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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

REWRITE & BORDER PROBLEMS top agenda for NAB Toronto meetings. Canadian minister attacks TV commercials, defends Canadian position against U.S. NAB board seeks 'creative blend' on rewrite, plans meetings in districts of House Communications Subcommittee members. (P. 1)

PBS UNHAPPY WITH CONGRESS: Board in Dallas votes to lobby for changes in pending legislation, cites 'erosion of local license independence.' Gunn offers blueprint of future. (P. 3)

FCC REIMBURSEMENT RULEMAKING seeks comments on legal authority, will mean little unless Congress votes funds. Commission asks who's eligible, what expenses should be covered, what proceedings should be involved. (P. 4)

CERTIFICATION'S LAST DAYS: FCC rulemaking proposes 2 simple alternatives—simple listing and immediate start or expanded listing and 30-day delay. (P. 5)

RATINGS PREDICTIONS: Veteran handicapper sees ABC winning fall, but barely leading by 1980. (P. 6)

REWRITE & BORDER PROBLEMS FOR NAB: Communications Act rewrite and border problems with Canada dominated meetings of NAB boards in Toronto last week—which included first-ever joint meeting with Canadian Assn. of Bcstrs. board. In middle of full-day CAB-NAB meeting, Canadian Minister of Communications Jeanne Sauve surprised representatives of both countries with very tough speech attacking TV advertising, threatening reprisals against advertisers, along with stout defense of Canadian position on border situation.

On rewrite, NAB called for "creative blend" of 1934 Communications Act with proposals of new bill (HR-13015). Common TV & radio position was reached after boards had met separately on issue, some fearing that radio dirs. would separate from TV. But, said outgoing Radio Chmn. Len Hensel: "The radio board was absolutely adamant that we must do this together." Added another radio dir.: "I was all for the bill until I got here and heard the staff—particularly Zeifang [Donald] and Bill [Carlisle]—explain and point out the pitfalls in there for us."

Here's what NAB said: "There is language...that is positive and forward looking. The board urges that the philosophy relating to the deregulation of radio...be incorporated into legislation and that such legislation also be extended to TV. We also urge that the philosophy of longer license terms with greater stability be incorporated into law. Further, we believe the efforts to free broadcasters from the excessive restrictions on political broadcasting, the over-regulation involved in the fairness doctrine, and the unnecessary paperwork are to be applauded..."

"We cannot agree with some of the elements...such as the establishment of a new and undefined standard for the future regulatory agency in lieu of the 'public interest'...mandate; the threat of revocation of license which would lead to instability in the industry and the resultant

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VIDEO WILL KILL film photography business, Foto-mat Chmn. Irwin forecasts in launching large-scale expansion into film-to-cassette transfer, blank & pre-recorded videocassette business. (P. 7)

JUSTICE OPENS PROBE into legality of rebates Japanese gave U.S. TV importers. Treasury stops collecting countervailing duty bonds, braces for flood of TV dumping duty protests & briefs. (P. 8)

JAPAN'S COLOR EXPORTS to U.S. dropped 41.5% in May. B&w shipments up modestly. VTRs show signs of stabilization. CB continues downslide. (P. 9)

FACTORY SALES of electronic products & components hit record \$45.9 billion in 1977, according to new EIA Market Data Book. (P. 9)

MAGNAVOX PRICES cut \$20-\$50 on 19" remote color, hikes \$40-\$100 on high-end consoles. (P. 10)

PANASONIC BOOSTS prices on compact & component stereo by up to 5%, holds increases in radios & recorders in 1-2% range, holds line on TV. Sony sees similar increases ahead. (P. 12)

negative effect on the public interest; the philosophy...that apparently looks to the eventual breakup of all combinations, including AM-FM, in the same market; a new allocation policy which could adversely affect local broadcast service; the removal of all federal cable regulations and the imposition of a spectrum tax which is a clear and dangerous break with precedent and opens broadcasters to taxes of unknown future magnitude as well as the possibility of such a tax being used to control broadcasting...Indeed, this philosophy of control is embodied in the sections which would allow increased govt. intrusion into the scheduling practices and programming content of TV stations."

NAB last week decided to hold meetings in home districts of each member of House Communications Subcommittee—starting in N. Y. July 10, ending July 28 in Cincinnati—to explain Assn.'s position on rewrite, seek support of broadcasters. NAB said it expects about 75% of its members to attend.

Canadian-American meeting went very well, and follow-up sessions are planned, starting with joint meeting of Exec. Committees before end of year. "I am very, very pleased," we were told by NAB Chmn. Donald Thurston—who was prime advocate of joint meeting over some opposition from NAB staff. "It will have beneficial effects for a long time to come." Most agreed with Thurston; representatives of 2 countries got along very well, with exception of Sauve's speech—and most of Canadians were as upset by that as Americans. Said Thurston of Sauve:

"I think it's a perfect example of what we might expect if we had a minister of communications in the U.S. . . In her defense, however, she tried to open the door for us on the border situation and strongly suggested that the trade associations play a major role in helping to solve it." Sauve talked about deletions of commercials on U. S. stations from Canadian cable systems—said "it's an important clout"—and law which prohibits Canadian companies from deducting cost of advertising on U. S. stations. She said purpose of tough speech was to focus American views on Canadian problems with U. S. TV, particularly Canada's cultural identity.

Sauve attacked advertising directed at children and stereotyping of women in commercials, said CAB TV Code "has worked well" but that it doesn't apply to commercials from American stations. She also attacked Americans for refusing to accept "advocacy" advertising by public interest groups designed to respond to institutional & product commercials. She said CRTC would hold hearings next year "on the whole issue of balanced programming, which will include advocacy advertising."

She said her dept. now is studying impact of restrictions on Canadian advertisers using U. S. stations, added "it should be clear from the outset that the govt. and the CRTC still feel the need to protect and encourage the development of our broadcasting system. . . We must insure that a counter-balance to the influx of foreign programming exists. In my view, the NAB and the CAB are major parties to the border advertising issue and they should play a lead role in its resolution."

On subject of advertising, Sauve cited CRTC survey of 3,000 Canadians which she said showed that most thought TV commercials "are an insult to their intelligence" and 3/8 want no advertising. She said: "Half were willing to pay for good commercial-free programs. The report says 'Canadians hold negative attitudes toward the form, content and manner of presentation of TV advertising.' Many are annoyed by the frequency, repetitiveness and interruptive effects of commercials. . . Industry codes must be re-evaluated and expanded. . . If this doesn't happen, and if public interest groups become more insistent, then the govt. will have to impose a solution."

At following news conference, CAB Chmn. Ed Prevost said he is "very concerned" by Sauve's remarks on advertising and use of "a highly biased survey. . . We take great exceptions to the interpretations she has made." Added CAB Pres. E. Steele: Her charges against TV commercials "are not only controversial but lack sufficient truths. . . I'm very concerned about her introducing these kinds of issues. . . with a veiled threat." Thurston: "I was surprised. . . I certainly don't approve of it." NAB Pres. Vincent Wasilewski: "I wasn't surprised. . . I've heard her speak before." After hearing Sauve's speech, American broadcaster proposed a toast to FCC.

New TV Dir. Mark Smith, KLAS-TV Las Vegas, proposed that NAB invite heads of other TV assns. (NATPE, RTNDA, INTV, etc.) to future board meetings to help all keep abreast of what each is doing. NAB staff will look into it, report back. TV board devoted much time to children's advertising, asked special code subcommittee to look at situation (July meeting is planned), report back.

In contested elections for radio board leadership posts, Walter May, WPKE-WDHR Pikeville, Ky., was elected chmn., 18-10, over Herbert Hobler, WHWH-WPST Princeton; Carl Venters, WPTF-WQDR Raleigh, won vice chairmanship over William Sims, Wycom Corp., 16-12. They join Thurston (re-elected), Berkshire Bcstg.; TV Chmn. Thomas Bolger, Forward Communications; Vice Chmn. Robert King, Capital Cities, all of whom ran unopposed.

PBS TO LOBBY HOUSE & SENATE BILLS: PBS board last week voted to lobby to change pending House & Senate bills restructuring public broadcasting. Board, at annual meeting in Dallas, said in resolution bills evoke "substantial concerns with the erosion of local license independence

Board & membership are unhappy with proposed legislation (Vol. 18:20 p4) because of some provisions setting criteria for grants, requirements for uniform accounting and open meetings, among other things. Said incoming Chmn. Newton Minow: "We are told we perceive the threat of interference where none is intended. I do not believe we can be too sensitive to any threat to our independence."

Not since Richard Nixon days have public broadcasters felt so threatened by Washington. Confusion and discord over pending legislation, coupled with potential of rewrite (Vol. 18:24 p1) and Carnegie Commission, caused Minow to wonder seriously whether he should have accepted position. "Had I known all this, I don't know if I would have taken the job," he said.

Debate over legislation centered on how to fight it. Outgoing Chmn. Ralph Rogers wanted to go all out to kill bills, while Minow called for softer lobbying approach board finally chose. And William McGill, chmn. of Carnegie Commission, which held final open meeting in Dallas, advised PBS simply to accept legislation as price of public funds. "This is not the place to fight," he said. Reaction on Hill to antagonism felt by PBS membership was one of anger. "It's going to be difficult for them to continue treating the Congress as the enemy," said Senate aide. "That's the wrong approach."

Members also got taste of future last week from Vice Chmn. Hartford Gunn, who presented some results of large-scale study on future of public broadcasting through 1990. Some findings: (1) Pay TV & its distribution by satellite are "driving cable TV forward at an accelerating pace" and are "mixed blessing" for public broadcasters. (2) Growth of cable means "fractionalization" of TV audiences. "While not affecting the 3 major networks immediately, this could reduce audiences for independent stations and, to a lesser degree, public TV. Indeed, public TV could find that it is competing with itself through the growing importation by cable companies of public TV stations..."

(3) Cable could help public broadcasting resolve questions of how to serve rising demand for more programs devoted to diverse audiences, how to reach cheaply those beyond range of transmitters and how to provide better educational service through new technologies. (4) Low-cost portable equipment will open TV to "far greater number of independent producers & directors." Monopoly of some stations on program production will disappear in 1980s.

(5) Public broadcasting generally will benefit from new technology, including fiber optics, multi-channel audio, UHF improvement, large-screen video, teletext services and videodisc. (6) Public TV revenues must grow 10-12% annually to keep up with inflation. (7) Audience age will be in early 20s and over 60. (8) Federal govt. planners say best way to cope with variety of communications problems is to wire entire country. Abundant capacity will "sort out most of America's communications problems..."

(9) "There will be an increasing desire to break up what are seen to be old established institutions or monopolies that appear to restrict the free flow of information. In fact, unlike any time since the rural electrification program, the govt. now seems willing—at least the planners suggest it is—to finance the broadband revolution in order to speed its coming and assure its

availability to everyone..." (10) It will be some time before CPB can offer useful leadership because of various legislative proposals before Congress. (11) Failure of public radio & TV to work together will hurt both. Unless new approach to funding them is found, "disharmony will continue." (12) PBS is unsure of its own function. "In trying to be all things to all people, PBS probably can and will please no one."

