endorsed rewrite of Communications Act and Wiley argued UCC plan would lead to increased govt. interference and to bland and insipid programming—Wiley became very aggressive, much to delight of audience. UCC plan would bring "massive new intrusions by the government into program and business decisions," Wiley argued.

Parker cited Tulsa situation (where only black-programmed station switched to country format) in arguing for FCC control over format changes. "Overnight, the blacks were locked out," he said. Communications Act is "not adequate for today and certainly not for the future," he said.

Profits from WLBT Jackson, Miss. may go to establish new non-commercial FM there, FCC ruled. Commission in 1970 granted Communications Improvement authority to operate station pending decision on 5 competing applications, on condition profits go to non-profit organizations related to broadcasting. Communications Improvement asked if that meant new FM, was told that wasn't what was meant originally but FM is OK.

Urging agencies to improve regulations, President Carter cited FCC's "plain English" CB rules as good example of what can be done. Though his order affects "executive agencies" such as cabinet departments, doesn't affect regulatory agencies such as FCC, Carter said "many commissions are already well on their way" and quoted a section of old and new CB rules.

New cable company, Commonwealth Cablevision Corp., has been set up in Mich. by ex-Continental Cablevision Regional Vp Roderick MacLeod and others, plans to acquire systems & franchises around country. Address: 3911 Barton Rd., Lansing, Mich. 48917, 517-321-1314.

Optical fiber pioneers, Charles Kao & George Hockham, were awarded joint \$50,000 Rank Prize in London for work in area. Kao is ITT scientist; Hockham, research fellow at U. of London.

U.S. advisors to State Dept. in CCIR activities (international communications) meet May 4. Meeting is open, details from Gordon Huffcutt, Office of International Communications Policy, State Dept.

GOP National Committee this week is expected to file comments with FCC supporting increased minority ownership of stations, unusual action by political committee.

ABC is buying Hitchcock Publishing (Assembly Engineering, etc.) & Miller Publishing (farm periodicals), prices undisclosed.



**NUBA's IMPROVE-UHF PLANS:** New National Assn. of UHF Bcstrs. (NUBA) unwrapped several-level approach to solving UHF problems—at membership & board meetings during NAB convention, including:

(1) Working on rating services to give UHF full credit. If improvement isn't seen, there's possibility of going to Congress, FCC, FTC, Justice Dept., etc.

(2) Giving FCC financial data in effort to show adverse impact of recent decision on significantly viewed signals on cable systems.

(3) Cooperating with NAB to combat efforts to restrict children's advertising, showing FTC how important such income is to UHF.

(4) Terming "significant victory" the FCC's proceeding aimed at reducing UHF tuner noise level.

(5) Alleging shabby treatment by ad agencies, NUBA may seek remedies at FTC, Justice, courts, etc.

Turnout was small, about 15-20, which Pres. Cy Bahakel attributed to coincident MST meeting and hour of day. Asked about NUBA position on VHF drop-ins, Bahakel said board hadn't passed on it, but "unofficially, we're not in favor of any VHF drop-ins in any UHF market." He also commended NAB for its cooperation.

Richard Block, chmn. of Council on UHF Bestg., rose from audience to defend MST against charges that it was doing little for UHF, stating that it had supported UHF on several fronts—all-channel bill, tuner noise, etc.

James Matthews, WGTU, Traverse City, Mich., described hassle with ARB. He said rating book came out showing huge drop in station's homes. He said ARB repeatedly denied any discrepancy in its work, finally found that it had dropped coverage of station's satellite.

On technical side, Michael Kassner, Bahakel Bestg., said circular polarization isn't being stressed until more stations reach greater power. At present levels, he said, doubling size of present high-gain antennas would make them unmanageable.

Organization has 40-50 members, picked up a couple at convention.

**AT&T is "enemy that cable fears most,"** in opinion of Rep. Murphy (D-N.Y.), ranking member of Communications Subcommittee. Speaking to N.Y. Cable Club April 5, he said: "It is the largest corporation in the world, and in time it will make optical fibers an economically feasible technology. The ultimate fear is that there will be a single wire coming into the home—a wire installed & maintained by AT&T..." Nonetheless, he said: "The AT&T wire should be neither barred nor mandated but left to the workings of the marketplace," and he also stated that "the marketplace should determine whether cable is to be only a supplement to over-the-air broadcasting or the primary mode of mass communications in the U.S." Murphy said that cable legislation should have priority over other bills, shouldn't be included with total Communications Act rewrite—which he expects to languish 5-10 years.

**Among new services** being considered by BBC, according to Engineering Dir. James Redmond in luncheon address at NAB: In TV, channel identification service, programmed transmission for home VTRs, additional sound channels including stereo, multiple still-picture & sound service, remote writing for teaching programs, data & software services, use of receiver as data terminal. In radio, quad sound on FM, stereo AM, new modulation systems for economical coverage, dedicated highway radio service, data transmission, fax. One of intriguing new services would be addition of inaudible signal in radio broadcasts to give display of station identification and other information on receiver. "The inclusion of a liquid-crystal display to give station call signs, frequency or other useful data would add very little to the cost when mass-produced ICs are in use."

**Free medical screening tests** for thousands in N.Y., L.A., Chicago & Washington are being offered by NBC stations, using community groups to perform variety of tests, including blood pressure, vision, anemia, hearing & dental. Program, begun by WRC-TV Washington 2 years ago, was expanded this year to 3 other stations. All will hold screenings this week. Cleveland station plans tests in June. Of 17,000 tests in Washington last year, 1/3 found abnormalities. Charlene McCoy, WRC-TV community services mgr., said station underwrites project, gives free air time, handles general costs & administration.

**Believing TV stations** are paying too much to ASCAP & BMI, All-Industry Music Licensing Committee is unanimous regarding need to go to court if reductions aren't obtained during current negotiations. This was report last week at NAB convention by Committee Chmn. Leslie Arries, WIVB-TV Buffalo. Extension of current contracts ends in June, and Arries said that little progress has been made so far in negotiations.

**CAMM (Catholic Apostolate of Mass Media)** holds annual Washington Mass & Communion Breakfast April 23, St. Matthew's Cathedral & Capital Hilton, with Mass celebrated by William Cardinal Baum, address by Howard Markey, chief judge of Court of Customs & Patent Appeals. Markey wrote recent Midwest Video cable access decision (Vol. 18:10 p3).

**Judiciary has poor image** because judges close doors to cameras, Washington State judge Albert Yencopal told panel on TV in courtrooms at NAB convention. "[TV] conveys to the public the judge has a tough decision," he said, explaining one reason why he's pleased with TV coverage in own courtroom. Judge plus other panelists agreed TV in courtroom is way of future, doesn't hurt justice.

**Communications Task Force** of National Conference of Black Lawyers has as luncheon speaker April 20 Ernie Fears, gen. mgr., WRQX-FM Washington, on "What Do Women & Minorities Really Want in Broadcasting?" It's at George Washington U. Faculty Club, Washington.

**AP Bcstrs. convention** in Cincinnati June 1-3 features NBC's John Chancellor & PUSH's Rev. Jesse Jackson.



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with  
Consumer Electronics...

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## Personals

David Susskind moderates "Future of TV" panel which includes producers Norman Lear, MCA Pres. Sid Sheinberg & RCA Labs Vp William Webster, at NCTA convention, New Orleans, April 30-May 3... Charles Hairston promoted to dir., film & program development NBC-TV... Roger Smith, Warner investor relations dir., elected vp... William Tribe named pres., CBS Educational Publishing Div.

John Moseley, Moseley Assoc., receives NAB engineering award for "pioneering spirit"... Arthur Trudeau advanced at TvB from mktg. sales exec. to Northwestern sales vp... Joanne Cantor, U. of Wis., elected BEA pres., succeeding Wally Dunlap, Group W; Clayton Brace, KGTV San Diego, named vp; Robert Snyder, U. of Wis., secy.-treas... E. W. Wendell, WSM Inc. Nashville, elected pres. of Clear Channel Bcstg. Service, succeeding Joseph Kjar, KSL(AM) Salt Lake City; Phillip Lewis, WCCO(AM) Minneapolis, treas.

John Hellegers, Washington attorney, named vp-gen. counsel, Children's TV Workshop, succeeding Albert Dwyer, resigned... Jack Calaway advanced to Vidtronic's research & development vp, Peter Palmer to sales vp... Bob Greenstein promoted to new post of domestic sales mgr., Syndication Div., Time-Life TV; Tony Brown, ex-Metromedia Producers, appointed eastern sales mgr.; Peter Grad, ex-Paramount TV, named west coast development dir.

Irving Kahn, Times Fiber principal, was struck by car while hailing taxi in N.Y. 3 weeks ago. He suffered 2 broken ribs, dislocated shoulder, severe bruises—but is expected to attend NCTA convention.

Dixon Lovvorn, ex-station mgr. WDSU-TV New Orleans, named gen. mgr., WSFA-TV Montgomery, succeeding Thomas Josephsen, resigned... Robert

Crowell named treas., Felix Ozleblewski controller, Outlet Co... Gerard Hackett appointed advertising & promotion mgr., WNBC-TV N.Y... W. (Buzz) Sawyer appointed programming vp, Springfield TV Corp. stations; Thomas Lamarche advanced to program dir., WWLP Springfield, Mass.

Tom Kenney promoted to broadcast operations dir., KHOU-TV Houston... Charles Harper, ex-vp-gen. mgr., WTVQ-TV Lexington, Ky., appointed asst. to pres., Starr Bcstg., succeeded by Jeff Evans, ex-WLCY-TV Tampa-St. Petersburg.

Robert Blodeau, Suburban Cablevision, & Robert Tenten, HBO, named recipients of NCTA engineering awards—former for system operations achievement, latter for work in obtaining FCC approval of earth stations... Ray Schneider, veteran Times Wire CATV Products vp, resigns for reasons of health; Angus MacArthur, ex-consultant, named CATV Mktg. Group vp; Rex Porter promoted to CATV sales vp.

Raymond Murdough, ex-Jerrold Electronics, appointed Home Theater Network vp-engineering; Karen Jarmon joins HTN as marketing dir... James Hurley, WTAE-TV Pittsburgh, elected pres., Society of Bcst. Engineers.

Ronald Hullel promoted to controller, Oak Industries... Kenneth Badish, ex-Benton & Bowles, named HBO film acquisition mgr... Regina Schewe advanced to NCTA asst. to pres. & dir., office administration... Lee Tenebruso promoted to mgr.-media & affiliate services, Showtime; Beth O'Shaughnessy & Pat O'Neil named affiliate service reps; Gregory Kriser, ex-Teleprompter, joins Showtime as mgr.-subscription marketing & training.

Asher Ende, ex-RCA Globcom exec. vp, former deputy chief, FCC Common Carrier Bureau, becomes of counsel to communications law firm Fly, Shuebruk, Blume, Gaguine, Boros & Schulkind; Mark Palchik, ex-FCC Cable Bureau, becomes an associate... Sterling Davis, ex-Metrotape West, re-joins Vidtronic's as vp-facility operations... Sally Stevens, ex-National News Council, named an associate in Washington law firm Verner, Liipfert, Bernhard & McPherson... Twyla Walker, WSM-TV Nashville, and Dick Wright, WHNT-TV Huntsville, appointed co-chmn., BPA 1979 seminar, Nashville.

John Gwynn promoted to Nielsen admin. vp, succeeding C.V. Stewart, retiring; Gary Payne & James Gilbertson elected vps... Leonard Wolff, ex-Bosch-Fernseh, heads new Ikegami Houston facility.

MST officers, elected at annual meeting in Las Vegas last week: Franklin Snyder, Hearst, chmn.; Wallace Jorgenson, Jefferson-Pilot Bcstg., Charlotte, first vice chmn.; Robert Wright, WTOK-TV Meridian, Miss., 2nd vice chmn.; Ralph Jackson, Orion Bcstg., secy.-treas.; Roy Easley, MST, vp. Pres. Lester Lindow was re-elected pres., but he retires Aug. 1, to be replaced by Tom Paro, who was re-elected exec. vp last week. New board member: Charles Batson, Cosmos Bcstg.

LIN Bcstg. is buying 70% of KTVV(TV) & KHFI-(FM) Austin, Tex. for \$4.5 million.



# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 31 (13th week of 1978):

	March 25-31	1977 week	% change	March 18-24	1st quarter 1978	1st quarter 1977	% change
Total TV. . . . .	352,194	319,085	+10.5	292,883	3,607,587	3,282,208	+9.9
color . . . . .	211,783	187,550	+12.9	176,038	2,287,802**	2,007,017	+14.0
monochrome . .	140,411	131,535	+6.7	116,845	1,319,785	1,275,191	+3.5
Total radio . . . .	1,180,542	1,174,852	+0.5	735,615	10,412,441	8,885,511	+17.2
home, portable	905,126	970,041	-6.7	499,135	7,207,450	5,700,631	+26.4
AM-only . . . .	379,008	181,063	+109.3	121,893	2,174,932	1,386,860	+56.8
FM & FM-AM	526,118	788,978	-33.3	377,242	5,032,518	4,313,771	+16.7
auto . . . . .	275,416	204,811	+34.5	236,480	3,204,991	3,184,880	+0.6

Color TV 5-week moving average: 1978—193,265\*; 1977—154,195 (up 25.3%).

\*Highest of 1978 and highest for 13th week of any year. \*\*Record.

**JUSTICE DROPS JAPAN TV PROBE:** Claiming staff "found no evidence" Japan's TV marketers here engaged in "any concerted activity [that] was intended to or did serve a predatory purpose," Asst. Attorney Gen. John Shenefield told Senate Judiciary Committee Justice Dept. was dropping year-long preliminary probe into Zenith antitrust complaint. He was asked to submit memo on subject, and decision on need for further Committee action could come next week.

Detailing work put into investigation, Shenefield said that over last 6 months staff inspected 35,000 pages of documents, primarily from filings in Zenith-NUE \$1-billion antitrust suit against Japanese in Philadelphia, including 5,000 untranslated from original Japanese. "The professional time alone has exceeded 200 full person work-days," and staff unanimously found no evidence of Japanese "conduct intended to destroy & supplant the U. S. color TV industry, either at an earlier period or at the present time. Given this finding," he said, "I find no basis for proceeding further."

Shenefield didn't exactly close door forever, however, saying it was possible some new information may be turned up during Zenith suit. Nor is JD through with Japan in general. "We will continue...to watch closely the American TV industry and the practices in our markets of Japanese & other export cartels," Shenefield said. He stated that planned GE-Hitachi joint U. S. TV venture is still under review, and "we have other related matters under consideration that I cannot discuss at this time." He said he was going to Japan in May to discuss antitrust & competition issues with officials there.

Meanwhile, Zenith Chmn. John Nevin & Rep. Charles Vanik (D-O.) last week lashed out at Treasury's handling of Japan TV dumping-duty assessment procedures (Vol. 18:15 p8). In exclusive interview, Nevin told us: "I'm pleased with the finding. It's certainly the biggest thing we've had in the 7 years since the dumping finding, but I'm disappointed that Treasury saw fit at the last minute to not collect money through 1977." He said that "would have gotten their attention enough to stop the current dumping," which, because of yen revaluation, "is substantially greater than it was a year ago."

Last year at International Trade Commission hearing, Nevin said, "I produced hard evidence that the lowest-priced TV set in Japan was priced at 150,000 yen," about \$500 then, compared with retail price of about \$300 for similar sets being sold here by Japanese importers. "Those sets are still 150,000 yen in Japan," about \$675 at current exchange rates, "so the dump-



ing margin has increased enormously by any measure." Dumping margin is about \$30 per set, Nevin estimated, "which means they've got a \$50 price advantage on us through their ability to break the American law."

During interview, which took place before Shenefield announcement, Nevin expressed belief little would be accomplished by federal agencies. "I am completely persuaded that the only hope we have for anti-dumping law enforcement is in the Vanik (House Trade) Subcommittee and the only hope we have for law enforcement in antitrust & monopoly is the Kennedy (Senate Antitrust) Subcommittee, and without the Congress this thing would have been buried."

Vanik lashed out at Treasury for apparently being "more solicitous of foreign sensitivities" and those of importers than "of the plight of unemployed U.S. workers" in agreeing to assess duties covering only TV imports of 1972 & early 1973, rather than through April 1977. Treasury has compiled data through latter period, and "total amount of dumping duties is approximately \$400 million," Vanik stated.

Treasury is limiting action "to minimize the adverse impact on imports," and decided to do so after "meeting with high-ranking officials of the Japanese Embassy," Vanik said. If Treasury holds up further assessments pending outcome of expected importer Customs Court protests, procedure will take years, he complained.

"We intend to pursue our examination of Treasury's actions" and move to get full dumping duties assessed "as expeditiously as possible," Vanik stated. Agency handling of case raises "questions as to whether Treasury intends to enforce the Anti-dumping Act at all [and] calls for a reconsideration by the Congress of where the responsibility for administering the Act should be placed."

Meanwhile, Customs is still probing allegations some importers of Japanese TVs received illegal kickbacks from suppliers, and next week Supreme Court is slated to hear oral argument in Zenith suit to force imposition of countervailing duties to offset commodity tax rebates granted on Japanese consumer electronics exports to U.S.

**'WIDESCREEN 1000'-GE'S PROJECTION TV:** Will consumer pay \$2,800 for single-tube, one-piece projector with 45.7" screen? That's question GE hopes to answer when new Widescreen 1000—unveiled last week at N.Y. press preview—is added to line in June. Final details on price (\$2,800 is estimate now), dealer margins, etc., will be announced in May when full line is shown.

System is impressive on several counts: (1) It's first single-tube, rear-projection unit from major TV manufacturer. (2) It's brightest single-tube system we've seen. (3) GE is going directly after home market, won't count on added volume from bar-restaurant-hotel field. But other significant characteristic of projector—sharp drop-off in brightness outside relatively narrow viewing angle—may pose some problems.

In-house technology was emphasized by GE officials at preview, though firm did acknowledge that optics were developed through proprietary arrangements with 2 outside vendors. New 13" color CRT used in projector & optics is being produced in Syracuse facility; system will be assembled in Portsmouth.

Cabinet housing system has vaguely L-shaped profile, with extension jutting out from right side housing chassis & picture tube. Overall measurements: 69(w)" x 49.5(h)" x 24.4(d)". Screen itself measures 36.6" x 27.4" (45.7" diagonal) for total viewing area of 1,000 sq. in.

Chassis is same 32-kV modular used in 25" color console line, but picture tube is brand-new 13" using Einzel-type (unipotential) in-line gun with focus voltage of 11.4 kV. Gun delivers smaller spot size than conventional gun. Tube has round-hole aperture mask, as opposed to slotted mask used in other GE sets, and "improved" phosphors for higher brightness. Images are fired through 3-element f1.6 acrylic lens into angled float mirror mounted in bottom of cabinet, then to 2nd larger angled mirror at top and onto rear of screen. Mirrors—designed by special process giving about 94% reflectivity value—are locked in position at factory. Screen is single acrylic sheet with fresnel lens molded onto rear, abrasion-resistant coating applied to front to allow cleaning and prevent damage.



Although best single-tube system we've seen, brightness didn't match 3-tube one-piece Matsushita projector as demonstrated under cruel lighting conditions on show floor of Jan. CES or version Sony showed in N.Y. last month. Lighting in theater where GE unit was demonstrated was slightly lower than normal living room. Brightness & Custom Picture (brightness, contrast & chroma) controls were cranked all the way up on sets shown at demonstration, and firm says same thing will be necessary for best picture under normal ambient light conditions.

Room light also exerts influence on angle at which brightness begins to drop off; 30-40° at recommended 8-ft. viewing distance in room lighting similar to demonstration theater, GE said. We checked picture at distances of about 8, 35-40 & 50-55 ft., found noticeable drop-off at about 30° at each location. From directly in front of set, however, picture had comfortable brightness, sharp images and good color (both tape & off-air).

GE said angle problem isn't unique to its system, also happens with front-projection systems where light is gathered & shaped by curved screen. Due to fresnel lens on inside surface of GE screen and diffusion surface on outside, company said, it can be viewed in brighter rooms than curved-screen systems since it rejects—rather than amplifies—room light. From picture tube face to back of screen, entire optical system is factory sealed against dust.

System also features VIR, random-access electronic tuning & remote, dual-speaker sound system. At demonstration, shelf atop cabinet extension held new GE 4-hour VHS system, which will be introduced formally (at about \$1,000) in June. GE said VTR is viewed as "strong companion product" to projector. Special tapes demonstrating both systems will be supplied to dealers.

Projection market itself will climb from 1977 level of about 100,000 units to 125,000 in 1978, 220,000 in 1979, reaching 500,000 by 1983, GE says. Consumer sentiment on projection, as measured in GE study involving 8 major cities and 1,500 "pre-qualified" consumers, is "surprisingly positive," TV Product Planning Mgr. Thomas Tucker said, respondents expressing 3-to-1 preference for large screen over conventional size; 76% preferred single-piece system over 2-piece. We reported that GE's \$176,000 survey showed demand for projection and forecast that GE would market "innovative home projection TV set" last Oct. 3 (Vol. 17:40 p10), speculated that it would be rear-projection set Feb. 6 (Vol. 18:6 p8).

**B&W STAGES MARCH COMEBACK:** Almost unnoticed in excitement over soaring color business (Vol. 18:15 p7) was solid sales-to-dealers recovery staged by b&w in March. Trailing 1977 pace in 7 of first 8 weeks this year, b&w sales took off in March, posting increases in all 5 weeks, with double-digit gains in 4, to close out quarter modestly up from same year-earlier period (see State of the Industry).

More good news from March EIA figures is indication that manufacturer promotions have succeeded in rekindling dealer—and hopefully consumer—buying interest in home VTRs. EIA's still experimental & private VTR statistics show March sales to dealers at 27,400, for first-quarter total of 55,900. Month's results are vast improvement over 13,500 & 15,000 reported for Jan. & Feb. respectively, but were only about half of what would be needed to put industry on track toward 500-750,000 goal for year.

Color producers & importers remained cautious on stockpiling despite strength of record March sales—10.9-million annual rate for month, raising first-quarter rate to 10.2 million—and inventories at end of period stood at about 2,215,000, up only 1% from year earlier, virtually unchanged from end of Feb. Factory inventories were 1,271,800, up 2.3% from last year, up 1.1% from Feb.; distributor inventories of 943,300 were down 0.5% from last year, up 1.4% from Feb.

By end of first quarter, color TV 5-week moving average had zoomed to 193,265, highest point ever reached by this average during first half of any year. And 2nd quarter started with bang, too—165,000 color TVs sold to dealers representing 27% increase over 129,593 of same 1977 week and setting sales record for that week—9th such record in 14 weeks. All of EIA's



figures for March were marked by pluses over year earlier. Here they are:

Product	March 1978	March 1977	% change	March 1976
Total TV . . . . .	1,572,295	1,273,546	+23.5	1,049,940
color . . . . .	966,326	770,977	+25.3	592,876
monochrome . . . . .	605,969	502,569	+20.6	457,064
Total radio . . . . .	4,593,033	3,990,035	+15.1	3,501,516
home, portable . . . . .	3,310,381	2,769,093	+19.5	2,387,630
AM-only . . . . .	1,097,691	583,227	+83.2	553,281
FM & FM-AM . . . . .	2,212,691	2,185,866	+1.2	1,834,349
auto. . . . .	1,282,652	1,220,942	+5.1	1,113,886

**TV DUMPING ROSTER:** Total of 122 companies, some inter-related, have been ordered to pay about \$46 million in dumping duties for Japan-made TVs they imported in 1972-73, according to list we've obtained from Treasury. In addition to expected group of independent & Japanese-owned importers & trading firms, it also lists most U.S. TV makers, large number of retailers, host of firms now out of TV.

U.S. producers on list include Admiral, Curtis Mathes, GE, GTE Sylvania, Magnavox & Zenith. Others known to have brought in sets, such as Motorola, Philco-Ford, RCA, TMA & Wells-Gardner, may be represented by trading firms.

Among retailers: Alexander's, Gamble-Skogmo, J. C. Penney, Korvettes & parent Spartan, Longines Symphonette, Jewel Food, Macy's, Montgomery Ward, Sears, Star Appliance, TGPY Stores, Walker & Zanger, W. T. Grant, Western Auto, White Stores.

Now gone from TV scene, but not forgotten by Treasury: Bell & Howell, Channel Master, Concord & parent Instrument Systems, Consolidated Mdse. & parent U.S. Industries (Webcor), Delmonico, Elgin, Emerson, Harman-Kardon, Milovac, Teledyne (Packard Bell), Warwick, Westinghouse. Also on list are Fairchild Camera & General Instrument.

Importers posted bonds, generally 9%, to cover potential dumping-duty liability for period covered by notice, but are responsible for full payment. Surety companies are stuck for duties owed by firms which folded and left no parent companies.

**Telex Communications** offered \$5 million-plus for Neb. antenna-production facilities of bankrupt Hy-Gain. Citibank, which took over assets along with 3 other banks when federal court declared firm bankrupt, was expected to make decision on Telex bid and offers from several others early this week. Telex Mktg. Dir. Sidney Kitrell told us stand-alone antennas for CB and other communications uses would be produced in Lincoln plant and added to line of mikes & headsets if bid is successful. Citibank already has rehired 30 Hy-Gain production workers, is turning out antennas on limited basis, Kitrell said.