In other actions, PBS Board accepted 1979 budget of \$4.9 million, named Rogers chairman emeritus.

FCC REIMBURSEMENT RULEMAKING: Funds to compensate poorly funded participants in FCC proceedings are proposed in rulemaking begun by Commission last week—but it will mean little unless Congress gives FCC money for it.

Commission said it doesn't even know if it has legal authority to distribute such funds or even to try it on "pilot research and demonstration basis" without congressional approval.

Among questions FCC asks: (1) In what kinds of proceedings should participants be reimbursed? (2) Who's eligible? (3) How should applications for funds be processed? (4) How should program be administered? (5) What expenses should be covered? (6) What's appropriate methods of payment?

Comr. Lee dissented, said project is "lawyers' relief bill." Comments are due Aug. 14, replies Sept. 1.

WMAL(AM) Washington was fined \$5,000 by FCC for improper logging—failing to indicate actual length of commercials, Comr. Lee dissenting. Comr. Washburn said he would have preferred reprimand to fine, but it would be unfair to other stations fined in past. However, he said he was happy that FCC has agreed to review rule. Washburn noted that OMB report to President Carter, "Paperwork & Red Tape," listed FCC radio logging as first in list of govt. requirements for reporting (excepting IRS), with 18,-233,940 man-hours yearly, TV logging 3rd with 4,409,808 hours. Comr. Fogarty also said evenhandedness required fine but: "We should consider [in markets with many stations] the listener's hand on the tuner, and natural competitive marketplace forces provide the most effective form of regulation in the public interest."

Two bargaining units will represent FCC employees following last week's election--professional & non-professional. Of 582 professionals eligible, 405 voted 241 to 164 against single unit for all FCC employees, then voted 217-188 to join National Treasury Employees Union. Of 1,136 non-professionals eligible, 762 voted 512-250 to join NTEU. It's expected unionization will be effective this week, when vote is certified to NTEU.

PTL Christian TV network plans to lay off 100. Charlotte-based group reportedly had to cut back on staff or face bankruptcy. Organization pays approximately \$1 million per month to buy time on about 200 U.S. & Canadian stations.

VideoProgramming Workshop will be held Nov. 14-16, Temple U., Philadelphia. Registration is \$150. Details: 215-787-8497.

GELLER CONFIRMED: After 2 months of wrangling between Senate Communications Subcommittee and White House, Senate last week confirmed nomination of Henry Geller as asst. secy. of Commerce for Communications & Information to head NTIA (Vol. 18:26 p5). Nomination was released by Subcommittee & Commerce Committee when Sen. Goldwater (R-Ariz.) backed off from requesting various documents on public broadcasting from White House. Getting confirmed on same day last week was Robert Pitofsky, new FTC commissioner.

Sen. Goldwater (R-Ariz.) has asked FTC to investigate case of Lawrence Haverkamp, FTC economist who called for boycott of WIOI(FM) San Francisco because of station's opposition to FTC children's TV ad rulemaking (Vol. 18:23 p3). Goldwater also wants Haverkamp removed from any involvement in proceeding. Haverkamp told us he wishes he never made any statement, isn't sure he'll be kept as FTC employee and says he made statements as individual, not FTC employee. He's new employee, and one-year probation ends Aug. 29.

Ziff's offer to buy Rust Craft has been increased to \$30 from \$26.50 per share, making total price \$79 million. As result, Rust Craft Vice Chmn. Jack Berkman & son Nyles, who previously dissented to sale, said they'll ask Ziff to extend offer long enough for independent appraisal of company's worth. Two weeks ago, they petitioned FCC to reconsider approval of sale.

TIO has increased budget for current year (started April 1) from \$814,533 to \$912,606—with most of boost coming from increase in network payments from \$87,500 to \$131,000 (NAB will pay same amount as networks starting next year). TIO had deficit of \$9,457 last year, expects \$55,937 surplus this year.

World Trade Center TV-FM antennas have begun trip to N.Y. from RCA Bcst. System facility in Gibbsboro, N.J. Mast will accommodate 10 TV and up to 15 FM stations, is biggest single-stack array designed by RCA. It will be 351.5 ft. tall, weigh 363 tons. Construction is scheduled to begin next month.

FCC's EEO rules would be amended to include handicapped under rulemaking proposed last week. Questions posed include one asking what changes should be made in broadcast facilities to accommodate handicapped. Comments are due Aug. 29, replies Sept. 13.

Broadway shows, taped from stage, are to be offered to pay TV by Teleline Co., according to Pres. Robert Jacobs, who said producer Arthur Whitelaw has been retained as consultant.

Rogers Cable is buying 50% of Canadian Cablevision--450,000 subscribers--for \$35 million.

CERTIFICATION'S LAST DAYS: Cable certification procedure is on its way out—FCC having proposed rulemaking last week to eliminate it entirely and substitute either of 2 simple alternatives.

First would require system merely to list name, location and signals carried—and start operating. Second would require same data plus "perhaps some additional material" and begin operating within 30 days if no objections are received. An objection would prevent start until FCC ruled on issues involved.

Two main reasons were cited by Commission for proposed change: (1) Systems under 1,000 subscribers already were relieved of certification procedure. (2) Law changes permitting fines of cable systems give FCC tools needed to police violations. Another reason, unmentioned, was that congressmen have been complaining that procedure is obsolete, threatening to cut off funds.

Among questions asked in rulemaking: (1) What purpose, if any, was served by certification? (2) What information should FCC have before system starts, adds signal or changes franchise? (3) Should such information be given others, such as broadcasters? (4) Should cableman start operating when he files—or when? (5) What enforcement tools should Commission keep? (6) What's simplest, yet adequate, registration process?

Comments are due Aug. 14, replies Sept. 1.

Rewrite philosophy of letting marketplace control competition doesn't hold water when it comes to cable, according to MPAA Pres. Jack Valenti, who told Hollywood Radio & TV Society that cable is monopolistic. Thus, he said, deregulating cable "cripples program suppliers and local broadcasters... One does not have to exaggerate to predict that an avalanche of distant signals flooding local markets with no regard to exclusivity of programming will surely shrink local station audiences, and devalue the programs bought by local stations." Meanwhile, Computer & Communications Industry Assn. has backed rewrite, praising proposal's "presumption in favor of competition."

Rogers Cable installed converters in rooms of NAB board members during meetings in Toronto Hotel last week "so they can see what it's like," according to Pres. Edward Rogers. System has 200,000 subscribers in greater Toronto, 75,000 of whom rent Jerrold-built converters providing 26 channels. Hotel already was wired but doesn't have converters; nor does hotel offer guests pay movies provided by Rogers—only major hotel in Toronto that doesn't.

Satellite TV programming won't reduce network audiences, but "will broaden the total audience by providing a greater diversity of program choices," according to Andrew Inglis, pres. of RCA American Communications. Speaking at AFTRA convention, he said economies of satellite distribution make possible programming for specialized audiences.

Times Wire & Cable has reduced prices 40% on optical waveguides and fiber optical cable.

Cable lawyers were amazed and incensed over final Copyright Office cable rules and forms, issued last week. Said one: "The rules are a monstrosity. They take up 5 small-type pages in the Federal Register—and they're totally incomprehensible to a lawyer, let alone a layman. It would cost a cable operator who needed to pay the minimum \$15 some \$500 to get a lawyer to file his form. Why, they require payment by cashier's check, certified check or money order. Not even IRS requires that. It makes IRS forms look great. The law was passed in October 1976. They didn't do a damn thing about the rules until this year. Unlike the FCC, they didn't get any industry input. I think they just got panicky at the last minute and gave it to some kid to write."

Warner Cable has filed treble-damage antitrust suit against ABC and NCAA for refusing to let Warner carry Ohio State U. football on Columbus QUBE cable system last year. Warner said ABC plans to prevent cablecasts of games again this fall. Warner Chmn. Gustave Hauser said ABC has control over 2,300 college football games, uses only 45, keeps rest from public. Suit was filed in U.S. Dist. Court in Columbus through local counsel Alexander, Ebinger, Holschuh, Fisher & McAllister and N.Y. firm of Paul, Weiss, Rifkind, Wharton, & Garrison. ABC termed complaint "unfounded in fact and in law," noted that it had committed more than \$100 million in 4-year contract with NCAA.

CATV home computer may be in works, based on Mattel video game (Vol. 18:20 p10, 18:24 p13). Parts supplier GI is interested in setting up computer-cable-home terminal system, reportedly eyeing new game as terminal. Mattel programmable game supposedly would hook up to special cable-access cartridge allowing owner use of enormous number of games (or even special programs, data) in headend computer. Cable details are being worked out by GI subsidiary Jerrold. GI, Mattel, & Jerrold officials decline comment on specifics, but "hope to have some test marketing done by next calendar year," according to GI Mktg. Vp Lewis Solomon.

UPI's Newstime, new service for cable systems, was set for start via satellite July 3. System furnishes 15-min. voice reports & photos 24 hours daily. Gen. Sales Exec. Roy Mehlman said service will be available to million cable homes within a year. Service is updated 5 times daily, includes bulletins, has 90-sec. spots available for national & local commercials. Three national advertisers have been signed up through Y&R: Pabst, Union Carbide, Manufacturers Hanover Trust.

ABC isn't responsible for fact that Yankees played 14-inning night game against Red Sox in N.Y. then took 2 a.m. flight to play twi-night double-header June 27 in Milwaukee, ABC says. Network disputed charges by Yankee officials that game was moved so ABC could show it on Monday Night Baseball. Yankees lost double-header.

Sunset Communications is name of new TV production & programming company being set up by John Long, ex-Mission Cable, San Diego.

Personals

John McMahon named to new post of NBC-TV senior vp, programs & talent, West Coast; Brandon Tartikoff promoted from comedy programs dir. to west coast programs vp, succeeding McMahon.

Alan Cohen, ex-program planning dir., named to new post of dir., early-morning programming, ABC Entertainment; Frederick Schwartz, formerly in private entertainment law practice, appointed ABC-TV west coast contracts dir.; Patricia Diaz Dennis, ex-Pacific Lighting, joins ABC Labor Relations, West Coast, as labor relations & legal affairs attorney.

Susan King, member of Consumer Product Safety Commission, will be designated chmn., President Carter announced; he also nominated R. Peter Straus, now VOA dir., to assoc. dir. for broadcasting of International Communication Agency—successor to USIA.

John Garwood named gen. sales mgr., WDIV Detroit, succeeding Michael Berman, resigned; Jim Corno appointed operations mgr.; Richard Goldstein named station mgr., WCAU-TV Philadelphia; Lewis Robertson appointed national sales mgr., WBTV Charlotte; Theodore Kohl designated program mgr., KHOU-TV Houston; Gall Neylan appointed marketing dir., WDVM-TV Washington; Sandra Silla named promotion mgr., WFLD-TV Chicago; Audrey Elsmann appointed promotion mgr., WKBD-TV Detroit; Bob Rios named business mgr., WFSB-TV Hartford.

John Gwin, ex-Cox Cable, named pres., Oak Communications, new subsidiary of Oak Industries; George Cincotta appointed chmn., N. Y. State Cable TV Commission, succeeding Robert Kelly, who was confirmed to 5-year term as a commissioner; Jonathan Salkin, ex-Teleline, appointed Showtime mktg. specialist; Roger Adams, ex-Rick Trow Productions, named Viacom eastern div. sales mgr., first-run syndication.

Larry Darby, ex-FCC Common Carrier Bureau economic chief and one-time OTP, joins Senate Commerce Committee; Timothy Nulty, ex-FTC, joins Senate Communications Subcommittee.

Bob Somerville, ex-INTV sales vp, named vp-eastern sales mgr., Metro TV sales; Ben De Augusta promoted to operations asst. vp, Worldvision; Nicholas LaBate promoted to product mgr.; Alan Kell to asst. product mgr., Philips Bestg. Equipment; Robert Wood, ex-CBS affiliate relations, retires, forms Bob Wood Assoc. to arrange conventions, etc., based in Carlsbad, Cal.; Jim Wessel, retired from AP, forms News Guide to advise stations & CATV on newswire services: 230 Godfrey Rd. Weston, Conn. 06883, 203-226-4472.

Art McDonald, KOMO-TV Seattle, elected pres., National Bestg. Editorial Assn.; Curt Beckmann, WCCO(AM) Minneapolis, and Chris Botsaris, WTVF-TV Nashville, compete for RTNDA top office, vp-pres.-elect; Harry Reasoner keynotes annual conference, Atlanta Hilton, Sept. 20; Marcel Perras, Canada, elected INTELSTAT chmn.

Cutting UHF band would reduce number of TV stations—or potential stations—only slightly, according to Raymond Wilmotte, head of FCC's UHF Task Force. Further, he said, if Texas Instrument receiver were used, even fewer stations would be affected. Speaking before Utilities Telecommunications Council, Wilmotte gave these examples: If 48 MHz were cut from existing UHF band, 3 existing stations would be lost, 40 precluded from starting; if 102 MHz were cut, 17 existing stations would be eliminated, 63 precluded. Using TI set and cutting 48 MHz, no existing stations would be lost, 16 would be precluded; if 102 MHz were cut, one existing station would go off air and 38 would be precluded. Wilmotte said Commission will soon issue report on reducing TV channel bandwidth. Task Force also has issued report on spectrum saving in aeronautical & maritime services. In it, Wilmotte said that mobile industry is likely to increase spectrum efficiency only by factor of 2 by year 2000—if it doesn't have adequate incentives. With FCC leadership, he said, improvement by factor more than 4 can be achieved.

ABC will easily win fall season (through Dec.) with 20.9 rating, 34.3 share, according to annual prediction of program consultant Herb Jacobs. CBS will get 18.4 (30.2 share), NBC 17.5 (28.8 share). Jacobs' predictions are based only on "regularly scheduled" programs because "it's the only thing that counts in the bread and butter department." Jacobs saw NBC Pres. Fred Silverman's schedule changes as nothing "more than a ploy to either try to lull competition into complacency or movement to be effectively countered later... The changes [Vol. 18:26 p1]... will be detrimental to NBC's well-being." Jacobs said there won't be any "real excitement" in prime ratings until year from now, predicted that ABC "will still lead the pack, but barely" in 1980, with NBC a "strong runner-up."

"The Senate Communications Subcommittee is deeply disturbed by U.S. preparations, or lack of same, for WARC," Sen. Schmitt (R-N.M.), Subcommittee member, told Armed Forces Communications & Electronics Assn. "National telecommunications policies must be closely coordinated with other domestic & international policies. I question whether in our preparations for the 1979 WARC we are coordinating those policies sufficiently... The White House appears oblivious to what is happening. Without strong leadership & guidelines based on traditional principles of free access, we are in danger of creating great future problems, economic hardships and threats to our national security."

Longstanding conflict between WNYC(AM) N. Y. & WCCO(AM) Minneapolis moved another step, as FCC Judge Frederick Denniston recommended grant of WNYC power increase from one to 50 kw, hours from daytime to 6 a.m.-10 p.m. He would deny WCCO application to change antenna & site as air hazard. WNYC has had special authority to operate 6 a.m.-10 p.m. since 1943.

NAB membership increased 507 last 12 months, now is at all-time high of 5,727. Breakdown: 2,611 AM, 1,968 FM, 558 TV, 590 assoc.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 16 (24th week of 1978):

	June 10-16	1977 week	% change	June 3-9	1978 to date	1977 to date	% change
Total TV.	294,743	248,466	+18.6	218,046	6,420,859	5,632,710	+14.0
color	194,338*	148,695	+30.7	145,076	4,110,369**	3,450,939	+19.1
monochrome . .	100,405	99,771	+0.6	72,970	2,310,490	2,181,771	+5.9
Total radio	1,069,967	1,275,788	-16.1	874,631	19,254,311	18,455,208	+4.3
home, portable	825,784	1,029,248	-19.8	644,741	13,178,467	12,508,467	+5.4
AM-only	138,048	230,452	-40.1	131,030	3,595,959	3,087,964	+16.5
FM & FM-AM	687,736	798,796	-13.9	513,711	9,582,508	9,420,503	+1.7
auto	244,183	246,540	-1.0	229,890	6,075,844	5,946,741	+2.2

Color TV 5-week moving average: 1978—154,185*; 1977—127,295 (up 21.1%).

*Highest for 24th week of any year. **Record.

FOTOMAT SEES VIDEO KILLING HOME MOVIES: "Motivation of fear" was major factor in Fotomat's decision to enter video business via film-to-cassette transfer and blank and recorded cassette sales (Vol. 18:13 p10, 18:23 p11), Chmn. Richard Irwin told N. Y. press conference last week. He indicated much of foundation of company's \$173-million-a-year processing & film business could be wiped out by video, perhaps within next decade.

Photography market will continue to grow for next 5 years—"then we say 'watch out.'" Portable hand-held camera with built-in VCR (Vol. 18:26 p9) should be introduced by that time. "With this new product," said Irwin, "we see the camera business leveling off and ultimately dying. It will have a significant influence on the still area" as well as home movies. Irwin thinks VCR manufacturers have "made a mistake in concentrating on TV" uses for their product. "We think we understand the photo business. We see a market out there among people who are into photography, not TV. This will really broaden the market. We want to let the public know their equipment can be used for photography."

Through its 3,400 retail kiosks, Fotomat will enter all aspects of VCR business except hardware—that is transfer, blank tape, pre-recorded cassettes. Last area is subject of study & negotiations now, he indicated, and announcement is scheduled before year's end. Kiosks first will handle 3M (Scotch) Beta and Panasonic & RCA brand VHS blank cassettes, start offering film-to-cassette transfer July 3.

Irwin kept promise made in June (Vol. 18:23 p11) that price of transfers would be low. Research showed that there was consumer need for transfer service but price being charged by sole national entity in field, S/T Tape Duplication, of about \$46 for 400 ft. was "not a consumer-affordable price and that's not going to be a consumer service." Basic price of Fotomat's 8-mm or super-8 transfer is 400 ft. (eight 50-ft. reels, 20-30 min., depending on film speed) for \$8.75 (introductory offer \$3.75) plus cost of cassette, each additional 50-ft. reel adding 50¢. Service includes film splicing, washing, enhancement, compensation for improperly exposed film, etc., all done on automated production line, which starts with 3 Telemation 3000 color cameras, 3 optical multiplexers, 6 film projectors, 3 slide projectors, all of broadcast type.

Slide price list is more complex, based on time and not number of slides—example 3 min. is \$3, comprising 12 slides shown for 15 sec. each, 18 for 10 sec. each or 36 for 5 sec. Up to 300 slides (5-sec. intervals, 25 min.) can be put on cassette for \$8.25. Fotomat will charge

about \$14.95 for blank 1-or-2-hour VHS cassette, presumably less for Beta.

Fotomat officials said they were receiving cooperation of VCR makers & marketers and that many, including Panasonic & Sony, will put Fotomat leaflets in their VCR cartons. Sony is partner (with Video Corp. of America) in S/T, which offers film-to-cassette transfer through some 200 VCR dealers. S/T's price list shows transfer of eight 50-ft. reels to Beta cassette at \$45.95 (VHS \$1 extra), slides for \$24.95 (up to 64), additional slides 40¢ each, all prices including cassette. Special services include electronic color restoration at \$7.50 per 50-ft. reel, background music \$8, titles \$6, editing to remove bad film \$12.50 per 50-ft. reel.

S/T Pres. Alfred Markim told us he was "delighted" with Fotomat's entry into field, because it broadens market in which his company was only major entity. However, he said, his experience indicates most consumers don't want to trust their film to automated transfer. "The material the consumer is sending in is a priceless family archive. Most of what we're transferring so far is old 8-mm, not recent super-8, badly in need of restoration, with broken sprocket holes and scratches. This is family footage, and it's something people will do only once. I don't think they want to skimp on this kind of job. It may end up as a 2-tiered business, like film processing. You pay twice as much for Kodak processing as supermarket or mail-order developing."

Fotomat doesn't think film-to-tape transfer business will go on forever. That business, Irwin estimates, has useful life of 5-10 years. He sees home VCRs in use reaching 800,000-1 million by year's end, 10-20 million in decade. Transfer market is "a lot bigger than most people realize," he said, estimating that average VCR owner who becomes aware of availability of service will spend \$25 a year on it. Irwin forecast more firms would enter market. Like who? Like 3M & Eastman Kodak.

Irwin's forecast of home movies' demise brought to mind vivid impression of last-minute Polaroid exhibit at CES, presumably some sort of attempt to stem the video tide by displaying Polavision instant home movie system. Unfortunately, Polavision, with its grainy 12" picture, shown in darkened tent, succeeded only in looking sad, like an invention which came along 10 years after its time.

JUSTICE PROBING JAPAN TV KICKBACKS: Justice Dept. is actively investigating charges TV importers accepted illegal rebates from their Japanese suppliers, Deputy Atty. Gen. Benjamin Civiletti revealed last week. Spokesmen for Criminal Div. declined to verify reports that evidence is being presented to grand jury.

Case has been under Treasury investigation for several years, and while Justice was kept informed of developments, its role until now was advisory. In past, spokesmen for both agencies have said they considered case of minor importance, and it isn't clear whether latest development signals change of attitude or is mere gesture intended to put matter to rest.

Existence of kickbacks to TV importers, at least during 1966-73 when Japan enforced minimum export [check] price system, was poorly kept industry secret. Such refunds aren't necessarily illegal, and importers who received them actually overpaid duties which were based on invoice prices. However, after 1971, when Treasury issued dumping finding against Japanese TV, importers had obligation to provide Customs with actual purchase prices, against which dumping duties are calculated. Concealing rebates could be considered attempt to evade payment of extra duties.

Private-label TV firms are primarily involved in rebate furor, it's understood. Both Midland & Gambles have acknowledged getting rebates, but deny any illegality. Most other own-brand TV marketers also received refunds, we've been told. Rebate issue is behind proposed "Zenith amendment" to Customs law revision bill now being worked on by Senate-House conferees. Among provisions is one softening penalties in duty-evasion cases when importer brings incident to attention of Customs and no deliberate fraud is involved. Amendment, which would exclude cases currently under investigation, is opposed by EIA and other business groups.