**Ghost eliminators** for TV sets are being offered in Japan by Yagi Antenna, member of Hitachi group, at about \$108 (23,800 yen) & \$130 (28,900 yen).

**ATARI'S NEXT STEP:** "We've got another shoe to drop at some point," Atari Pres. Nolan Bushnell told us last week, indicating step-up from current VCS programmable game with added memory and more computer functions is on way. New product will be "end-all & be-all game-player, but if the user wants to program basic on it, he can," Bushnell said. He declined to discuss timing of new product, said it probably won't be shown this year. Emphasis will remain on game-playing—"as long as only one in 50 people in this country knows basic, I'll let the others have the home computer business."

Bushnell also said: (1) Atari will double production of VCS in 1978 over last year, bringing total to 680,000. (2) Cartridge availability will be improved this year and shipments of both games & cartridges to dealers will be guaranteed if orders are placed early enough—"if they're placed in significant numbers in Sept., that'll be OK." (3) Market for programmables will pick up earlier in 1978, with sales beginning upward climb in Aug. & Sept. (4) Dealer can make more on cartridges than on programmables, with average 40% margins "if he works at it." (5) Slump in mid-range dedicated games will be met by discounting prices significantly, cutting own margins; Bushnell wouldn't identify specific games involved or size of price cuts.

**Color imports** from Japan in July-Feb. totaled 1,267,000, of which 1,076,800 are covered by quota agreement, according to Customs. Agency monitors Japan's compliance with pact limiting annual shipments to U.S. to 1.75 million complete sets & chassis. Japan also gets 3% "special-case" allowance, raising permitted shipment total to 1.8 million. Customs says 121,600 were imported in Feb. Results leave Japan with 725,700 to supply in remaining months of quota year, or average of 181,400 monthly, down 14.5% from average in March-June 1977.

**Scratch one** possible explanation why EIA color sales-to-dealers growth is at higher rate than those being reported by individual manufacturers. Sanyo Mfg. says that while its books show sets are sold to Sears when produced, reports to EIA reflect only actual shipments. We recently indicated that huge first-quarter production increase at Sanyo's Forrest City, Ark. plant might have accounted for good portion of seeming imbalance (Vol. 18:15 p7).



**TOSHIBA MPU TVs:** Toshiba kicked off TV line introduction season in N. Y. last week with 3 new models, 2 featuring microprocessor-controlled tuning, but served notice, as did Sony & Panasonic, that big sales push in 1978 will be in hi-fi.

New top of Toshiba color line is 21" model with electronic programmable MPU 12-channel tuner at \$950. Featuring on-screen time & channel display, set can be programmed to select 16 different shows during course of day; up to 8 selections can be permanently stored and repeated daily. AC-DC 5" at \$470 has 12-channel touchbutton MPU tuner, features 4 IC-module chassis, improved in-line slot-mask tube. Two 9" AC-DC models with 30% brighter in-line tubes, conventional tuning, IC modular chassis, are \$470. Also shown was first Toshiba-made Beta format home VTR. Unit is single-speed, features LED digital timer, lists at \$995.

In audio, Toshiba unveiled 150-watt knob-free receiver with LED digital frequency display, touch-button scanning and 6-station preset tuning at \$995; 5 conventional tuners, 25 to 100 watt, \$250-\$530; 4 cassette decks, \$150-\$300; 4 rack-mount component ensembles, including speakers, turntable, enclosure, \$800-\$1,600.

Sony is taking major shot at elusive hi-fi market this year with totally revamped line paced by \$900 tuner with dual display—linear scale & LED digital—electronic PLL tuner, \$850 cassette deck featuring dual 64-element LCD level meters. Other tuners are \$210 & \$310, cassette decks \$200, \$300 & \$400. Flagship receiver is 150 watts at \$820; 5 others, 25-115 watts, are \$240-\$650, new semi-automatic direct-drive turntable \$130.

Upcoming from Panasonic's Technics is hi-fi MPU programmer, presumably variation on TV adaptor shown at last CES (Vol. 18:2 p10). To retail at about \$500, it can be set to turn various components on & off, change stations on tuner several times daily over course of week. Companion PLL LED digital readout tuner will also be \$500. Technics will escalate industry's power race with 330-watt-per-channel receiver at \$1,500.

Already fuzzy line between hi-fi & mid-fi component systems will get even blurrier this year. JVC has 2 receivers designed for systems packaging at retail to list at \$190 & \$290; both Emerson & Lloyd's will offer packaged systems priced up to \$400, while Soundesign packaged components will list in \$300-\$500 range.

Japan's color output dropped 18.9% in Feb. to 630,000, although total factory shipments were off just 16.2% to 587,000, ELA-Japan reports. Domestic market shipments were up 8.6% to 364,000, but gain was offset by 35.9% decline in exports to 244,000, lowest seasonally-adjusted level in over 2 years.

Sanyo will offer VIR circuitry in future sets on U.S. market—and possibly so will Sears. Tokyo Sanyo, Japan, announced development of IC which adjusts color & tint to VIR signal and said it will supply parent Sanyo in Osaka which will use it in color sets shipped to U.S.

**TAIWAN COLOR TV:** Philips' Taiwan color tube plant, island's first, started pilot operations just as govt. there outlined plan for limiting color exports to U.S. through restrictions on export permits.

Export controls, which won't affect color assembly plants operating in export processing zones, are intended to keep local producers from rapidly expanding U.S.-bound shipments as result of Japan's color export-to-U.S. quota. Under new arrangement, Board of Foreign Trade (BFT) will replace banks as issuer of export clearances for color TV & chassis. While Taiwan won't take any official restrictive action, BFT will be able to hold exports down by holding permits back. In addition, BFT will start monitoring exports of Japan-owned color plants there to see they're not being used to circumvent quota agreement.

Pilot production started at Philips tube plant April 13. When fully operational in Sept., \$50-million facility will have 900,000 annual capacity. Taiwan govt. announced Philips will invest \$4 million more this year to add capability for production of deflection yokes & magnets. As result, govt. said, it plans to raise Taiwan-made content requirement to 90% from present 60% for color sets assembled there for local sale.

Import impact aid for workers formerly producing consumer electronics at Wells-Gardner and cabinets at subsidiary Rocket Mfg. was approved by Labor Dept. LD issued similar approval for those who lost jobs turning out calculators for Victor United, Chicago, and watch cases for Wells Benrus, Ridgefield, Conn. Turndowns were issued for ex-employees handling quality-control & administrative functions at General Instrument's F.W. Sickles Div., Chicopee, Mass.; producing power suppliers & converters for Semiconductor Circuits, Haverhill, Mass.; making quartz crystal blanks for Aiken Industries, P.R. Hoffman Div., Carlisle, Pa. New case was opened for workers making wire & cable for consumer electronics at Paragon Wire & Cable, Buffalo.

Expanded Summer CES June 11-14 will have record 800 exhibitors, including 277 hi-fi firms, use all available space at McCormick Place, McCormick Inn & Pick Congress Hotel, where 74 high-end hi-fi makers will exhibit. In addition to usual morning conferences, new series of daily afternoon retail workshops sponsored by NARDA & ERA will cover advertising, merchandising, sales & service training, store management. Winter CES dates have been pushed back one day from previous schedule to Jan. 5-8.

Zenith's Buffalo distributor, Joseph Strauss Co., has established Denver subsidiary to handle Zenith products in Colo., parts of Wyo. & Neb., replacing Mountain States Distributing. Michael Crehan becomes vp-gen. mgr. of new unit, Tom Laughlin operations mgr. Frank Keane, Joseph Strauss Buffalo pres., will hold same title with subsidiary.

S. Korean 1977 electronics output was valued at \$1.71 billion, up 20.4% from 1976, govt. reports.



## Personals

**Alfred di Scipio** resigns as Magnavox Consumer Electronics pres. to pursue other, unspecified opportunities, his duties assumed on interim basis by **Cees Bruynes**, Magnavox chmn. & exec. vp of parent North American Philips. Di Scipio's departure came as surprise to most officials of Magnavox & NAP. A former officer of Filmways, Singer & ITT, he joined Magnavox in Jan. 1973, 18 months before its takeover by NAP, as successor to George Fezell (Vol. 13:3 p11).

**Almon Clegg** promoted at Panasonic from Audio Engineering Dept. mgr. to asst. gen. mgr., Product Engineering Div. **John Bullock** joins Electro-Voice as senior engineer. **Hiroshi Tada**, ex-Sansui, appointed Sankyo national key accounts sales mgr. **Stacy Singer**, ex-Lloyd's & Yorx, joins Emerson Radio as asst. national sales mgr. **Robert Levy**, ex-Antenna Specialists national CB sales mgr., appointed product mktg. mgr. for Cal Comm Power Max Div. (CB antennas).

**Gordon McDonald**, one-time Magnavox & Mitsubishi (MGA), now RCA account supervisor at Leo Burnett, Chicago. **Philip Goodman**, ex-L. F. Rothschild, joins Chicago investment researchers Duff & Phelps as electronics specialist. **Stanley Nelson**, Telcor vp, advanced from vp to pres. of subsidiary Electro-Rent, succeeding **Eric Staniek**, now chmn.; Staniek replaces **Harold Paytn**, who continues as Telcor pres.; **Robert Fields** promoted at E-R from vp-gen. mgr. to exec. vp. **H. Justin Lubold**, Corning mfg. services dir., elected vp.

**Al Du Vull**, ex-TRW, appointed R-Ohm semiconductor product mgr. **Bert Ashens** named Bourns multi-function trimmer product mgr. **J. Laurence Thomas** appointed new product program mgr. at Sylvania's W. M. Chase subsidiary.

**Frank Doyle** joins GE May 1 as corporate employee relations vp, succeeding **Leonard Maier**, now corporate relations senior vp. **Bill Jones** promoted at Owens-Illinois to Consumer & Technical Products Group vp-gen. mgr. **Thomas Anthony** advanced at National Semiconductor to industry dir., automotive & telecommunications activities. **Irwin Wald**, ex-Glen Industrial Communications, named Ikegami sales mgr. for security TV equipment.

"Meeting Foreign Competition" titles Conference Board seminar May 11 at Waldorf-Astoria, N. Y. Among topics: Injurious Competition—Threat to Free Trade; Gathering & Analyzing Evidence of Unfair Competition; Legal Strategies to Counter Injurious Competition. Speakers include Treasury Gen. Counsel **Robert Mundheim**, EIA Gen. Counsel **Raymond Johnson**, Corning Counsel **Paul Cullen**, IUE Pres. **Jacob Clayman**.

**Smoke detector survey** planned by Consumer Product Safety Commission is intended to show effectiveness of devices in use. Study will compare fire-related deaths & injuries in protected & unprotected homes, look at performance of various types of detectors.

**VIR correction** of color signal more properly belongs at TV station than in TV set, Sylvania's C. Bailey Neal concluded in paper presented at NAB convention. If each of the under-1,000 TV stations in U.S. spends \$35,000 for full implementation of VIR, total cost would be \$35 million, with anticipated life of at least 8 years, Neal estimated. But if TV set makers add VIR circuits at \$20 per receiver—given sales of 8 million sets annually—cost to public over 8 years would exceed \$1.28 billion. If all transmitters were VIR-controlled, VIR correction in receivers would be largely unnecessary, Neal argued. Invalid VIR signals, he added, occasionally confuse VIR-equipped receivers, and "under these conditions another automatic color system may well perform better."

**CB Scene:** E.F. Johnson introduces new Viking base station with automatic noise blanker, built-in speech compressor & detachable mike (\$230), will add more models to CB line than earlier planned due to import tariff hike (Vol. 18:14 p8). **Teaberry** shows completely new "Stalkers" line (\$80-\$400), all models covered by one-year warranty (vs. usual 90 days). **Midland's** new accessory catalog includes retail point-of-purchase displays, merchandising tips, over 100 accessories. **Radio Shack** introduces digital-entry scanner using MPU to preset 16 channels, automatically scan ham, govt. & other bands (\$400). **Electra** introduces Bearcat Allett which turns on automatically when National Weather Service broadcasts special tone indicating emergency (\$60).

**Members of PURAC** (Personal Use Radio Advisory Committee) will vote on proposals from 6 task forces April 19-20 at final meeting in Gettysburg, Pa. Proposals cover user rule compliance, local interference, future personal radio needs, electromagnetic compatibility, safety uses and changes in General Mobile Radio Service. Copies of task force reports are available from Downtown Copy Center, Washington.