Treasury, meanwhile, is preparing for deluge of protests and legal briefs concerning TV dumping duty assessment procedures. Deadline for protesting levies announced March 31 (Vol.

18:4 p7) was June 29. Treasury official told us briefs both for & against procedures started arriving early last week. Importer protests over size of duties had to be filed at ports of entry, and it's expected to take week or 2 for them all to arrive in Washington. Levies cover some 2,600 Japanese TV shipment entries made by about 120 importers in 1972-73.

Good news for importers last week was end to collection of bonds to cover potential countervailing duties on imports of consumer electronics from Japan. Ports got order to drop bonding requirement June 27, just week after Supreme Court rejected Zenith contention that Japan's commodity tax refund system was subject to offsetting U.S. duties (Vol. 18:26 p10). Treasury is still holding on to millions of dollars worth of bonds & credit letters posted after Zenith won temporary Customs Court victory last year (Vol. 17:16 p7). While it may start returning bonds in next week or 2, it won't order final liquidation of entries until week of July 17, when time runs out for Zenith to serve notice of intent to seek high court review of 9-0 decision.

JAPAN COLOR EXPORTS DOWN IN MAY: Japanese color TV exports took 2nd steepest drop of year in May, while b&w rose slightly and VTRs showed signs of stabilization, according to Finance Ministry data.

Japanese exported just under 302,000 TVs in May, down 22.5% from same 1977 month, as color fell 41.5% to 139,900 (including 18,100 kits), while b&w edged up 7.6% to 162,100. In year's first 5 months, total TV exports were down 15.7% to 1.34 million, with color off 37.1% to 627,100 (86,300 kits), b&w up 20.4% to 710,600. In 11 months from July 1, 1977 start of Japan's color export quota, Japan has exported 1.58 million color sets to U.S., down 43.5% from comparable year-earlier total. Under quota terms, which permit annual export of up to 227,000 per quota year (1.75 million plus 52,500 special case allowance), Japanese could have shipped as many as 222,500 in June, 19.1% more than June 1977 total.

Japan's VTR exports, including home VCRs, totaled 46,400 in May, up 322.1% over year earlier, 215,700 for 5 months, up 267.6%. For year, monthly total was 2nd highest to 50,800 shipped in April. CB, meanwhile, continues to sink. May shipments dropped 73.3% to 155,000, for 5-month total of 1.07 million, down 68%.

ELECTRONICS AT RECORD: Total electronics industry factory sales volume, including imports, hit record \$45.91 billion in 1977, up 10.7% from revised \$41.46 billion of 1976, according to just-issued EIA Electronic Market Data Book.

Largest gain was in consumer electronics, up 17.3% to \$8.12 billion, accounting for 17.7% of industry volume, up from 16.7% last year (details, Vol. 18:13 p8). Replacement components rose 11.1% to \$1.09 billion for unchanged 2.4% market share, followed by 10.4% increase for communications-industrial products to \$23.3 billion for 50.8% share, down from 50.9%. Sales to govt. were up just 7.6% to \$13.4 billion for 29.2% share, down from 30%.

EIA puts total components volume (excluding semiconductors) at \$5.14 billion, up 15.3%, with active devices up 5.1% to \$1.3 billion, capacitors at \$744 million (up 22.4%), resistors at \$477 million (up 6.2%), networks at \$16 million (up 29.8%), inductors at \$470 million (up 23.7%). In active components, industry sold 10.6 million picture tubes (down 1.4%) valued at \$633.5 million (down 0.6%), while receiving tube sales of 76.1 million were off 4.6%, and value declined 3% to \$143.8 million.

In color tubes, U.S. factory sales rose 2% to 8.54 million and value held even at \$586 million. Imports climbed 52.1% to 289,900, with value up 0.5% to \$15.5 million. U.S. factory b&w tube sales dropped 29.9% to 1.27 million, with value off 23.7% to \$27.2 million, while imports rose 27% to 515,000

and value increased 45.6% to \$4.7 million. For domestic tube factories, color OEM sales rose 10.3% to 6.82 million, replacements dropped 17.2% to 577,200, exports sank 23.2% to 1.14 million, while b&w OEM volume dropped 28.2% to 1.18 million, replacements fell 34.8% to 46,200 and exports sank 50.9% to 42,000.

EIA relies on data from rival Semiconductor Industry Assn. for that industry segment. Figures show worldwide sales of U.S. producers up 12.3% to \$3.86 billion, with discrete devices down 0.5% to \$1.39 billion, ICs up 21.2% to \$2.46 billion. Copies (\$25) from EIA Mktg. Services Dept., 2001 Eye St., Washington, D.C. 20006.

Energy efficiency labels would be mandated for TV as well as 12 other home appliances under FTC proposal announced last week. But EIA's fight to exempt TV from regulation isn't over. EIA spokesman said FTC staff is giving "favorable consideration" to arguments for dropping TV from list. FTC plans Sept. hearings on proposal which would require appliances be labeled to show: (1) Model description. (2) Estimated annual average operating cost, plus information to permit consumer to adjust cost to electric or fuel rates in specific area. (3) Range of average estimated energy costs for other comparable competitive models, based on govt.-approved tests. Though industry & FEA have reached agreement on TV test method, no formal standard has been adopted.

MAGNAVOX PRICES: Magnavox set prices on 1979 TV line shown at Consumer Electronics Show. Lists are set by region, and following are those of typical region: New 9" AC-DC color portable is \$350, new 10" is \$330 (both sourced from Philips Taiwan); sole 13" is \$340, step-up was dropped, as were all 15". Leader 19" is unchanged at \$400, new steps are \$430 & \$450. New 19" with electronic Touch-Tune on-set keyboard electronic tuner is \$550, remote is \$600; first 19" Star (remote, keyboard tuning, on-screen channel display) is \$680 (down \$20), step-up is \$700 (down \$50). In 25", new table model is \$600, leader console at \$620 & first step at \$650 are both down \$30, new model is \$700, high end in series is down \$100 to \$750. Touch-Tune consoles start at \$750 (down \$50), with steps at \$870 (up \$40) & \$950 (up \$70). Leader Star console is \$995 (up \$100), with step-up unchanged at \$1,095, high-end down \$55 to \$1,295. Version with space for VCR storage is \$1,030. Leader combination is unchanged at \$1,095, first step is up \$100 to \$1,895, armoire vertical combo was left at \$2,495.

In b&w, AC-DC 9" is \$110; 12" starts at \$100, steps to \$110 & \$120, all down \$10; 19" is unchanged at \$179 & \$180.

Panasonic finalized prices on 3 color models introduced unpriced at spring convention. Battery portable 7", due for Aug. delivery, is \$350; 19" drop-in with both automatic & VIR color control is \$520; high-end 19" with automatic & VIR color, microprocessor-controlled tuner with on-set random access keyboard, up-down remote, LED channel display, is \$700. Expected for year-end delivery is 12" b&w leader to be priced at about \$105. Current regular b&w line leads with 12" at \$130, though firm's limited-distribution LTD line has model at \$125 (Vol. 18:18 pp 9 & 11).

First color TV-AM-FM-SW-cassette combination will be marketed in Japan in late Aug. by Hitachi at about \$525. "Portable" unit operates on AC or 10 flashlight-size cells, weighs 16.5 lb. without batteries.

Taiwan is concerned over possible official U.S. reaction to its color TV export growth. Govt. there has asked Japanese-owned & affiliated color exporters to hold U.S.-bound shipments this year to 1977 level, has cautioned locally-owned producers against extensive U.S. sales promotion campaigns. However, action doesn't extend to export-assembly operations of U.S.-owned or related firms.

Two financially troubled Japanese consumer electronics producers, Cybernet & Crown Radio, are being merged to form Crown-Cybernet Industry Corp. effective Oct. 1. Cybernet, former high-flyer, ran into problems last year with collapse of CB market. For last several years, Crown has been operating with financial assistance from Dai'ei retail chain.

Garrard may boost prices this year in effort to cut deficit. Parent Plessey reported record changer producing subsidiary lost \$10.5 million in fiscal year to March 31, against \$920,000 loss in 1976, is expected to show loss again this year.

Magnavox has filed suit against APF (Far East) Ltd., Hong Kong, charging infringement of video game patents. APF is 4th Hong Kong firm sued by Magnavox, others being General Electronics and its subsidiary Digitek and RJP Electronics, which settled out of court, agreeing to stop making or selling games covered by Sanders/Magnavox patents. Still pending in Chicago federal court is Magnavox suit against APF Electronics, parent of APF Far East. Magnavox said it was suing Hong Kong subsidiary because it's shipping games to Europe, where Magnavox patents are recognized. There are no Sanders/Magnavox patents in Taiwan or Korea, and U.S. court suit against parent APF can't stop infringements in Hong Kong, Magnavox said, adding it's taking action against retailers handling Far-East-made games in U.S. & Europe. Magnavox recently licensed Lih Tong Trading Co. & Sinoca Enterprises of Taiwan. Among its 36 video game licensees, company listed these in Hong Kong: Applied Industrial Co., Concept 2000 (H.K.), Conic Investment Co., Hanimex (H.K.), Jobenseng Electronic, Mega Instrument, Promotors, Pro-Quality Electronics, Radofin Electronics, Raj Watch Industries, Sands Electronics, Video Technology.

Labor Dept. opened import impact eligibility probes for workers at Kris Inc. (CB radios), Cedarburg, Wis.; Uptegraff Transformer, Somerset, Pa.; Ensign Coil, Cascade, Ia.; General Instrument's F.W. Sickles Div., Chicopee, Mass. Earlier this year, GI said it was moving Sickles hq to El Paso. Most TV tuner production has already been shifted to plants in Mexico & Taiwan. Agency also reaffirmed decision rejecting import adjustment assistance for workers formerly producing quartz crystal production machinery at Aiken Industries' P.R. Hoffman Div., Carlisle, Pa. Labor said it didn't consider crystal imports, including those contained in clocks & CB radios, directly competitive with machines, and that it found no significant sales of foreign-made machines here.

Best VCR markets, in order, are L.A., Miami & N.Y., according to Magnetic Video Consumer Products Gen. Mgr. Robert Vandegrift. He notes MVC is "breaking shipping records every month" in pre-recorded cassettes. . . **Time Inc.,** which still is marketing only its 8 classic TV programs in Beta format, expects to "release more products in all formats soon". . . **Video Warehouse,** Atlantic Highlands, N.J., expands programming cassette offerings to 366 from 66 titles and has merged with Video Copy, Hollywood, giving it added duplication facilities.

Metal tape product development must be led by hardware manufacturers, Maxell Corp. of America Pres. Tadeo Okada said last week at dedication of new Moonachie, N.J. hq. "Appropriate hardware," he said, "has just begun to be shown" and situation may change within year. He said audio equipment market is growing by 15% yearly, with growth in high end averaging 5-8% higher. He added that hi-fi salesman may be able to sell videotape better than TV-appliance salesman because of his knowledge of tape recording.

COMPONENT IMPORTS: U.S. imported record \$435.1-million worth of selected components & parts in first quarter, up 19.2% from same 1977 period. Virtually all of increase was represented by 33% jump in value of imported ICs as unit declines were shown for many key items.

In TV, color tubes jumped 88.3%, reflecting stepped-up activities of Japan-owned TV assembly plants here, while b&w tubes rose 43.3% to 185,100. TV tuner shipments declined 7.4%, antennas (mainly telescoping type) were down 5.3%.

In other TV accessories, color cameras rose 52.6%, b&w cameras jumped 50.7%, blank video cassettes were up 25%. Microphone imports were down 12%, a drop probably related to growing use of built-in mikes in low-priced recorders as well as lower demand by domestic CB producers. Audio cassette imports leaped 84%, with Hong Kong (whose shipments rose from million last year to about 6 million) and Japan (up from 4 million to 11 million) accounting for much of increase, while imports from Mexico, still largest supplier, rose 33% to 12 million.

In speakers, total imports dropped 0.8% to 17.3 million, with all of decline in enclosed types, dropping 6.3% to 6.48 million. In components, increases were shown for ICs (21.7%), transistors (2.4%), receiving tubes (2.7%) & variable resistors (11.1%), while declines were posted by variable capacitors (11.8%), fixed capacitors (6.4%) & fixed resistors (9.1%).

U.S. COMPONENT IMPORTS

	First Quarter 1978		First Quarter 1977	
	Units	Value(\$)	Units	Value(\$)
Pic. tubes, color..	88,036	4,918,324	46,748	2,512,946
Pic. tubes, b&w, 16.4"-&-under	155,520	1,122,521	126,087	1,061,059
Pic. tubes, b&w, other	29,613	459,452	3,119	57,953
TV tuners	3,115,444	19,790,313	3,365,078	22,939,545
TV antennas	2,218,576	2,184,716	2,344,077	2,104,134
TV deflection parts*	4,552,470	19,878,672	N.A.	N.A.
TV cabinets*	123,531	1,282,792	N.A.	N.A.
TV cameras, color	3,887	9,464,360	2,548	6,848,353
TV cameras, b&w	20,639	3,834,426	13,690	2,701,304
CB antennas*	808,023	2,016,795	N.A.	N.A.
Radio antennas	1,661,756	2,617,120	2,261,651	6,904,284
Microphones	1,667,733	5,017,421	1,895,146	5,657,268
Audio amplifiers	917,753	19,670,886	663,549	13,047,890
Spkrs., unenclosed	10,856,610	18,498,157	10,570,546	13,439,618
Spkrs., mult., encl.	1,518,962	12,353,534	1,622,832	9,097,547
Spkrs., lone, encl.	4,958,001	15,641,101	5,290,967	13,137,656
Receiving tubes	13,013,778	8,270,642	12,668,114	6,994,963
Audio cassettes	31,151,529	14,496,607	16,930,990	7,915,329
Video cassettes	1,219,989	10,672,895	975,991	5,413,307
ICs*	561,668	283,549	461,513	212,367
Transistors**	417,143	39,166	407,322	41,271
Fixed capacitors**	652,037	28,781	697,320	34,897
Variable capacitors**	35,932	3,736	40,758	2,614
Fixed resistors**	1,329,604	12,271	1,463,006	11,896
Variable resistors**	69,954	11,838	65,251	7,989

*Not reported separately in 1977. **Units & value in 1,000's.

Taiko Denki purchased exclusive rights to produce & market wire harness connectors in Japan under patents owned by CW Industries of U.S. CW has been exporting connectors for flat cables to Japanese consumer electronics OEM through sales agent there.

Crystal Import Committee, recently formed anti-import arm of EIA Parts Div. crystal subsection, approved funding necessary for statistical program at first formal meeting in Washington last week. Data will include U.S. production, imports, evidence of dumping by Far East producers, injury to domestic makers. Study will cover watch, frequency-control, oscillator & filter crystals as well as wafers. Results will be used to determine best ways to seek import protection. Although it operates under EIA auspices, CIC membership is open to non-EIA firms. CIC chmn. is Joe La Berge, Motorola Semiconductor watch-crystal product mgr. Naming of La Berge is another indication of Motorola's change in policy on handling sensitive foreign trade issues. Once industry's staunchest free-trade advocate, firm now apparently lets operating units follow own paths. Surprised last year was leadership role Communications Div. took in successfully pressing for CB import restraints at International Trade Commission hearings. Chmn. Robert Galvin, incidentally, heads Electronics Industry Advisory Committee to U.S. trade negotiating team in Geneva.

Higher sales, but lower margins, was retail story last year, according to preliminary results of NARDA's annual costs-of-business survey. Study shows average dealer volume rose 14% in 1977, but margin in product & service sales dropped 0.4% to 27.2%. Dealers were further squeezed by 0.3% rise in operating costs, which reduced operating profit to less than 2% of sales. Audio dealers suffered more than other consumer electronics retailers, NARDA says, with average margins falling about 3% to 34.7%. However, their operating costs, at 29.9% of sales, were also lower, leaving them with 4.8% average operating profit. Increased audio sales activity by mass merchandisers should make for more profit pressures on independents this year, NARDA says. Service-only dealers showed average 9.5% sales increase last year, had 5.8% net operating profit. Labor charges produced nearly 66% of servicers' gross volume, an even higher share of gross profit, NARDA reports.

U.K. distributors bought 495,000 color sets in year's first 4 months, up 3% from same 1977 period, BREMA reports. B&w purchases edged up 0.8% to 359,000. In color, domestic-made sales rose 11.1% to 409,000, while imports dropped 23.2% to 86,000. In b&w, domestic increased 28.5% to 216,000, and imports declined 23.9% to 143,000. As result, U.K. factories accounted for 83% of color (up from year-earlier 77%), 60% of b&w (up from 47%). Total market for portable radios was down 28.5% to 1.17 million; other radios, including audio systems, rose 6.1% to 822,000; phonos and component record changers & turntables were down 41.4% to 106,000.

Smoke-detector sales still are strong, though price competition has forced some firms out of field. Ultra Electronics is building 40,000-sq.-ft. mfg. & hq facility in Sylmar, Cal.; Pitway is adding 66,000 sq. ft. to existing plant in Aurora, Ill. Latest defector from marketing ranks is Sunbeam's Oster Div. which was offering Canadian-made ionization model listing at \$60. Company said price erosion, which has seen some models selling in \$15 range, has made business unprofitable.

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with
Consumer Electronics ...

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Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Corning Glass Works			
1978-24 wk. to June 18	567,856,000	52,289,000	2.95
1977-24 wk. to June 19	527,990,000	47,581,000	2.69
1978-12 wk. to June 18	287,957,000	30,272,000	1.71
1977-12 wk. to June 19	258,600,000	23,474,000	1.33
Filmways			
1978-qtr. to May 31	35,092,000	1,313,000	.34
1977-qtr. to May 31	31,464,000	448,000	.17 ^a
National Semiconductor			
1978-year to May 31	494,336,000	22,497,000	1.72
1977-year to May 31	387,336,000	10,184,000	.78
1978-qtr. to May 31	133,226,000	6,339,000	.48
1977-qtr. to May 31	96,272,000	3,213,000	.25
A.C. Nielsen			
1978-9 mo. to May 31	234,954,000	17,330,000	1.60
1977-9 mo. to May 31	197,148,000	14,332,000	1.32
1978-qtr. to May 31	83,780,000	5,871,000	.54
1977-qtr. to May 31	69,745,000	5,467,000	.50

Note: ^aAdjusted.

PANASONIC HIKES PRICES: Panasonic is first Japanese major to respond to rising yen value with price boosts on already-introduced 1979-model line. Company said audio prices were increased 1-5% effective July 1. As forecast by Exec. Vp Ray Gates at April sales convention (Vol. 18:18 p9), biggest hikes were for Technics & Panasonic stereo equipment, which hadn't gone up in the past year.

Prices on radios & recorders, which were raised 4-5% last Jan., were increased 1-2% this time. Panasonic boosted TV prices substantially last May, so didn't include them in current general hike, "though we have cut back on some promotion programs," Gates told us.

Even these new prices might not hold for long, Gates said. New prices structure was evolved last May, and yen has risen almost 10% against dollar since then. So yet another round of increases can be expected before year is out "if the yen stays at its current level" or rises even higher, Gates said. Sony, other Japanese major which introduced & priced 1979 line last May, is preparing for increases. Spokesman said company expects to be able to hold line for immediate future, but may be forced to raise prices by end of Aug. At spring meeting, Exec. Vp Ken Tamiya said Sony would have to increase prices (particularly on products imported from Japan) unless dollar rose above 220 yen level.

Zenith will sell watch business to new Swiss firm being formed by group which includes Michael Pannett, now Zenith Time S.A. gen. mgr. Terms weren't disclosed. Zenith, which set up \$7.1 million reserve last year in anticipation of loss on sale of watch operation, said transaction wouldn't have material impact on 1978 profits.

JVC plans to double VCR production at Yokohama plant to 40,000 monthly, is recruiting 800 new workers. Company currently employs 7,600.

Personals

John Green, former Rockwell operations staff vp, returns to subsidiary Admiral as exec. vp responsible for mfg., sales, mktg., service & product development... Robert Stewart, onetime Admiral pres., resigns as United Technologies strategic planning senior vp to become pres. & chief operating officer of Arlen Realty, parent of Korvette discount chain... Jon Rapp, ex-Samsonite, joins JBL as operations exec. vp... Benjamin Ordover promoted at CBS Columbia House Div. from mktg. vp to exec. vp.

Martin Ehrlich, ex-Kenner, joins Coleco as senior vp, new post... Janet Cohen advanced at Zenith to Service, Parts & Accessories Div. controller... John Glynn, ex-General Host, joins General Instrument as finance vp... Raymond Peirce, former Oak Industries exec. vp, named pres. of Oak Technology, new subsidiary formed to handle Oak components operations.

Douglas Danforth promoted at Westinghouse to vice chmn. & chief operating officer, assuming some duties of Chmn. Robert Kirby... Samuel Yanagisawa, Varo chmn., adds post of pres., replacing J. Jan Collmer, resigned... Bruce Crockett, ex-Fairchild, joins Commodore as Optoelectronics Div. mgr... Richard Lee promoted at Portable Battery Div. from product development dir. to engineering & development dir., new post.

Glenn Ronk, Sola Electric, named recipient of EIA 1978 Distinguished Service Award; Paul Terhaar, Sylvania, Mktg. Services Award; Jack Loudon, GE, Engineering Award. All will be presented at EIA's L.A. meeting Oct. 24.

Toshiba Corp. is new name of Japan's Tokyo Shibaura Electric Co.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FEDERAL MORALITY COMMISSION? Vast range of reactions to 5-4 Supreme Court decision upholding FCC's WBAI 'indecentcy' action. Ferris sounds soothing; industry apprehensive. (P. 1)

WALLIS QUILTS CPB BOARD: Chmn. resigns, cites 'personal reasons.' Few board members unhappy about it. Gregg, Herndon, seen possible successors. White House readies 5 nominees to board. (P. 4)

CABLE SHOCKED BY REWRITE BILL: 'Multiplication,' not 'deregulation,' says Schmidt. Fears state regulation, AT&T competition. Exec. committee meets on strategy. (P. 4)

NABers RATE CONVENTION: Choir, Reagan, Price & Haley most popular sessions in membership poll. TVers also liked Wiley-Parker debate, sex & violence session. (P. 5)

MINORITY STATION OWNERSHIP remains heavily dependent on private capital, despite govt. efforts, says Comr. Brown. (P. 5)

CBS STATION SHORT RENEWALS urged by FCC staff in winner-take-all tennis case. Vote expected to be close in July 12 session. (P. 5)

FEDERAL MORALITY COMMISSION? You can find as many opinions as you wish regarding impact of U.S. Supreme Court's 5-4 decision upholding FCC's censuring of WBAI(FM) N.Y. (Pacifica Foundation) for airing "7 dirty words." Broadcasters reacted worriedly, fearing medium's First Amendment protection has been seriously damaged, is now extremely exposed to hand of govt. Others varied all over the lot—from those who found decision a mighty good thing to those who found it insignificant.