**Ad notes:** **GTE Automatic Electric** appoints Campbell-Mithun, Chicago, for new consumer products account. **Fujitsu America Components Div.** appoints Buti-Roberts, Chicago. **BSR** expands responsibility of KSW&G to include new Housewares Div. **Craig** bought 50% sponsorship of Ringo Starr special on NBC TV, April 26, will support with \$1 million campaign for sweepstakes featuring Starr's car as first prize.

**RCA reports** its first-quarter color TV sales to dealers were highest of any quarter in history (Vol. 18:15 p7), up 6.5% over previous first-quarter record set in 1974. RCA said its introduction of 13" color portable resulted in what is probably its largest back order in history and console business was up 27% over 1974 period.

**Japan's color output** dropped 18.9% in Feb. to 630,000, although total factory shipments were off just 16.2% to 587,000, EIA-Japan reports. Domestic market shipments were up 8.6% to 364,000, but gain was offset by 35.9% decline in exports to 244,000, lowest seasonally-adjusted level in over 2 years.



**RCA NET UP:** RCA reported record first-quarter earnings, which rose 13.2% on 9.5% sales gain (see financial table), said pre-tax net highs were achieved by Solid State, Picture Tube & Records units. Consumer Electronics Div. had improved earnings, set first-quarter color TV sales record, maintained major share of home VTR market.

At Picture Tube Div., RCA said, productivity gains, heavy worldwide demand and strong performance of Canadian operation offset impact of bad weather, while sales of electro-optic devices & power transistors paced improvement at Solid State.

**Sanyo Mfg.** said wage increases, inflation & rising value of yen had adverse impact on fiscal first-quarter net. It reported color production at Forrest City, Ark. plant was at about same level as 4th quarter 1977 (estimated at 170,000) despite fewer workdays, said efficiency & cost-improvement programs are continuing.

**North American Philips** attributed flat opening-quarter net to reduced earnings from consumer products, said all operations increased interest expense, had sales improvement.

**GE** said significant improvement in earnings from Consumer Products & Services, Industrial Products & Components contributed to record first-quarter net.

**APF** attributed loss for 1977 to impact of dollar devaluation against yen, start-up costs for new products, including personal computers. APF said it plans to shift more purchases to Singapore, Hong Kong & Taiwan to minimize effect of exchange-rate disruptions. Company stated it has had "exploratory conversations" with U.S. & foreign companies about financing or "corporate consolidations," but no definitive agreements, indicated it made first-quarter profit.

**Mergers & acquisitions:** Maremont received FTC approval for purchase of 11.5% interest (225, -900 shares) in Pemcor from Herbert Rowe & family. Rowe, former Pemcor officer, is now EIA Parts, Tube & Distributor Products Divs. staff vp. Maremont will pay \$13 for each Rowe share; planned offering of \$16.75 each for all other outstanding shares is being held up while Chicago federal court considers Pemcor's bid for permanent injunction. . . **General Dynamics** plans acquisition of telephone equipment producer American Telecommunications Corp. for \$41.3 million in cash & shares. ATC produces decorator phones, has line of dialers, answerers & other gadgets, is partner with Fujitsu in American Telecom, marketer of Japan-made switch equipment. GD is already in phone business through several subsidiaries, including Stromberg-Carlson, buys some switchboard equipment from American Telecom.

**EIA-sponsored U.S.-African Telecommunications Conference & Exhibit**, aimed at exposure of U.S. telecommunications products & systems, will be held in Nairobi Jan. 17-19, 1979. Similar conference took place last Jan. in Singapore.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
<b>Craig</b>			
1978-9 mo. to March 31	85,034,000	5,022,000	1.62
1977-9 mo. to March 31	93,011,000	7,262,000	2.32
1978-qtr. to March 31	23,370,000	1,005,000	.32
1977-qtr. to March 31	24,186,000	1,551,000	.49
<b>GE</b>			
1978-qtr. to March 31	4,443,400,000 <sup>a</sup>	247,800,000 <sup>a</sup>	1.09
1977-qtr. to March 31	4,063,000,000	215,400,000	.95
<b>General Instrument</b>			
1978-year to Feb. 28	502,848,173	24,315,819	3.03 <sup>b</sup>
1977-year to Feb. 28	466,073,136	16,530,199	2.00 <sup>b</sup>
1978-qtr. to Feb. 28	124,657,781	5,404,257	.67 <sup>b</sup>
1977-qtr. to Feb. 28	116,762,278	2,975,186	.34 <sup>b</sup>
<b>Multimedia</b>			
1978-qtr. to March 31	23,056,774	2,789,000	.42 <sup>b</sup>
1977-qtr. to March 31	19,717,907	2,036,000	.31 <sup>b</sup>
<b>North American Philips</b>			
1978-qtr. to March 31	464,036,000	10,866,000	.84
1977-qtr. to March 31	418,110,000	12,071,000 <sup>c</sup>	.94
<b>Owens-Illinois</b>			
1978-qtr. to March 31	696,469,000	9,135,000	.29 <sup>b</sup>
1977-qtr. to March 31	679,354,000	17,893,000	.60 <sup>b</sup>
<b>Raytheon</b>			
1978-qtr. to April 2	769,426,000	32,609,000	1.05 <sup>b</sup>
1977-qtr. to April 3	661,596,000	23,038,000	.75 <sup>b</sup>
<b>RCA</b>			
1978-qtr. to March 31	1,504,000,000 <sup>a</sup>	54,900,000 <sup>a</sup>	.72
1977-qtr. to March 31	1,372,900,000	48,500,000	.63
<b>Rust Craft Greeting Cards</b>			
1978-year to Feb. 26	94,379,000	3,835,000	1.67
1977-year to Feb. 27	88,324,000	3,333,000	1.45
<b>Sanyo Mfg.</b>			
1978-qtr. to Feb. 28	44,255,000	646,000	.15
1977-qtr. to Feb. 28	4,822,000	(315,000)	--
<b>Seaport</b>			
1977-year to Dec. 31	20,641,000	454,000 <sup>c</sup>	.16
1976-year to Dec. 31	18,534,000	(636,000) <sup>d</sup>	--
1977-qtr. to Dec. 31	5,903,000	67,000 <sup>d</sup>	.02
1976-qtr. to Dec. 31	4,561,000	(989,000) <sup>d</sup>	--
<b>Walt Disney Productions</b>			
1978-6 mo. to March 31	307,026,000	36,381,000	1.12 <sup>b</sup>
1977-6 mo. to March 31	259,525,000	29,614,000	.91 <sup>b</sup>
1978-qtr. to March 31	169,920,000	23,028,000	.71 <sup>b</sup>
1977-qtr. to March 31	139,996,000	17,786,000	.54 <sup>b</sup>

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

**History of RCA**, as chronicled by some of people who made that history, has been updated and re-issued. Articles reprinted from RCA Engineer magazine and assembled under title "RCA—an Historical Perspective" are written by: John Warner, RCA Radiotron vp who died in 1935, covering early years; 3 by ex-RCA Pres. Elmer Engstrom (covering 1938-1966); 2 by Research & Engineering Exec. Vp James Hillier (1966-1976). Copies are available from Henry Bechtold, staff vp, news & information, RCA, 30 Rockefeller Plaza, N.Y. 10020.

**Tandy** sold Allied Electronics Div. to subsidiary of Spartan Mfg. for \$5.15 million in cash plus 100, -000 Spartan warrants.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**CBS ASKS FCC TO CONSIDER** 'significant contributions' made by network before issuing punishment on 'Winner Take All' tennis. Oral argument likely, as is short renewal for KNXT. (P. 1)

**PUBLIC BROADCASTING** gets going over by House during hearings on bills proposed to change structure. EEO, tougher accounting, reduction of CPB involvement in programming, expected. (P. 2)

**NCTA CONVENTION SHAPING UP:** FCC likely to issue substantial decisions. Big contingent coming from FCC & Congress. Top 50 grow 10.3%. (P. 3)

**BOSTON CH. 7 DISPUTE SETTLED** as competing applicants combine to buy WNAC-TV for \$59 million; blacks to have substantial ownership. (P. 4)

**GAO QUIZZES TV MANAGERS** in study of effectiveness of FCC regulation. Results now postponed until Aug. (P. 4)

**'HOLOCAUST' IMPACT DRAMATIC**, drawing 2nd largest non-news or sports event TV audience in history. Strong favorable reaction. (P. 5)

**GOOD NEWS FOR CBS HOLDERS** reported by Paley & Bache at stockholders meeting. Revenues for first quarter are record \$732 million, earnings \$33.7 million. (P. 5)

**CBS TO FCC—CONSIDER 'SIGNIFICANT CONTRIBUTIONS':** Pleading guilty on all counts except deliberate deception of FCC & public, CBS last week asked Commission to consider "the significant contributions" network has "made to broadcasting over the past 50 years." CBS plea came in response to FCC threat to issue short-term license to one or more of network's TV stations because of deception involved in "winner take all" televised tennis matches (Vol. 18:15 p4, et seq).

CBS response was signed by Pres. John Bache and Bcst. Group Pres. Gene Jankowski "to emphasize that we regard this matter as being of the highest importance." They detailed steps CBS has taken to avoid future transgressions, said "we are both committed to doing everything possible to assure that the errors made in these broadcasts do not recur."

Commission is likely to grant CBS's request for oral argument, although there will also be attempt made to have Jankowski & Bache on hand to answer questions in addition to lawyers. There's strong conviction at FCC that no matter what network does & says, one (and only one) CBS owned station—most likely KNXT L. A., which has renewal application pending—will get short renewal. "It's too bad we can't fine them \$200,000-\$300,000," said one FCC official. We're told vote is likely to be 5-2 to issue short renewal.

### Consumer Electronics

**SONY TO INTRODUCE** lightweight portable consumer VTR and Tricon home color camera in U.S. next week. Sony/Paramount videocassette programming venture ready to fold after disagreement. (P. 7)

**COLOR IMPORTERS** cut inventories, hiked prices last year, ITC survey shows. Domestic color plants operated at average 42.7% of 16.4-million-set capacity. (P. 8)

**'TRADITIONAL ADMIRAL VALUES'** featured in 1979 line, which adds new single knob mechanical Unituner, Zenith-built 100° color tubes. JVC pitches Vidstar to its hi-fi dealers. (Pp. 8 & 11)

**VTR MARKET PUZZLE:** Sales running below projections, but some pickup in March. Price attrition in some spots. New Japanese products & targets. (P. 10)

**COMPUTER SOFTWARE** going mass-market route through GRT plans to offer cassette program library compatible with many personal computers in next 60 days. (P. 10)

**ZENITH NET OFF SHARPLY** as color factory volume declined in first-quarter distributor inventory-reduction program. GTE consumer electronics results improve. Wells-Gardner enters coin-op & alarm fields. (P. 11)



Some at Commission are worried about inviting competing applications for KNXT's channel, will check legality of agency making statement that short renewal won't count as demerit in comparative hearing. On other hand, 2-3 commissioners are likely to strongly oppose such a move, would in fact welcome competing applications.

Further CBS statement is due in week on plugola aspects of case (involving free accommodations at Las Vegas & Dorado Beach hotels which network didn't disclose publicly), and Commission has no timetable for further consideration. However, "we want to get it out of the way as soon as possible," agency official said. Network's response last week has been referred to Bcst. Bureau, which is studying it, will make recommendation to commissioners.

Meanwhile, FCC this week is expected to send ABC-TV letter containing "only a slight reprimand" for network's ill-fated boxing tournament of year ago (Vol. 18:10 p2). ABC canceled tournament after it discovered that boxers' rankings were faked and that purses weren't as advertised.

**PUBLIC BCSTG. & CONGRESS:** Tough EEO provisions, stricter accounting measures, reduction of CPB's involvement in programming, plus strong open-meeting requirements, are expected to be included in any public broadcasting legislation resulting from hearing last week of House Communications Subcommittee.

House aides & others speculate legislation resulting from hearing also would emphasize importance of national programming, insure NPR doesn't get short end of stick and reduce 2.5-to-1 match formula (possibly including credit for volunteer time), among other things. Other issues, such as length and amount of CPB & facilities grant authorizations and whether stations may editorialize, remain unclear.

Hearing was held to discuss bills proposed by White House (Vol. 17:40 p2) and Sen. Hollings (D-S.C.) & Rep. Van Deerlin (D-Cal.), chmn. of Senate & House Communications Subcommittees (Vol. 18:14 p5), plus vast variety of other ideas from some 30 witnesses who gave several hundred pages of testimony in 3-day hearing.

While independent producers & NPR appeared to get most sympathetic ear of Subcommittee and staffers, members and staff felt just opposite about PBS. "They were the most arrogant witnesses before this Subcommittee this Congress," one aide complained, echoing statements of others. "They make the network people who came up here on sex & violence look humble."