Most FCC members were out of town at common-carrier meeting, couldn't be reached for comment. Chmn. Ferris, according to Boston Globe, said: "I believe in following the law but I don't see anything in this that would require me to overcome my reluctance to involve myself in content and making judgments. The First Amendment does preclude the Commission from getting involved in content." Comr. Washburn told us he considered Supreme Court's finding extremely narrow, confined only to facts of WBAI case.

Man who has to advise Commission about complaints of indecency, etc., Arthur Ginsburg, acting chief of Complaints & Compliance Div., told us: "It's very narrow, extremely limited. Things will be handled on a case-by-case basis, as before. I don't anticipate any deluge of complaints at all. Most complaints we get are about too-tight bathing suits, which we've rejected. One thing is new—we now know that 'indecent' has a meaning."

NAB Pres. Wasilewski stated: "While the NAB in no way approves of indecent language on

Consumer Electronics

RECORD FIRST-HALF color sales totaled 4,578,300 for annual rate of 10.5 million. June climaxed by 5th best week in history, bringing month 20% ahead of 1977. (P. 7)

IMPORTER KICKBACKS triggered Customs' decision to use commodity-tax system for assessing dumping duties on Japan TV, Customs & Treasury memos show. Many may escape heavy penalties. (P. 7)

COLOR STARTING PRICES up in portables, down in consoles, reflecting sharp rise in Japan-made sets. U.S. sets now underprice Japanese, 13" & 19" medians indicate. (P. 9)

OPEN DOOR TO CHINA trade to be sought by Japan at Oct. COCOM meeting. China contracts to buy Japan color bulb, mask & phosphor plants. (P. 10)

GTE SEES UPTURN, claiming rise in Sylvania & Philco market shares. Officials expect upward price movement, see VCR viable in long run, but under severe cost-price pressures. (P. 11)

JAPAN TRAILED TAIWAN as top supplier of color set & chassis imports in May, Commerce data shows. Complete-set color imports down 22.6% in May, b&w up 24.5%. (P. 11)

the air as such, this decision is a harsh blow to the freedom of expression of every person in this country. Given the Supreme Court's authorization to censor, NAB fears that the FCC will not stop with the '7 dirty words.'" Harry Plotkin, counsel for WBAI, declined to comment, noting that time for seeking rehearing hasn't expired. He said decision on rehearing hasn't been made; other attorneys doubt it will be sought.

CBS spokesman stated: "The real danger... obviously is not that it will prevent broadcasters from using a handful of 'dirty words' which they have shown almost no inclination to allow in their programming; rather, it is that the Court's statements about the 'uniqueness' & 'pervasiveness' of broadcasting will be seized upon by those who would impose even more serious infringements upon the First Amendment rights of broadcasters and the public." NBC: "In reaching this result, the Supreme Court retreated from its traditional refusal to censor free expression. We believe that the historic dissenting opinion of Justice Brennan better reflects the values necessary to a free society." ABC had no comment.

One network official offered us this thinking: 'If you read what the Court says, it should have no effect—it doesn't extend beyond the facts of this particular case, context is all-important. That is, if you believe what they say—but people never believe what they say. I expect the FCC now to be plagued—literally plagued—with complaints of all kinds. Are commercials to kids indecent? Are winks indecent? Are double entendres indecent?'

"The Commission may just as well establish a new bureau. It's going to rank with the fairness doctrine. It gives everyone a court in which to get heard. Is FCC going to say: 'We don't do this'? We may have a Federal Morality Commission. I can't see how we won't."

A communications attorney, who also preferred not to be identified, says: "It means bad things for broadcasting. Radio does not have the same protection as the press. The Court didn't rest its decision on the old 'scarcity' argument which has always been used. Instead, it rested it on the 'pervasiveness' of the medium and on 'protection of children.' What happens in a one-newspaper town; a cloud hangs over that newspaper. A cloud hangs over cable, too; cable said it doesn't have scarcity of facilities, thus should be free. The industry lost all the Nixon judges—but I expect [the Court] will pull back some day."

Richard Wiley was FCC chmn. when WBAI was censured, although he didn't vote to go to Supreme Court when Appeals Court reversed Commission. Now in private practice, he declined to comment last week.

One of first major newspapers to editorialize was station-owning Washington Post, which said it was "glad" Court ruled as it did: "The immediate reaction of some broadcasting officials and critics is that this decision opens the way for substantial censorship by the FCC and gives station managers an excuse for suppressing realistic news and dramas that pull no punches in their substance or language. The tone of the opinions of Justices John Paul Stevens and Lewis F. Powell seem to suggest just the opposite. Neither suggests that the FCC should require that the occasional dirty word be bleeped out or that programming should always be aimed only at family audiences. Implicit in both opinions is the suggestion that if broadcasters target their audiences (late evenings or, in cable systems, special channels), the permissible range of words and pictures may be much broader than that presented on most stations today."

U.S. Catholic Conference, through Gen. Secy. Bishop Thomas Kelly, termed decision "encouraging," said Conference had been an amicus in case "in order to call attention to the need for an effective public voice in matters of broadcast policy." Russell Shaw, Conference secy. for public affairs, told us: "We won't mount any new campaign. We've long been interested in education—so people can protect themselves and their children. We entered the case as an amicus to emphasize the 'public trusteeship' concept. We're sorry the Court didn't mention that."

Justice Stevens wrote decision for majority, including Burger, Rehnquist, Blackman & Powell. Here's guts of decision:

"We have long recognized that each medium of expression presents special First Amendment problems. And of all forms of communication, it is broadcasting that has received the

most limited First Amendment protection...

"The reasons for these distinctions are complex, but 2 have relevance to the present case. First, the broadcast media have established a uniquely pervasive presence in the lives of all Americans. Patently offensive, indecent material presented over the airwaves confronts the citizen, not only in public, but also in the privacy of the home, where the individual's right to be let alone plainly outweighs the First Amendment rights of an intruder. Because the broadcast audience is constantly tuning in and out, prior warnings cannot completely protect the listener or viewer from unexpected program content. To say that one may avoid further offense by turning off the radio when he hears indecent language is like saying that the remedy for an assault is to run away after the first blow. One may hang up on an indecent phone call, but that option does not give caller a constitutional immunity or avoid a harm that has already taken place.

"Second, broadcasting is uniquely accessible to children, even those too young to read. Other forms of offensive expression may be withheld from the young without restricting the expression at its source. Bookstores and motion picture theaters, for example, may be prohibited from making indecent material available to children... The ease with which children may obtain access to broadcast material, coupled with the concerns recognized in Ginsberg, amply justify special treatment of indecent broadcasting.

"It is appropriate, in conclusion, to emphasize the narrowness of our holding. This case does not involve a 2-way radio conversation between a cab driver and a dispatcher, or a telecast of an Elizabethan comedy. We have not decided that an occasional expletive in either setting would justify any sanction or, indeed, that this broadcast would justify a criminal prosecution. The Commission's decision rested entirely on a nuisance rationale under which context is all-important. The concept requires consideration of a host of variables. The time of day was emphasized by the Commission. The content of the program in which the language is used will also affect the composition of the audience, and differences between radio, TV, and perhaps closed-circuit transmissions, may also be relevant. As Mr. Justice Sutherland wrote, a 'nuisance may be merely a right thing in the wrong place—like a pig in the parlor instead of the barnyard.' We simply hold that when the Commission finds that a pig has entered the parlor, the exercise of its regulatory power does not depend on proof that the pig is obscene."

Early in decision, Court rejected WBAI's argument that while broadcast was admittedly offensive it was beyond FCC's reach because it wasn't "obscene" (i.e., sexually exciting). Court said statute gives Commission power to reach "indecent" material—"nonconformance with accepted standards of morality." (Everyone agreed that broadcast wasn't titillating. It constituted 12-min. monologue by comedian George Carlin about "words you couldn't say on the public airwaves." Court gingerly deposited text of monologue in appendix to decision. Words were: Shit, piss, fuck, cunt, cocksucker, motherfucker, tits.)

Court minority of Stewart, Brennan, White & Marshall, in dissent written by Stewart, said: "I think that 'indecent' should properly be read as meaning no more than 'obscene.' Since the Carlin monologue concededly was not 'obscene,' I believe that the Commission lacked statutory authority to ban it. Under this construction of the statute, it is unnecessary to address the difficult and important issue of the Commission's constitutional power to prohibit speech that would be constitutionally protected outside the context of electronic broadcasting."

Brennan wrote another dissent, joined by Marshall, in which he said: "Whatever the minimal discomfort suffered by a listener who inadvertently tunes into a program he finds offensive during the brief interval before he can simply extend his arm and switch stations or flick the 'off' button, it is surely worth the candle to preserve the broadcaster's right to send, and the right of those interested to receive, a message entitled to full First Amendment protection... There runs through the opinions of Brothers Powell & Stevens another vein I find equally disturbing: A depressing inability to appreciate that in our land of cultural pluralism, there are many who think, act, and talk differently from Members of this Court, and who do not share their fragile sensibilities."

WALLIS QUILTS CPB BOARD: CPB Chmn. W. Allen Wallis last week resigned from CPB, adding turmoil to 15-person board, 7 of whom are lame ducks. Wallis cited "personal reasons," wouldn't elaborate, said resignation is effective Sept. 14.

Move caught board & staff completely by surprise, although few complained about it. Wallis, who is retiring as U. of Rochester chancellor, was compromise candidate to begin with, and members in recent months have become increasingly annoyed at what they've considered his lack of attentiveness, particularly absences from committee meetings. "I think he's been indifferent," board member told us. "He doesn't talk to anybody on the board, and they don't talk to him," public broadcasting official said. In Jan., Wallis withstood board revolt, kept chairman-ship (Vol. 18:3 p3).

Antagonism from some members, inability to get much accomplished plus crush of other work, are cited by several as reasons for resignation. Board Sept. 14 would have voted on electing new chmn. anyway (it's one-year term), and Wallis was given little chance for re-election. By tradition, new chmn. must have at least a year's experience on board, leaving few names to be considered. Lucius Gregg, Chicago banker who would be first black chmn., is openly campaigning for job, we're told, and Lillie Herndon, past president of National Congress of Parents & Teachers, would accept if offered post.