Criticized hardest were outgoing Chmn. Ralph Rogers and incoming Chmn. Newton Minow. "Minow sounded like a senior partner (of law firm) talking to an associate. That kind of attitude doesn't help them," said House official. Tone of PBS's presentation was set by Rogers, who complained forcefully that Hollings-Van Deerlin bill was "surprise," implied introduction just before hearing was "affront to the deliberative process."

Among other highlights: (1) Ranking Republican Louis Frey (R-Fla.) stated at hearing he's "disappointed" with public broadcasting, concerned with its "elitist philosophy." (2) Henry Geller, designated NTIA chief, said Administration has made no decision backing spectrum-use fee to support public broadcasting, wants to see alternatives. (3) CPB Pres. Henry Loomis proposed reducing CPB board from 15 to 9 and establishing special council made up of former public broadcasting officials to recommend nominees to President.

(4) Independent producers complained bitterly that public broadcasting does not use their stuff. Said one, Julie Motz: "The system is anti-entrepreneurial." (5) Rep. Russo (D-Ill.) and Subcommittee Chief Counsel Harry Shooshan quizzed broadcasters on results of GAO audit which found problems in financing of satellite interconnection system, among other things. (6) Rep. John Murphy (D-N.Y.) described introduction of Hollings-Van Deerlin bill as late in game and "disruptive of the legislative process."

(7) Group of dissident public broadcasting licensees proposed that rewrite of Communications Act include ban on any CPB involvement at all in programming decisions, requiring that CPB only distribute federal money and audit its use. (8) PBS Pres. Lawrence Grossman drew fire from Shooshan after former told stations in recent closed-circuit discussion that Hollings-Van Deerlin bill provision for public access to satellites opens door to blue movies and far-out groups.



**NCTA CONVENTION SHAPING UP:** FCC used to save "blockbusters" for NAB & NCTA conventions, has got out of habit—but it's likely to have a couple mini-busters for next week's NCTA convention. First, it has definition of system on tap, is expected to raise from 500 to 1,000 subscribers the size of system exempt from Commission rules. Next, it's going to turn down MPAA's petition to restrict satellite distribution of station signals to systems.

Also on deck—and we don't have a firm handle on details—are proposed rulemaking on pole attachments and petition for waiver of phone-cable cross-ownership in rural areas.

Meanwhile, NCTA couldn't be more tickled about way convention is shaping up. Registration income is now 27% over last year's final tally, and exhibitor income is plus 24%.

In addition to main speakers—Sen. Hollings (D-S.C.), Rep. Van Deerlin (D-Cal.) & FCC Chmn. Ferris—there's big contingent coming from FCC & Congress. From Commission: Comrs. Quello & Brown; Cable Bureau staffers Phillip Verveer, Jerold Jacobs, Anthony Cavender, Early Monroe, Robert Powers, Lauren Belvin, Cynthia Jeffries & James Jamison; EEO Chief Lionel Monagas; Common Carrier Bureau's Walter Hinchman, Ronald Lepkowski & William Lombardi; Field Bureau's Phyll Horne & John Hudak.

There'll be informal 7 a.m. "Breakfast With..." sessions with congressional staffers. From Senate: Mary Jo Manning, Ward White & John Smith. From House: Harry Shooshan, Karen Possner, Ronald Coleman, George Harder, Brian Moir, Bruce Wolpe. Sole White House emissary, so far, is Richard Neustadt.

NCTA will video- & audio-tape all sessions, is putting together 30-min. program on "story of cable"—using scenes from convention—for satellite distribution to systems by HBO & Showtime, probably in couple weeks.

In Washington, meanwhile, Sen. Cannon (D-Nev.), chmn. of Commerce Committee spoke at first meeting of new Washington Cable Forum, had something for everyone: "We want to examine how best to integrate cable into our national communications network so that cable TV may develop into a true medium in its own right. . . My inclination is to remove the roadblocks to cable where such impediments are unnecessary to safeguard the viability of other media of communications. . . The Commission must base any restrictions on cable activities on hard evidence that such restricted activities would have an adverse impact on over-the-air broadcasting. . . We must determine and act on those instances where universal service provided by broadcasting is threatened by cable; we must also determine those areas where cable broadcast competition will redound to the benefit of the public. Consequently, we must assume that communications services already being provided to the public are continued, and on the other we must encourage diverse & unique services to be offered to that same communications public."

Television Digest's semi-annual summary of top-50 cable operators has been completed, will be included in Special Convention Supplement. Top 50 have increased their subscribers 10.3% to 8,753,948; top 25 rose 9.3% to 7,035,066. Top 50 percentage of total remains virtually unchanged: It's 67% this year, was 66% last. Top 10 remain in same rank as year ago: Teleprompter, ATC, TCI, Warner, Cox, Viacom, Sammons, CPI, UA-Columbia, United Cable. There are some shifts below those, but nothing drastic.

"Obscenity" case oral argument before U.S. Supreme Court last week left broadcast lawyers hopeful but apprehensive. Case involved non-commercial WBAI(FM) N.Y., which in 1973 broadcast George Carlin record with 7 "words you'll never hear on TV." and FCC in 1975 (Vol. 15:7 p4) issued statement terming material "indecent & prohibited by federal law." Appeals Court reversed Commission; latter appealed. Originally alone, WBAI(FM) was joined by networks, Justice. NAB. It was evident—despite legal technicalities—that some justices, particularly Burger, would like to find for FCC. One broadcast attorney, familiar with case & court, thought Burger is definitely against station, while Stewart, Brennan, Marshall & Stevens are on broad-

casters' side. He found Powell "teetering," Rehnquist "a possibility," White "difficult to figure," Blackmun "either way." No one mentioned the 7 words during argument. At outset, Burger gave very strong hint that he didn't want to hear them. Decision is likely in June.

In "unprecedented action," according to AAAA, trade assn. asked FCC to go even further than recommended by White House in assisting minorities in acquiring broadcast stations (Vol. 18:4 p5). AAAA said that policy should be national in scope and not limited to size of minority populations, that financial requirements for minorities should be relaxed. NAB and other broadcast groups also generally supported White House recommendations.



**BOSTON CH. 7 DISPUTE SETTLED:** Two competing applicants for Boston Ch. 7 have combined forces, bought out incumbent RKO (WNAC-TV) for \$59 million, giving blacks substantial ownership in major-market VHF station for first time. Move also solves comparative hearing battle which started decade ago. June 1974 initial decision favored WNAC-TV (Vol. 14:25 p5); case has been stalled by interlocutory pleadings since, and oral argument was never held.

Applicants Community Bestg. and Dudley Station Corp. have formed New England TV Corp. to purchase WNAC-TV. Community will own 60%, Dudley 40%, but there's 50-50 voting trust. Voting stock of Dudley is 85% owned by blacks. Community Pres. David Mugar heads N.E. TV; Dudley Pres. Bertram Lee will be senior vp. All WNAC-TV personnel have been asked to remain following FCC approval.

In other sales activity: (1) Mutual Radio Network enters station ownership for first time with \$12-million purchase of WCFL(AM) Chicago from Chicago Federation of Labor. (2) LIN Bestg. acquired 70% of KTVV-KHFI(FM) Austin, Tex. for \$4.5 million. (3) Meredith Corp. bought independent WPGH-TV (Ch. 53) Pittsburgh. (4) General Media (Rockford, Ill. cable operator) purchased independent WGN-TV (Ch. 26) New Orleans. (5) Ch. 26 WSWO Springfield, O. CP went to Christian Bestg., which plans commercial operation.

(6) Ind. U. Communications Prof. Herbert Terry has withdrawn petition to deny proposed \$26-million sale of WTTV Bloomington-Indianapolis to Telco Ind. after latter amended application for FCC approval to stress coverage of Bloomington.

**AmeriCom Satellite Network** proposal to offer, via Western Union satellite, signals of various stations to cable systems (Vol. 18:9 p2), was opposed last week by Southern Satellite Systems & Satellite Communications Systems. Filing with FCC, latter 2 said that ASN is offering service without getting Commission permission; that WU doesn't have permission for it either; that offering is illegal under common-carrier rules; that if ASN isn't common carrier it will be violating copyright law—as will WU & cable customers. RCA AmeriCom also is giving ASN jaundiced eye, is expected to challenge use of name.

Identical petitions to deny license renewals, filed by 3 blacks against 22 L.A. TV & radio stations, have been turned down by FCC, which said that blacks failed to show standing as parties of interest and that petitions weren't signed properly. Comr. Quello issued statement: "[These pleadings] raise serious questions of possible malicious intent and gross abuse of administrative processes, which I believe, should serve to prompt a general review of our procedures for dealing with such petitions."

Teleprompter added 79,000 pay & 45,000 basic-service CATV subscribers last year, increased both classifications by 30,000 in first quarter this year, Senior Vp William Bresnan told security N.Y. analysts last week. He said company now has 243,456 pay and 1,126,000 basic cable subscribers.

**GAO QUIZZES TV MANAGERS:** "Random sample" of TV gen. mgrs. has been sent 9-page questionnaire by General Accounting Office in study of effectiveness of FCC's regulation. Report originally was due in March (Vol. 17:34 p1), but questionnaire—dated April 6, with replies requested in 5 days—has delayed that until Aug., according to Project Dir. Robert Allen of GAO.

Allen told mgrs. questions were directed to them because "you...are closest to everyday broadcast operations," promised individual answers would be kept confidential. Among questions:

Competency & courtesy of FCC staff; adverse effect (in several areas) of 3-year licenses; what's ideal license length; influence of possible petitions to deny on station actions in programming, employment, ascertainment, news, etc.; chances that station will lose license when renewal is filed; does cross-ownership help or hinder diversification of ideas; good & bad network practices; impact of network on program alternatives; impact of cable.

"I think the FCC's role, and I envision my role, as not to hold back technology...To open up [TV] to competition and not to have a regulatory framework that protects the status quo...They [TV networks] all compete for all of the viewers and it has the lowest common denominator type of psychology...If we had 8 networks or 10 networks...I think you'd see a different type of psychology and a greater drive for diversity and I think a greater sense of contentment on the part of the American public...The actions that we are starting to take are consistent with that...a type of technology which will provide [diversity]. It can be done by making TV receivers more discernible. By having a more consistent location of transmitters. By improving the receivers, you can double...the number of UHF and even VHF outlets"—FCC Chmn. Ferris on NBC's "Today" April 21.

**Lar Daly is dead.** Perennial political candidate—who won many equal-time battles with broadcasters, including historic case in late '50's which lead to change in Communications Act to exempt bona fide news broadcasts from Sec. 315—died April 18 in Chicago suburban hospital. He was 66. Daly made first political race in 1938 (unsuccessfully, for Cook County superintendent of schools), ran for Senate 6 times, for President, Ill. gov., Chicago mayor. In his last race (March 21 GOP primary for Senate), he polled 74,739 votes vs. incumbent Sen. Percy's 401,409.

"They've got some sophisticated equipment," FCC official said last week of "outlaw" TV station which operated April 14-15 in Syracuse on Ch. 7 (not allocated in area). Programming featured mostly movies which bore HBO logo, along with "Deep Throat." Station had "considerable power & coverage," according to Commission, which last weekend had TV set tuned 24 hours to Ch. 7 hoping to pinpoint location of illegal operation.

**FCC Chmn. Ferris** appears before Senate Appropriations Subcommittee April 26 on agency's request for \$67 million for fiscal year starting Oct. 1 (Vol. 18:5 p3).



**'HOLOCAUST' IMPACT:** Americans' intense interest in programs concerning oppressed minorities was demonstrated dramatically again last week when NBC's "Holocaust" series drew audiences 2nd largest in TV's history for a non-news or sports telecast. NBC estimated 120 million saw all or part of 4-night 9-1/2 hour series on Germany's annihilation of 6 million Jews. Audience was 2nd only to ABC's "Roots"—on black slavery.

Many commentators found series had extraordinary import because of Israeli-Arabian peace negotiations and crucial role of U.S. in them. Dramatic critics found series very uneven in terms of dramatic worth and acting skill—but majority, along with general public, felt value of telecast vastly outweighed artistic shortcomings. Jews who had survived horror of concentration camps tended to find program inadequate—teacher-historian Elie Wiesel termed it "trivializing."

NBC reported that nationwide Nielsens gave whole series 31 rating, 49 share, with this breakdown: Sun., 27.1 & 43; Mon., 32.7 & 51; Tues., 30.3 & 49; Wed., 34.9 & 54. At N.Y. switchboard alone, 6,103 calls were received praising program (all-time high), 883 complaining.

**TV circular polarization** got boost at NAB convention, with CP antennas featured by Harris, RCA, Bogner & Jampro, and station owners considering whether to go to new ghost-reducing technique. RCA noted that WLS-TV Chicago & WPBT Miami were already on air with its CP antennas, XETV Tijuana & WTTV Indianapolis were ready for tests, and antennas were being built for WRAL-TV Raleigh & WABC-TV N.Y. Harris announced development of efficient low-cost "Cyclotran" transmission system for CP, which fits 100-kw transmitter in approximately same floor space as 50-kw, using only 6 tubes per 50-kw transmitter.

**Study of Viewdata**, British Post Office's 2-way interactive video data & information system, and its potential impact on U.S. market is being conducted by Link, N.Y. Information from Link, 215 Park Ave. South., N.Y. In Washington, Robert Quinn of International Systems & Computers (INSAC), N.Y., demonstrated Viewdata at National Information Conference, said British Post Office has licensed INSAC to market system in U.S. French teletext system, Antiope, will be demonstrated at NCTA convention in New Orleans as potential new CATV service.

**In decision to be supervised by Comr. Brown**, FCC has tentatively decided not to renew license of educational WXPB(FM) Philadelphia. However, licensee U. of Pa. is expected to be permitted to reapply for facility. Action will be based on University's failure to control student staff of station adequately, won't mention "obscene" broadcasts in phone-in program "Vegetable Report" (Vol. 17:15 p3).

**AT&T rates-for-media** case has been reopened by FCC to determine whether TELPAK service revision "would impair the dissemination of news" and whether Commission should prescribe lower rates for media "to restore the ability of the press to disseminate news widely."

**GOOD NEWS FOR CBS HOLDERS:** Despite troubles with FCC (p. 1) and clear dominance of ABC-TV in prime time, CBS had nothing but good news for some 150 stockholders at annual meeting in St. Louis April 19. Chmn. William Paley reported first-quarter estimated revenues of \$732 million, net income of \$33.7 million (see financial table). He predicted 1978 income will surpass \$3 billion.

Pres. John Bache said "all major elements" of CBS contributed to gains, even though "heavy TV network programming expenses" reduced increases for Best. Group. "Our prime-time position in the first 3 months of 1978 was substantially better than a year ago," he said.

Even AIM Chmn. Reed Irvine—longtime critic of CBS News for its alleged bias toward liberal causes—had word of praise. He delivered a "commendation to management" for CBS Radio news, particularly its "Spectrum" series.

**FCC backed off a little** last week from earlier 4-3 decision to go into 1979 WARC determined to protect current UHF allocations (Vol. 17:21 p5). In what one commissioner described as only acceptable compromise, Commission now has decided to favor UHF sharing with other services within 200 miles of Mexican & Canadian borders. In concurring statement, Comr. Washburn said he preferred earlier position, added: "The key to our future flexibility lies in arriving at mutually acceptable allocations with Canada & Mexico. Today's action fails to further that purpose. On the contrary, it disregards Canada's stated requirements in a 200-mile zone where over 90% of all Canadians live. The path to working out mutual goals with our northern neighbors might better have been served with a less abrasive step."

**Major attack on U.S. broadcast equipment market** is being mounted by Nippon Electric Co. (NEC), whose NAB exhibit featured long roster of products, including: (1) VHF, UHF, FM & AM transmitters. (2) Top-of-set satellite receivers developed for Japanese direct-to-home broadcasting, being pushed here for CATV. (3) Video telephone system permitting digital transmission of still color pictures over standard telephone lines. (4) Lightweight 3-tube color camera. (5) ENG microwave relay system. (6) Video noise reducers, compressors, frame synchronizers, time base correctors. (7) U-Matic editing controller-VTR combination.

**FCC's longest outstanding case—fight between WABC N.Y. & KOB Albuquerque over 770 kHz—finally is over.** Supreme Court last week refused to review FCC order giving WABC priority on use of clear channel. Case started in 1941 when Commission put KOB on 770 kHz on "temporary" basis.

**Deadline for comments in FCC fairness doctrine inquiry** has been extended 60 days—to July 5; replies Aug. 4. NAB had sought 30 days; Committee for Open Media until Oct. 15. Comments deadline on reasonable access for political candidates has been extended to May 15, replies May 30.

**Albuquerque CATV system** has contracted for 1,200 miles of Lumifoam III cable, plus drop cable, from Times Wire.



## Personals

FCC Comr. **Robert Lee** receives honorary doctorate May 20 from Notre Dame U.; Lee is on council for Notre Dame's newly formed Communications School.

**David Tebet**, NBC-TV senior vp for talent, will remain with network after all and not become pres. of newly formed Joseph Levine TV Inc., as had been announced (Vol. 18:12 p7); **David Freedman** promoted to vp-program & talent negotiations, NBC-TV West Coast; **Ellen Shaw**, ex-Moore, Berson & Lifflander, N.Y. law firm, joins NBC as senior counsel.

**Margery Baker**, CBS Morning News producer, promoted to vp-public affairs broadcasts, CBS News; **Michael Silver** advanced to dir.-special projects for press information, CBS Entertainment; **James Sirmans** succeeds Silver as assoc. dir.-press information; **James Page** advanced to mgr.-southeast affiliate relations, CBS-TV.

**Leonard Roos** promoted to vp-contracts, ABC-TV West Coast; **Andrew Governali** named ABC dir. of taxes... **Mitch Turner** advanced to dir. of sales, WKYC-TV Cleveland... **Fred Norfleet**, ex-KFMB-TV San Diego, moves to KGTV there as public affairs dir.

**William Ford**, WFSB-TV Hartford, elected vp and a dir... **William Stough**, WISH-TV Indianapolis, moves to WANE-TV Ft. Wayne as station mgr... **William Ridings**, ex-Owens-Illinois, appointed controller, Cosmos Bcstg... **Paul Beavers** promoted to news dir., WMAQ-TV Chicago; **Richard Lobo** advanced to program dir... **Chuck Alvey**, ex-WUHQ-TV Battle Creek, joins WNEB-TV Flint as program dir... **Dan Greenblatt**, ex-Metro TV Sales, appointed WTTG Washington gen. sales mgr.

**Arthur Trudeau** promoted to vp-northwestern sales, TvB... **Ron Gilbert** promoted to vp-production in charge of network & syndicated programs, Time-Life Films; **Scott Towle**, ex-Worldvision, joins Time-Life TV as southern sales mgr... **Stephen Schulte**, ex-ABC-TV, named dir. of broadcasting & operations, Viacom's Showtime.

Headliners at June 8-11 BPA convention, Radisson Hotel, St. Paul, include CBS Bcst. Group Pres. **Gene Jankowski**, PBS Pres. **Lawrence Grossman**, variety-talk show host **Phil Donahue** and unnamed FCC official... CBS News Pres. **Richard Salant** keynotes June 25-28 Ga. Assn. of Bcstrs. convention, Callaway Gardens.

**John Hardwick** retires April 29 after 19 years with FCC, currently as chief-publications unit and contract review attorney, gen. counsel's office... **James Sholder**, ex-Atlantic Richfield, appointed business development mgr., General Instrument's Broadband Communications Group... **L. E. Hughes** promoted to product line sales mgr., Hughes Aircraft microwave products.

**Thomas Gheradi**, veteran CPB vp-gen. counsel & secy., leaves July 1 to form new law firm... **Howard Gan**, ex-FCC Cable Bureau, appointed gen. counsel-regional dir., CTIC... **Linda Dorian** joins FTC Bureau of Consumer Protection.

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with

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"Expedited consideration" will be given to 2 AM applications filed by minorities, FCC said, noting importance of increasing minority ownership. Applications: **Brothers Bcstg.** to increase power of **WXVI Montgomery, Ala.**; **BDT&W Bcstg.** for new station in **Dimondale, Mich.**

**Fiber optics** receive strong endorsement from **Ronald Simon**, Teleprompter engineer, in April **TVC** magazine. Company tested fiber in N.Y. for 2 years. **TPT** recently purchased fiber equipment from **Times Fiber** (Vol. 18:16 p7).

**Feb. network TV billings** climbed 8.9% (over Feb. 1977) to \$295.8 million, according to **TvB-BAR**. Jan. billings of \$286.1 billion were up 12.3%. For 2 months, **ABC** had \$224.1 million, **CBS** \$207.6 million, **NBC** \$185.3 million.

**State legislature TV coverage** is subject of roundup in April 21 **Wall St. Journal** which says TV cameras "are poking their lenses into legislative chambers in 44 states, about double the estimated total of just 5 years ago."

**Kan. State Network** asked D.C. Appeals Court to overturn FCC ruling that TV station owner must dispose of 40% of stock in cable systems in **Oberlin & Norton, Kan.**—acquired after July 1970 date for grandfathered cross-ownership.

**Siecor Optical Cables** (**Bart Bielawski**, sales vp) offers variety of special optical cables, including flat-ribbon, armored and units with copper wire for power and tubes for fluid or gas. Details: 631 **Miracle Mile, Horseheads, N.Y. 14845.**

**New NCTA regional directors:** **Richard Leghorn**, New England, N.Y.; **James Rowan**, Alaska, Ida., Mont., Ore., Wash.; **Frank Scarpa**, Del., Md., N.J., Pa.; **Charles Younger**, Ill., Ind., Mich., O., Wis.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 7 (14th week of 1978):

	April 1-7	1977 week	% change	March 25-31	1978 to date	1977 to date	% change
Total TV. . . . .	253,698	203,137	+24.9	352,194	3,861,285	3,485,345	+10.8
color . . . . .	165,363*	129,593	+27.6	211,783	2,453,165**	2,136,610	+14.8
monochrome . . .	88,335	73,544	+20.1	140,411	1,408,120	1,348,735	+4.4
Total radio . . . .	632,420	576,067	+9.8	1,180,542	11,044,861	9,461,578	+16.7
home, portable .	366,860	319,377	+14.9	905,126	7,574,310	6,020,008	+25.8
AM-only . . . .	146,625	71,490	+105.1	379,008	2,315,397#	1,458,350	+58.8
FM & FM-AM .	220,235	247,887	-11.2	526,118	5,258,913#	4,561,658	+15.3
auto . . . . .	265,560	256,690	+3.5	275,416	3,470,551	3,441,570	+0.8

Color TV 5-week moving average: 1978-188,779\*, 1977-150,488 (up 25.4%).

\*Highest for 14th week of any year. \*\*Record. #Reflects adjustment.

**SONY ADDING PORTABLE VTR, COLOR CAMERA:** Sony will introduce not one, but 2, new consumer Betamax at Fla. convention next week. Single-speed (2-hour) deck with built-in electronic timer & remote pause had been widely expected. Lightweight AC-battery portable recorder with companion color camera had not.

Portable recorder & camera were shown in Japan last week with Sept. 21 marketing date; we've learned they'll be demonstrated here and added to U.S. line. VTR (SL-3100 in Japan, probably SL-3200 here) resembles sleek industrial portable introduced here last Aug. in what we called "preview of 2nd-generation consumer units" (Vol. 17:32 p8). It weighs about 17 lb., uses brushless 2-phase Sony-developed motor. Circuit is said to have new "digital/analog-compatible ICs which improve reliability and provide clear, sharp pictures." Another feature is special timing phase circuit, which makes possible clean cuts between camera shots, preventing picture deterioration or dropout from end of one shot to start of another.

Camera is miniaturized version of Sony's mixed-field Tricon unit, but uses 2/3" instead of 1" tube. Weighing less than 5 lb. (including built-in control unit), it has single-lens reflex viewfinder, 3-1 zoom lens, automatic aperture control, white balance meter, uses new junction FET providing image signal-to-noise ratio of 45 dB, picture-taking under 100 lux minimum illumination. Price of camera in Japan is about \$1,195 (269,000 yen), portable VTR \$1,100 (249,000 yen). They'll be higher here.

\* \* \* \*

Sony Paramount Home Entertainment Center, joint videocassette programming venture announced with fanfare in Aug. 1976 (Vol. 16:32 p9), is virtually dead as result of stalemate between the 2 partners, may go out of existence next week or shortly thereafter. Bone of contention, we understand, was release date for new movies on videocassettes. Sony is understood to have wanted cassettes issued concurrent with first theatrical runs, while Paramount Chmn. Barry Diller is said to have favored release after pay-TV showing or possibly even following free TV unreeling. It's understood Sony would still like to go ahead with deal, but Paramount is nervous about alienating exhibitors.

But Chmn. Charles Bluhdorn of Paramount parent Gulf & Western is believed to favor enterprise, and this seems to provide Sony's only hope for some kind of last-ditch compromise.



Sony Chmn. Akio Morita will be in U.S. for next week's convention, and it's understood he plans to confer with Bluhdorn in one last do-or-die session.