While Wallis resignation adds further turmoil to board, problem of replacing 5 of 7 lame duck board members is expected to be resolved. White House shortly will send to Senate names of 5 nominees. Expected to be nominated: Paul Friedlander, Seattle businessman; Geoffrey Cowan, UCLA law prof.; Kathleen Nolan, SAG pres.; Ralph Guzman, prof. at USC's Kresge College, Santa Cruz; Howard White, black lawyer with ITT (Vol. 18:11 p3). None is expected to be confirmed before new chmn. is elected.

Conspicuously missing is name of Irby Turner, about whom White House continues to have doubts (Vol. 18:12 p3), and Administration now must also replace Wallis.

Meanwhile, committee seeking successor to outgoing Pres. Henry Loomis failed to make recommendation at meeting, is expected to do so by Sept. meeting.

CABLE SHOCKED BY REWRITE BILL: "That's not deregulation. That's multiplication." So says NCTA Pres. Robert Schmidt of rewrite bill (Vol. 18:24 p1). Cable industry, which thought it had real buddies in Reps. Van Deerlin (D-Cal.) & Frey (R-Fla.), is appalled at fact that bill throws cable regulation entirely in laps of states, at same time leaving door wide open to AT&T entry into cable business. And they find insult piled on injury in fact that expression "cable" appears nowhere in bill. Nearest thing to it is "intrastate telecommunications facility" which doesn't use "electromagnetic frequency spectrum in the direct distribution of such service to consumers." Such service, bill says, isn't regulated by federal agency. Said Schmidt last week:

"We're an interstate business. We're no longer just an antenna business. That's way behind us. We gave the Subcommittee some 150 pages of recommendations, in response to its option paper. They fell on deaf ears."

Schmidt & Co. made rounds of Subcommittee members week before last, found little interest in anything but upcoming holiday. NCTA exec. committee meets this week to plan for hearings on bill.

Gradually winning victory after victory at FCC, basking in glow of growing recognition in Congress, cablemen thought they were achieving best of both worlds—just enough FCC regulation to keep states & AT&T off their backs, but too little Commission activity to worry about. They now feel they've received kick in the teeth—for they know one thing: AT&T has often out-muscled them in state legislatures, city councils & other local governing bodies.

WTCG Atlanta opens sales offices in N. Y. & Chicago to rep station, effective Aug. 27. WTCG National Sales Mgr. Tom Ashley will head N. Y. operation, tentatively named Turner TV Sales. RTVR will continue to rep WTCG on West Coast.

"Holocaust" has been rejected by West Germany's largest TV network, will be offered to regional stations, effectively burying series. Board of network took action after some opponents said show was "cheap sensationalism," "garbage," etc.

NABers RATE CONVENTION: Mormon Tabernacle Choir was most popular session for TV delegates—and close 2nd for radio—at April convention in Las Vegas, according to NAB poll of its members. Other favorite sessions of some 125 TV stations which responded were panel on sex & violence, Alex Haley speech and Wiley-Parker "In the Box" session.

Ronald Reagan luncheon speech was top-rated by radio delegates, followed by Choir and Charley Pride concert. Also high-rated among 450 radio voters were Pres. Wasilewski's speech, FCC bureau chief's panel, panel on terrorist coverage, FCC Chmn. Ferris's speech.

Among major criticisms: Lack of directory of delegates, too many sessions oriented toward large markets, too few exhibit hours.

"I will consider my tenure at the FCC a failure if during that time we have not experienced a substantial increase in minority ownership of broadcast stations. You have my commitment that any proposal you make will receive serious consideration by my office. I also know that Frank Washington in Chmn. Ferris' office... is devoting a major part of his time to minority ownership matters"—FCC Comr. Brown, speaking to National Assn. of Black-Owned Bcstrs. He said steps taken by Administration, FCC, SBA & NAB "won't necessarily result in a single additional black-owned station... A large part of the solution... lies in the willingness of the private capital markets to extend financing to minority entrepreneurs."

Conservative element (Lee, Washburn, Quello, White)—non-lawyers all—at FCC are upset again. On June 28, Commission upheld staff in denying Del. citizens' committee access to financial reports of WBOC-TV Salisbury, Md. & WCMC Wildwood, N.J., approved "editorial" changes in document. However, when staff rewrite (by Gen. Counsel's Office) came back, majority believed substantive changes had been made in language which could authorize disclosure of financial information in future cases. As result, it was ordered rewritten again, will be reconsidered July 12.

NAB has offered \$1,600 settlement to ex-employee Virginia Carnahan, who has won favorable ruling from D.C. Office of Human Relations in sex discrimination suit against Assn. Carnahan—former asst. in Radio Information Office—was dismissed early in 1977; D.C. Office ruled there was "probable cause" in support of complaint. Now employed in public affairs office at Vanderbilt U., she has option of negotiating settlement or going to court.

RTNDA, NAB & AFTRA are among 13 groups which asked Supreme Court last week to reconsider 5-3 ruling that newsrooms may be entered—and materials taken—by police through use of search warrant only (Vol. 18:23 p1). Grant of reconsideration by Supreme Court is extremely rare.

Comments deadline in FCC inquiry into handling of public issues under fairness doctrine has been extended to Sept. 5, replies Oct. 6—at request of NCCB and Committee for Open Media.

CBS's problems with its "winner take all" tennis tournament (Vol. 18:17 p1) will be back before FCC July 12, along with recommendation from staff that 2 of network's owned TV stations—WCBS-TV N.Y. & KNXT L.A.—be given short-term renewals. Staff also would deny network's request for oral argument. Outcome is expected to be close—3 members (Ferris Fogarty, Brown) are said to favor at least one short renewal; 2 (Quello, White) favor letter of admonition only; 2 (Lee, Washburn) are undecided. Quello reportedly is pushing for argument; some members have said they'll go along, although questioning its value. When case originally came up last spring (Vol. 18:14 p2), only KNXT renewal was pending; WCBS-TV has since filed and staff questioned whether it could censure only one station. Meeting will be closed.

Proposal to reimburse participants in FCC proceedings (Vol. 18:27 p4) brought dissent from Comr. Lee, joined by Quello, stating that: (1) Taxpayers are revolting at frivolous govt. spending. (2) It's up to Congress to decide issue, not FCC. (3) A lot of people will be disappointed, because FCC can't keep its promise. (4) Practical problems are substantial. "Reimbursement program fairness doctrine" will be needed to make sure all viewpoints are covered. Processes will be slowed, because rule-making comments couldn't be solicited until it's determined who will be subsidized. Staff would have to be enlarged. He concluded: "I can see a lot of hands out for govt. money, and I wonder where it will end."

To help children understand varied life experiences offered by TV, ABC plans prime-time special "National Children's TV IQ Test" next year, ABC-TV Pres. Frederick Pierce said. Speaking to National Education Assn. convention in Dallas, he said program "will explain what a commercial is and its relationship to programming. It will examine fantasy and reality in programming." Pierce asserted "major responsibility" for guiding children's TV viewing falls on parents, also underscored responsibility of TV—quality programming, learning more about relationship between TV & children and working with parents & teachers to encourage creative uses of TV.

Larry Haverkamp, FTC economist who called for boycott of WIOI(FM) San Francisco because of station's opposition to FTC children's TV ad rule-making (Vol. 18:23 p3), wishes he never made statement. Haverkamp told us he wouldn't do it again, stated he's not sure if he'll be kept as FTC employee and says he made statements as individual, not FTC employee. He's new employee, and 1-year probation period ends Aug. 29.

"Us" magazine turns out to be publication that used Columbus QUBE to find viewers' preference for cover (Vol. 18:23 p5). John Wayne was chosen by wide margin over Incredible Hulk, Goldie Hawn, Dolly Parton & Kris Kristofferson. Publisher Porter Bibb said QUBE would be used for more cover choices, other editorial decisions.

FCC has refused to reconsider ruling that broadcast auctions must be logged as "program-length commercials."

Personals

Elected to CBS-TV Affiliates' Advisory Board: **C. P. Persons**, WKRG-TV Mobile; **Guy Main**, WCIA Champaign; **William Hippee**, KCCI-TV Des Moines... Newly elected to RTNDA board: **Fred Heckman**, WIBC(AM) Indianapolis; **Steve Murphy**, WOWT Omaha; **Lou Prato**, WDTN Dayton; **Lewis Brooks**, WSOC-TV Charlotte.

Anthony Cassara promoted to vp-gen. mgr., KTLA L.A. ... **Roger Divens**, gen. mgr., WSET-TV Lynchburg, Va., also elected pres. ... **Willard Schroeder**, WOTV Grand Rapids pres., retires, will remain active at WOOD(AM) in which he has interest; WOTV Business Mgr. **Leonard Bridge** also retires.

Luke Alexander promoted to dir.-network sales service, Central Div., ABC-TV, Chicago; **Letty Tanchum** advanced to gen. attorney, ABC owned stations. ... Correction: **Jim Wessel** was named vp of News Guide Assoc. (Vol. 18:27 p6).

Wally Briscoe, NCTA senior vp, on Aug. 1 becomes vp, Gardiner Communications, Houston, will concentrate on cable satellite consulting. ... **James Winston**, ex-Western Union, appointed attorney-advisor to FCC Comr. **Robert Lee**; Winston also holds degree in electrical engineering.

James Warner, ex-vp-gen. mgr., WFLD-TV Chicago, joins media broker **Richard A. Shaheen Inc.**, Chicago. ... **Al Newman** promoted to vp-advertising, publicity & promotion, MGM. ... **Richard Boggs**, UPI Tex. mgr., promoted to mgr., Newstime cable TV service. ... **Paul Levine**, ex-asst. sales dir., Television Digest Inc., named assoc. publisher, Cablevision magazine.

WBAI(FM) N.Y., loser in Supreme Court last week (see p. 1), had ad in July 7 N.Y. Times saying: "WBAI 99.5 FM is New York's only FREE radio station, but freedom is not FREE! We are dependent upon listener support. Friends we need your help. If we dissapear [sic], thats [sic] it. Please send whatever you can to..."

Justice Dept. is seeking comments (by end of Aug.) on major changes in operation of Appeals Courts designed to speed up processes, end frivolous appeals. Legislation will be introduced in Jan. Major change would end "rush to court house" by appellants seeking most favorable circuit.

Cetec Bcst. Group consolidates manufacturing facilities at 1110 Mark Ave., Carpinteria, Cal. 93013. **T. Arthur Kvass**, ex-Moseley Assoc., named vp in charge of production; **Joe Ziemer** promoted to international sales mgr.

NAB Engineering Vp George Bartlett has issued call for technical papers for 1979 broadcast engineering conference, March 25-28, Dallas. Proposers should submit 100-word abstract to Bartlett, 1771 N St. NW, Washington 20036.

Cable Communications Systems, cable operator in Minn., received \$1.6 million in senior secured notes from Union Mutual Life, Portland, Me., through Communications Equity Assoc.

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Unsolicited contributions—some in cash—are being sent by listeners to WMAL(AM) Washington designed to help pay station's \$5,000 fine for improper logging of commercials on popular "Hardin & Weaver Show" (Vol. 18:27 p5). Hardin & Weaver—who average 25% of early drive audience in 38-station market—asked listeners not to send money for fine but "we can't turn the spigot off," according to Vp-Gen. Mgr. **Andrew Ockershausen**. In dissent issued last week, FCC Comr. **Lee** said: "Commissioners have the right, indeed the responsibility, to exercise judgment and discretion [and] consider the context of the violation. ... I would have ended the matter with a strong letter of admonition." Commission monitoring turned up violations; no complaints had been received.