**ITC SHOWS HIGHER 1977 COLOR IMPORT PRICING:** Average pricing on color TV imports rose \$20 or more per set in 1977, according to International Trade Commission's annual report on state of U.S. color industry, which also shows importers dug deeply into inventories to meet 2nd-half demand. Report is one of series issued by ITC to inform govt. agencies of impact of Japan's color export quota on domestic market.

Comparison of importer color inventory data with previously released figures for domestic factories (Vol. 18:12 p9) shows importers held 54% of 19"-&-under stockpile, 44% of all inventory at end of first quarter, but shares dropped to 42% of 19"-&-under and 30% of total by year's end. Actual import share of inventory was somewhat higher since imports of domestic producers (including those foreign-owned) are included in factory totals.

New figures on domestic color factories show producers operated at average 42.7% of capacity (one shift, 5-day week) last year, turning out just over 7 million sets against 16.39-million capability. Lowest output rate of year was in opening quarter, when industry made 1.6 million sets, 39.9% of 4.03-million capacity. Rate rose to 44.6% in 2nd quarter, 1.82 million made against 4.09-million capacity; sank to 42% in 3rd quarter, 1.7 million made against 4.04-million capacity; topped out at 44.8% in last quarter, 1.88 million production against 4.18-million capacity. ITC reports domestic producers spent \$90.7 million on R&D in 1977, up from \$86.3 million in 1976, also increased capital spending for both U.S. & foreign plants, though exact totals weren't revealed. Outlays listed in report, ITC says, cover only activities directly related to U.S. operations.

Average importer resale price for 13" color set was \$249.47 in first quarter, dropped to \$237.86 in 2nd quarter, rose through succeeding quarters to \$254.85 & \$269.38. For 16"-17", quarterly pricing was \$309.16, \$291.64, \$327.36 & \$329.96. Pricing on 19" rose steadily through year from opening period's \$325.93 to \$328.45, \$339.40 & \$353.79. Prices aren't directly comparable with those for domestic factories released earlier, because importer averages include retail prices of some direct private-label retail stores.

Here's picture of importer & domestic factory color inventories by quarter for 1977 as developed from ITC data. Figures can't be matched against EIA inventory figures for periods because importer totals reflect mixture of distribution levels:

#### 1977 COLOR TV INVENTORIES

Period	19"-&-under			Grand Total
	U.S. Factory	Importers*	Total	
1st qtr. . . . .	447,929	526,864	974,793	1,184,647
2nd qtr. . . . .	586,363	579,629	1,165,992	1,480,005
3rd qtr. . . . .	510,806	478,624	989,430	1,236,347
4th qtr. . . . .	400,595	287,531	688,126	943,967

\*Importer total includes some 21" & 25".

**ADMIRAL & JVC—NEW LINES & POLICIES:** Having made decision to continue as TV manufacturer (Vol. 18:8 p8), Admiral enlarged color line last week at distributor-dealer convention in New Orleans' Superdome and took another step "back to the traditional Admiral" and away from identity of high-priced "industry innovator" it tried to achieve a few years ago through association with parent Rockwell International.

Rockwell-spawned "Era II" modular chassis, introduced in 1976, is still present in high-end Super Solarcolor 25" consoles, and still "unequalled," according to Mktg. & Sales Vp James Mills. "It's the finest set today. But we're not that kind of a house. We're not Cadillac salesmen... Our customer is not the kind who spends \$1,000 on a console—he spends \$595. Because of Era II we're able to return to our traditional values with a good varactor tuner."

New color line shows strong emphasis on tuning systems—10 of 24 models have digital tuners,



7 have new 20-channel single-knob varactor tuner, 5 have new one-knob mechanical tuner. Consumer-installable optional digital remote is featured on high-end 19" and 8 high-end 25", its nominal price reduced to \$80 from \$100—but Admiral spokesmen indicated it's more likely to be thrown in as sales-closer than actually sold. (Question: "What percentage of remote-optional sets are sold with remotes?" Answer: "100.")

With electronic tuning expected to be in 40% of color sets sold this year, remote in 15%, with 68% of 19" sales in \$300-\$450 area and 52% of consoles at \$500-\$700, Admiral is solidifying itself in these mass-market areas. Color portable line shows increases of \$10-\$50 in suggested list price over line introduced last Aug., but much of this could be more apparent than real.

Admiral has gone back to use of warranty as step-up feature, supplying one year carry-in labor policy with all 19" color sets except low-end at \$400. High-end 19" b&w set (\$190), 13" color and some 19" & 25" color are first sets to employ Sarkes Tarzian's new single-knob all-channel mechanical Unituner, which alternates VHF & UHF channels (sequence running 2, 14, 3, 15, 4, 16...2, 25, 3, 26, etc.). Super-Solarcolor (Era II) consoles \$900-\$990 have Zenith's 100° EFL tripotential picture tube (for details of line, see p. 8.)

Mills said Admiral had absolutely no intention of dropping TV or selling it off. "As a company, we're viable. Averaging takes place. We're temporarily stronger in white goods, but positioned well in TV." He indicated that one of company's biggest assets in TV was Taiwan color plant and experience behind it. The 19" leader has been added to 13" as completely Taiwan-made set and company plans to add more 19" models. All other color chassis are made there.

Admitting Admiral was "nervous" over VTR, Mills said: "We'd like very much to be in that business, but we'll pass this season because we're unable to predict what will happen to the yen. We believe in the concept, and we find the Matsushita format superior from the standpoint of customer features and our own tests of reliability." He forecast significant breakthrough in projection TV next year, said Admiral would be in this "exciting" market.

\* \* \* \*

JVC, just completing reorganization (Vol. 18:15 p10), faces big job of transferring Vidstar VTR sales from industrial/institutional organization to new Home Electronic Products Div. At regional rep/dealer meetings which ended last week with eastern session in St. Petersburg, JVC made first major pitch to convince its hi-fi dealers to carry Vidstar. Very few currently do, although many of them carry other brands—Vidstar being distributed mainly through professional audio-video dealers.

JVC may have uphill battle to sell 2-hour Vidstar against 2- & 4-hour Matsushita-built machines, National Mdse. Mgr. George Meyer seemed to concede. JVC in Japan, he said, is strongly opposed to 4-hour format. "They're more engineering than sales-oriented and they feel the slower speed would represent a letdown from the quality standpoint." By sticking to single fast speed, he said, JVC will be able to do things with future models which others can't—and company's big pitch will be based on engineering superiority: Easier on tape than Beta; better picture than 4-hour machines, even when they're operated in 2-hour mode, because Vidstar's track is wider.

Vidstar won't compete on basis of price, Meyer stressed. But JVC has introductory offer to new dealers (which also applies to current dealers)—buy 3 Vidstars at regular \$750 price, get 4th at half price—which works out to \$656.25 each in lots of 4. At CES, JVC will introduce step-up model, already on market in Japan, providing still-frame, slow-motion, double speed, etc. plus remote pause.

In TV, JVC starts delivery next month of 4-model color line (3 varactor-tuned) which it showed at Winter CES (details p. 11). In audio, JVC showed largest line in its history, biggest change in any single year, now spanning price points which compete with compact systems as well as traditional high-end products (Vol. 18:6 p16). Although prices on carryover products are unchanged from recent past, company officials indicated yen situation may soon force up-



ward revisions.

**Microprocessor tuning & pre-programming**, which has swept European TV, apparently will be coming here in force via Japan. Following introduction here of Toshiba's MPU-tuned sets (Vol. 18:16 p16), Hitachi showed 17", 19" & 25" sets in Japan with built-in or provision for add-on MPU-controlled programmers & automatic tuners. Programmer pre-tunes up to 5 shows daily.

**VTR MARKET PUZZLE:** March was better than Feb., and Feb. was better than Jan., according to all indications, but home videocassette recorder sales continued to run below almost everyone's projections in first quarter. EIA figures indicate some pickup in sales to dealers in March (Vol. 18:16 p14) and our Early Warning Report (mailed April 13 to EWR subscribers) shows slight improvement at retail—presumably in response to resumption of heavy ad schedules by some marketers. But some major entities have been trimming back their import orders, and this was reflected in Feb. import figures, which showed VTR shipments at 5-month low (Vol. 18:15 p9).

Price attrition is showing up at retail in some areas, and at wholesale & factory levels in special promotions. Some advertised prices are incredibly low. Example: RCA at \$795 including \$100 worth of tape (RCA's factory price is \$667, price to dealers generally around \$750). Some 2-speed Beta units have been showing up at even lower prices. In some cases, manufacturers' promotional deals, such as JVC's cut-price offer (see p. 9), are fueling special consumer price offers.

Announcements continue to come from Japan of new targets & new VTR products. Matsushita says it has scheduled shipment of 300,000 VHS decks to U.S. this year for marketing under 7 brandnames, which it says is 3 times last year's production level for U.S. NEC has scheduled first exports of PAL-version Beta VTR to Europe in July, initially at 3,000 monthly. Akai starts VHS shipments to Europe this month, with goal of 20,000 through Nov. First Akai decks are being made by JVC; company plans to begin shipments to U.S. after it establishes own production around first of next year. General Corp. will start marketing Beta VTR in Japan this month at 228,000 yen (\$1,022), same price as Sony's equivalent model—10th & last Japanese TV manufacturer to enter VTR field.

Hitachi starts shipment of PAL 3-hour VHS decks to Europe in Sept. at 1,500 monthly rate, to be supplied by JVC until year's end, when Hitachi's own plant is scheduled for completion. Monthly shipments are due to be increased to 2,000 by spring. Toshiba will set up 2 VTR assembly lines at Fukaya color TV plant by fall to produce 10,000 Beta units monthly.

**Total value of consumer electronics imports** last year, including TV subassemblies, was \$3.89 billion, up 9.1% from 1976, Commerce reports. Growth rate was sharply below 91.1% of preceding year when imports soared to \$3.57 billion from \$1.87 billion of 1975. Value declines were shown for 1977 imports of complete color TV, b&w subassemblies, transceivers, radio-phonos.

**GRT'S COMPUTER PROGRAM:** First mass-market approach to computer software is being taken by GRT, which will begin selling range of cassette programs in next 60 days. Programs will include home finance, stock market, diet assistance, cash-flow analysis, other home & business subjects, plus several games (blackjack, bridge instruction, etc.). Spokesman said cassettes can be used with Radio Shack TRS-80, Apple II, Commodore's PET system, other units produced by Processor Technology, Southwest Technical Products & Xidy.

First programs will be shipped to computer specialty stores (estimated at 500 in U.S.), with traditional 2-step outlets including department stores, to be added later. Programs were developed through tie-up with Microcomputer Software Assoc. but will carry GRT label, be produced at GRT Sunnyvale, Cal. plant. "We think demand will be light in the beginning," spokesman told us, "but we're sure it will build steadily. We want to be the first one out there." GRT produces cassettes & 8-tracks for over 60 record labels, also sells under own name.

Meanwhile, ITT is dipping toes into personal computer market, will distribute Apple systems abroad through expanded consumer electronics & appliance division in Brussels. Tandy also is stepping up computer activity, plans to open 3 additional computer stores in Southwest soon. First Tandy Computer Store opened last fall in Ft. Worth hq complex. They'll carry Radio Shack TRS-80 system plus other brands featured in new computer catalog (Vol. 18:13 p11).

**IBM's activities** in video field continue to fascinate—probably because they're clothed in such secrecy. Subject of current gossip is longterm video-disc project known to be in works and to involve possible consumer aspects. Although large number of people are involved in it, there's no reason to believe it will result in any IBM consumer project—consumer electronics simply doesn't give IBM kind of margin it likes. Disc project is said to include aspects of digital recording, interface with home computer. Other long-standing IBM projects with consumer overtones include home video terminal-information system, 2-way CATV, home computers. Fact that IBM is engaged in such discretionary research isn't surprising. On other hand, it would be surprising if world's largest computer manufacturer ignored these areas.

Magnetic Video has acquired exclusive videotape rights to 17 Charlie Chaplin movies, including all of his talking pictures. Because of contractual obligations, MV says, these films have never been shown on TV. MV also acquired exclusive rights to "Greatest Sports Legends," 60 hours of programming, from Viacom.



**ZENITH NET DOWN:** Zenith reported sharply reduced first quarter earnings on modest sales decline (see financial table). Company indicated it cut back factory color TV sales in move to lower distributor inventories, said distributor color unit volume increased. While Zenith sales dropped 7.6%, cost of sales was trimmed only 2.9% to \$185.7 million; marketing & administrative costs held even at \$19.9 million; engineering & development costs were lowered 9.2% to \$6.9 million.

**Sylvania** and other units of GTE Consumer Electronics Group had sharply improved first-quarter results, parent GTE said. Breakdown of consolidated statement shows CEG sales rose 27.9% to \$220.9 million, while net totaled \$1.34 million, against year-earlier \$3.93-million loss. CEG had significantly higher color TV sales in both U.S. & European markets, improved picture tube sales in U.S. Earnings gain resulted primarily from U.S. picture tube & components operations, strengthening of European currencies. CEG net was held down by costs associated with ad program for Sylvania TV, GTE reported.

**Wells-Gardner** has entered coin-op TV game monitor & intrusion alarm businesses, subsidiary Rocket Mfg. has begun making console cabinets for outside companies, annual report reveals. W-G says it began producing 19" Teknika-brand color sets in Dec., using chassis supplied by Japan's General, expects to start making 25" Teknika models in 3rd quarter. As result of changes, report states, 50% of W-G sales this year will be for products not made in 1977. Of \$8.18 million sales in 1977, 55.7% were to single private-label customer. W-G says it lost volume in 1977 because "we encountered stiff sales resistance from our customers" following field failures caused by defective solid-state component used in 1976 models, but feels problem has been resolved. Collapse of CB market last year resulted in "significant loss" in 1977 as W-G wrote off tooling expenses, scrapped inventories. Also contributing to firm's \$3-million loss in 1977 were expenses associated with TV component failure, new-product start-up costs.

**TV audio tuner** may become important hi-fi component product category as result of AT&T's switch to wideband audio (Vol. 18:3 p5). U.S. Pioneer will introduce all-channel video sound tuner for hi-fi market this week at about \$250. It's understood product was fully developed and on shelf, dusted off after AT&T announcement. In Japan, Sony markets Audioscope TV tuner which includes built-in 5" b&w tube for use to monitor TV program or audio waveform (Vol. 17:10 p13); it sells for about same price as Pioneer's tuner, has been displayed at CES (Vol. 17:10 p13) but never sold here. Panasonic also has TV tuner component ready, hasn't introduced it in U.S.

**Dollar recovered** from low of 218 yen rate last week, rose to near 225. Rate now is at about level importers used when negotiating late-summer delivery contracts with Japanese suppliers, means widely anticipated July 1 general price increases by importers may not come off after all.

**ADMIRAL, JVC TVs:** Admiral color line (see p. 8) starts with 13" Unituner set at \$340 (list price up \$30 from line last Aug.), with 19" leader at \$400 (up \$40), auto-color step-up \$450 (up \$50), Unituner model \$470 (up \$40), digitally tuned high-end unit with light sensor, remote option \$600 (up \$10). Table model 25" leader is unchanged in price at \$600, now with Unituner; digitally tuned version with built-in remote is \$730.

Longer Admiral console line starts with 2 Unituner-equipped models at \$620; 4 sets with new 20-position varactor tuner are \$700; 3 double-sided varactor models \$759; 3 digitally tuned remote-optional sets are \$800. Super-Solarcolor line (Era II chassis), all digitally tuned with remote option, has two sets at \$900, one at \$920, 2 double-sided sets at \$990.

Admiral monochrome line has 9" sets at \$95 & \$100 (up \$10 & \$13 from predecessors); two 12" at \$110 (up \$20), one at \$120 (up \$10); 19" at \$180, Unituner 19" at \$190 (both up \$30); 22" b&w models have been discontinued.

**JVC's color sets**, shown unpriced at Jan. CES (Vol. 18:3 p12): 13" varactor touchbutton \$370; 19" manual \$500, varactor touchbutton \$550, digital remote \$650. Monochrome line, unchanged, has 5" at \$120, 3" with radio at \$200, version with cassette recorder \$290. TV prices reflect effects of last increase, 4-5%, in Jan., face another hike due to firmness of yen vs. dollar.

**Mergers & acquisitions:** **Telex Communications** has agreed to acquire portions of bankrupt Hy-Gain's business lines & assets for \$5 million plus profit-dependent payments which could raise final price to \$7.5 million, Citibank announced. Subject to court approval, arrangement calls for Telex to take over Hy-Gain's antenna & marine radio operations, as well as Lincoln, Neb. & Puerto Rican plants. Telex said production could start within 2 weeks. Citibank said it was still negotiating sale of Hy-Gain's CB operation and was investigating whether some former Hy-Gain officers diverted funds which should have gone to bank creditors... Broker W.T. Grimm reports there were 14 electronics industry mergers in first quarter, up 75% from same 1977 period.

**Canadian TV industry** will be dominated by Japan-owned companies in June when GE ends manufacturing there. GE said it will close plant June 2, eliminating 87 jobs, stay in market by importing sets from U.S.—presumably supplied by General TV of America. Planned U.S. GE-Hitachi manufacturing-importing venture is still being studied by Justice Dept. GE's departure will leave Canada with only 7 TV producers: Canadian-owned Electrohome, U.S. subsidiaries of Admiral & RCA, Japanese operations of Hitachi, Panasonic, Sanyo & Toshiba. Philips, Quasar & Sylvania dropped out last year.

**Ad notes:** Industry spent \$175.6 million in national spot & network TV ads last year, TvB reports. Study shows \$53.5 million went for consumer electronics, \$7.3 million for accessories & supplies, \$114.8 million for disc & tape recordings... Panasonic's illuminated sign has been turned on at 47th & Broadway, N.Y.



## 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
Andrea Radio			
1978-qtr. to March 31	474,558	(3,748)	--
1977-qtr. to March 31	463,021	33,110	.07
Bell & Howell			
1978-qtr. to March 31	123,971,000	3,102,000	.55
1977-qtr. to March 31 <sup>a</sup>	110,392,000	2,841,000	.49
Buckbee-Mears			
1978-qtr. to March 31	15,804,000	526,000	.17
1977-qtr. to March 31	15,000,000	149,000	.05
CBS			
1978-qtr. to March 31 <sup>f</sup>	732,000,000	33,700,000	1.22
1977-qtr. to March 31	634,400,000	33,000,000	1.16
ClaroStat			
1978-qtr. to March 31	3,921,900	116,100	.21
1977-qtr. to March 31	3,245,800	73,100	.13
Cohu			
1978-qtr. to March 31	4,297,847	79,893	.05
1977-qtr. to March 31	4,295,563	117,234	.07
Combined Communications			
1978-qtr. to March 31	69,467,000	4,113,000 <sup>b</sup>	.62
1977-qtr. to March 31	51,724,000	3,175,000 <sup>c</sup>	.49
Conrac			
1978-qtr. to March 31	30,170,000	978,000 <sup>c</sup>	.48
1977-qtr. to March 31	34,028,000	1,623,000 <sup>c</sup>	.85 <sup>d</sup>
CTS			
1978-qtr. to April 1	40,013,838	2,682,590	.60
1977-qtr. to March 31	37,863,680	3,042,026	.65
Electronic Memories & Magnetics			
1978-qtr. to April 1	30,832,000	1,026,000	.14
1977-qtr. to April 2	26,364,000	984,000	.13
GTE			
1978-qtr. to March 31	1,992,651,000 <sup>e</sup>	160,707,000 <sup>e</sup>	1.12
1977-qtr. to March 31	1,764,110,000	133,840,000	.95
Globe-Union			
1978-6 mo. to March 31	227,606,000	13,659,000	2.12
1977-6 mo. to March 31	190,629,000	10,796,000	1.69 <sup>d</sup>
1978-qtr. to March 31	104,769,000	6,560,000	1.02 <sup>i</sup>
1977-qtr. to March 31	89,639,000	4,666,000	.73 <sup>d</sup>
Harte-Hanks Communications			
1978-qtr. to March 31	38,434,000	2,742,000	.60
1977-qtr. to March 31	32,034,000	2,301,000	.51
International Rectifier			
1978-39 wk. to April 2	74,407,000	2,249,000 <sup>b</sup>	.86
1977-40 wk. to April 3	63,608,000	514,000 <sup>c</sup>	.20
1978-13 wk. to April 2	26,208,000	1,037,000 <sup>c</sup>	.39
1977-13 wk. to April 3	22,465,000	262,000	.10
E.F. Johnson			
1978-qtr. to March 31	11,659,000	117,000	.05
1977-qtr. to March 31	19,308,000	282,000	.11
LIN Bcstg.			
1978-qtr. to March 31	10,524,000	1,861,000	.66
1977-qtr. to March 31	8,624,000	1,089,000	.40
Metromedia			
1978-qtr. to April 2	80,613,000	6,361,000	1.05
1977-qtr. to April 3	73,534,000	5,874,000	.87
3M			
1978-qtr. to March 31	1,084,000,000	119,300,000	1.03
1977-qtr. to March 31	935,200,000	86,700,000	.75
Motorola			
1978-qtr. to April 1	493,689,000	27,634,000	.91
1977-qtr. to March 31 <sup>a</sup>	419,164,000	24,018,000	.79
Rockwell International			
1978-6 mo. to March 31	2,771,400,000	83,600,000	2.38
1977-6 mo. to March 31	2,793,500,000	65,500,000	1.90

Company & Period	Revenues	Net Earnings	Per Share
Rockwell (continued)			
1978-qtr. to March 31	1,420,000,000	43,500,000	1.23
1977-qtr. to March 31	1,445,200,000	36,200,000	1.05
Scientific-Atlanta			
1978-9 mo. to March 31	66,484,000	3,653,000	1.50
1977-9 mo. to March 31 <sup>a</sup>	51,232,000	2,887,000	1.21
1978-qtr. to March 31	24,534,000	1,309,000	.54
1977-qtr. to March 31 <sup>a</sup>	17,598,000	1,050,000	.44
Storer Bcstg.			
1978-qtr. to March 31	29,765,000	2,333,000	.48
1977-qtr. to March 31 <sup>a</sup>	25,976,000	2,002,000	.41
Tandy			
1978-9 mo. to March 31	809,235,000	49,125,000	4.09
1977-9 mo. to March 31	732,558,000	56,206,000	3.32
1978-qtr. to March 31	243,899,000	8,664,000	.73
1977-qtr. to March 31	232,185,000	12,832,000	.83
Texas Instruments			
1978-qtr. to March 31	557,552,000	30,699,000	1.35
1977-qtr. to March 31	461,921,000	27,344,000	1.20
J. Walter Thompson			
1978-qtr. to March 31	43,998,000	537,000	.18
1977-qtr. to March 31	37,740,000	178,000	.06
TRW			
1978-qtr. to March 31	870,400,000	35,800,000	1.10
1977-qtr. to March 31	776,900,000	31,700,000	.96
United Cable TV			
1978-9 mo. to Feb. 28	15,628,000 <sup>e</sup>	1,403,000 <sup>e</sup>	.73
1977-9 mo. to Feb. 28	12,844,000	(56,000)	--
1978-qtr. to Feb. 28	5,510,000 <sup>e</sup>	536,000 <sup>e</sup>	.27
1977-qtr. to Feb. 28	4,274,000	57,000	.03
Viacom International			
1978-qtr. to April 1	18,097,000	1,556,000	.41
1977-qtr. to April 2	13,462,000	1,160,000	.31
Warner Communications			
1978-qtr. to March 31	312,497,000	20,382,000	1.50
1977-qtr. to March 31	253,241,000	18,032,000	1.36
Wometco Enterprises			
1978-qtr. to March 25	56,104,000	2,775,000	.33
1977-qtr. to March 26 <sup>a</sup>	45,214,000	2,453,000	.29
Zenith			
1978-qtr. to March 31	213,900,000	1,100,000	.06
1977-qtr. to March 31 <sup>a</sup>	231,400,000	6,000,000	.32

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

## Personals

**Stephen Barreca** named Admiral electronics products dir., succeeded as Canadian Admiral home entertainment mktg. mgr. by **Stanley Walker**, ex-Philips (Canada)... **Murray McLachlan**, ex-Airco joins Fairchild Camera as strategic planning vp, new post.

**Irving Stern**, Harman International mktg. exec. vp, adds same duties at subsidiary JBL; **Bruce Scrogin** advanced at JBL International Div. from mktg. supervisor to dir., succeeding **Ernest Wetzig**, now mktg. development dir. for HI International Div.... **Harry Winow**, ex-Superscope, appointed Akai midwest sales mgr.... **Mike Gritchen**, ex-Akai, now Kenwood west & midwest sales mgr.... **George Calvi** promoted at Recoton from national sales mgr. to sales & mktg. vp.... **Arthur Martinez** advanced at RCA Records to finance & international vp, new post.

**Robert Deffeyes** promoted at Graham Magnetics from senior vp to pres. & chief exec., succeeding **George Jagers**, who continues as chmn.... **Alvin Atteson** advanced at Solid State Scientific to discrete devices vp-gen. mgr.; **James George** named IC vp-gen. mgr.