Forum Communications has asked D.C. Appeals Court to overturn FCC's 4-3 renewal of WPIX N.Y. license and denial of Forum application (Vol. 18:26 p2). Forum claimed Commission "stacked the deck" against it, didn't give proper weight to "serious deficiencies" in WPIX's past programming.

License revocation of WSIB(AM) Beaufort, S.C. in 1976 has been remanded to FCC by D.C. Appeals Court to determine "standard of proof" used by Commission. Agency had found station guilty of double billing and of "a classic pattern of making deliberate misrepresentations."

Meeker Co. appointed rep for WTVX Ft. Pierce-Vero Beach, Fla. & WOWL-TV Florence, Ala.

Obituary

Barbara (Babe) Paley, 63, wife of CBS chmn., died July 6 of cancer. Boston & N.Y. socialite, she was noted for taste in dress & decorating, was often declared "best dressed woman in the world." Survivors include husband, 4 children.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 23 (25th week of 1978):

	June 17-23	1977 week	% change	June 10-16	1978 to date	1977 to date	% change
Total TV.	310,087	288,663	+7.4	294,743	6,730,946	5,921,373	+13.7
color	196,533*	170,257	+15.4	194,338	4,306,902**	3,621,196	+18.9
monochrome . .	113,554	118,406	-4.1	100,405	2,424,044	2,300,177	+5.4
Total radio	1,385,385	1,254,409	+10.4	1,069,967	20,639,696	19,709,617	+4.7
home, portable	1,170,833	1,024,808	+14.2	825,784	14,349,300	13,533,275	+6.0
AM-only	142,458	209,242	-31.9	138,048	3,738,417	3,297,206	+13.4
FM & FM-AM	1,028,375	815,566	+26.1	687,736	10,610,883	10,236,069	+3.7
auto	214,552	229,601	-6.6	244,183	6,290,396	6,176,342	+1.8

Color TV 5-week moving average: 1978-164,554*; 1977-139,579 (up 17.9%).

*Highest for 25th week of any year. **Record.

RECORD FIRST-HALF COLOR SALES—4,578,300: First-half color TV sales to dealers soared easily to new record, up 18.4% over last year's period and 15.8% over first-half record established in 1973. Final June week sales totaled about 271,400 sets, which made it 5th best sales week in history and, of course, record for 26th week of any year. It brought June sales to 918,600, nearly 20% ahead of previous June record, established last year.

In terms of seasonally adjusted annual rate, first half came out to about 10.5 million, 2nd quarter (2,290,500 sets, up 23% from 1977's previous record) to 10.86 million, up from 10.17 million in first quarter. Annualized rate declined in June, according to Television Digest's seasonal factors, to 10.16 million, vs. 11.23 million in May, 11.52 in April, 10.87 in March, 10.08 in Feb., 9.32 million in Jan.

To recap year-to-date in terms of records: Five of the 6 months (all except Jan.) established new records for month; 20 of the 26 weeks were records; color TV 5-week moving average has been at record for 23 consecutive weeks, since last week in Jan.

REBATES KEYED TV DUMPING MOVE: Evidence of kickbacks received by TV importers, plus similarity of submissions, caused Customs to ignore valuation information supplied by most Japanese producers and switch to controversial commodity-tax formula to establish dumping margins. That's picture developed from collection of high-level Treasury & Customs memos on case.

Situation was outlined to Treasury in Oct. 18, 1977 memo from Customs Comr. Robert Chasen. He complained that "present procedural requirements" were responsible for "unreasonable" 5-year delay in dumping-duty assessments, and added that "we have uncovered considerable evidence that the basic information submitted to Customs by a number of Japanese TV manufacturers is false." To speed up processing, he said Customs would adopt tax-based calculation method, ask Treasury to amend dumping regulations to require importers to pay estimated extra duties when product is entered, rather than post low-cost bond.

What Customs meant by "false" information was detailed to invited importers at May 3 meeting by Irving Smith, Customs Value Branch chief. Among points cited: (1) Evidence of widespread rebates. (2) Foreign value data which, after adjustments, yielded prices below production cost. (3) Incorrect model comparisons by firms showing prices on home market

vs. export basis. (4) "Remarkably similar" value submissions by different manufacturers. "This led to the conclusion that if information furnished by a substantial number of manufacturers was not reliable, all of it might be unreliable," Smith said. Rebating, in particular, "casts grave doubt" on validity of submissions, and in end Customs was left "with no choice" but to seek new way of determining appropriate dumping duties.

Accuracy, not fraud, was Customs' concern, although legality of rebates from duty-evasion standpoint is being probed by Justice Dept. (Vol. 18:27 p8). June 1 internal memo of Customs Office of Regulations & Rulings states: "Notwithstanding representations or implications to the contrary by Treasury, Customs provided no information... which could have caused Treasury to reasonably believe that Customs sought resort to the commodity-tax method primarily because of well-documented (or even suspected) fraud cases" against Japanese. Issue of any actual evidence of fraud isn't discussed.

Matsushita, Sony & JVC apparently are uninvolved in kickback furore, so their submissions regarding value may be accepted at face value—which could save importers of Matsushita sets millions of dollars in extra dumping duties. Sony was essentially cleared of dumping charges in Feb. 1975, and JVC isn't major exporter. It's been learned Customs has just completed special verification of their submissions, is expected to make decision on validity next month.

Cited as "involved in fraudulent activities and irregular invoicing practices," in June 1 memo, are General, Nippon Electric, Sharp, Toshiba, Hitachi, "Mitsushita" (presumably Mitsubishi) & Sanyo. "The burden is on each of these companies to overcome the presumption of correctness of the commodity-tax" approach, memo says.

At May 3 briefing, Smith explained how Customs arrives at fair value for imported TV model. Using schematics & other technical data, he said, Customs first finds most comparable home-market set. It then takes 62% of home-market retail list, eliminating distributor & dealer margins, multiplies remainder by 100/115 to eliminate commodity tax. Result is 53.91% of retail list, which Customs says equals true ex-factory price against which importer purchase price is compared. Treasury documents show dumping margins averaging about 20%, vs. negligible margins Japanese claim.

Who owes how much is detailed in March 6 memo to Treasury by Customs Chief Counsel Thaddeus Rojek. List of 6 largest importers is headed by Sony, which has brought in \$360-million worth of TV since 1971, but, because of non-dumping history, is now liable for only about \$250,000, but under new system could owe up to \$10 million. Others, with value of imports (liability under commodity-tax system in parentheses): Matsushita \$348 million (\$69.6 million), Sears \$297 million (\$59.5 million), Sharp \$160 million (\$32.1 million), Sanyo \$133 million (\$26.7 million), J.C. Penney \$101 million (\$20.2 million). Companies with only dumping liabilities indicated: Toshiba \$10 million, Mitsubishi \$9.5 million, JVC \$5.9 million, Montgomery Ward & W.T. Grant \$5 million each, Nippon Columbia \$348,000, Crown \$54,000.

Memos make it clear that Treasury was, at least, hesitant about implementing commodity-tax valuation plan. In undated memo (sent week of March 20), Comr. Chasen told Treasury Gen. Counsel Robert Mundheim he "would strongly recommend against" any postponement of planned March 31 start of assessment under new system. Since system had been fed into computers, delay would cost about \$200,000 and disrupt entire duty collection process through Nov. 1978.

Apparently under political pressure, Customs moved quickly to put program, labeled "Project Omega," into action. In Dec., it had port examiners forward TV entry documents to Washington, ordered importers to provide schematic & other data. On April 7, it ordered dumping-duty bond requirements raised to 20%, and on March 20 sent model-by-model duty assessment lists to ports with firm instructions that "all of the information concerning this case must be maintained within Customs and then only on a need-to-know basis" until March 31 when importers were to be told.

Mundheim's interest in delay may be traceable to meeting with Japanese Embassy officials March 17, at which he declined to specify date for start-up of liquidation proceeding, said it would be in "near future." In letter to House Trade Subcommittee Chmn. Charles Vanik (D-O.),

he said there were follow-up meetings on March 27, 28 & 30 at which Japanese govt. officials & importers protested plan, asked it be held up for more discussion. On March 30, Customs wired ports to post liquidation notices for 1972-73 entries, hold back on anything more recent.

Treasury fully expects importers to protest hell out of case and at May 3 meeting Customs said such filings (due June 29) would be handled in 2 stages: First, resolving claims of clerical error and arguments against use of commodity-tax calculation system. Second, to be implemented only if Customs decides to stick with tax method, would rule on disputes concerning model comparisons, price adjustments and other factual issues.

Decision to limit initial duty collection to estimated \$49 million due for 1972-73, rather than full potential \$200 million, was based on expedience rather than deep concern for financial impact on importers. Purpose, legal memos indicate, was to permit quick processing of test-case protests, opening rapid avenue for importer appeal to Customs Court, and to reduce likelihood of importer complaints being brought to federal district courts. Treasury's uncertainty over whole case came to light again in May 26 memo to Chasen in which Mundheim urged Customs to be sure it's on firm ground on rebate issue and that all Japanese set makers are treated justly. He said members of his office were conducting "elaborate analysis" of submitted data on company-by-company basis.

On yet another front, it's understood Senate Judiciary Committee is pressing Justice for details on decision to drop Zenith-inspired probe into U.S. activities of Japanese TV marketers. Justice halted investigation—2nd within year on same issue—last April (Vol. 18:16 p12), and there have been indications ever since that Judiciary leaders aren't satisfied with way case was handled.

COLOR STARTING PRICES UP, CONSOLES DOWN: Effects of soaring yen value and color TV quota show up strongly this year in TV starting prices for major screen-size categories—all significant portable price points up over last year, but 25" console category is down sharply. Japanese imports, in fact, now generally start at higher prices than domestic product.

Our annual starting-price tabulation contains suggested list prices (or equivalent) at low end of each significant screen-size category for each major brand's new line. As compared with last year's similar tabulation (Vol. 17:27 p7), median starting price for 9"-10" category is up \$70 (to \$353), 12" up \$18 (\$323), 13" up \$10 (\$340), 15" up \$25 (\$395), 17" down \$25 (\$375), 19" up \$10 (\$410), 21" up \$105 (\$695), 25" table up \$25 (\$645), 25" console down \$57 (\$593). This year we also tabulated starting price for 19" & 25" remotes which come out to median of \$590 & \$837, respectively.

Just how Japanese prices have changed vis-a-vis U.S. brands is shown by breakout of key 19" category: Median starting price of product offered by 9 U.S. manufacturers comes to \$400, decrease of \$10 from last year's comparable figure. On other hand, median for 7 Japanese importer/manufacturers is \$430, up \$30 from year ago. In other words, Japanese underpriced U.S. product by \$10 last year (\$400 vs. \$410), while this year American sets have \$30 advantage (\$400 vs. \$430).

Picture in 13" category is similar. Median starting price point among 7 U.S. manufacturers is \$340, down \$10 from year ago. Of 7 Japanese makers, figure this year is \$350, up \$20 from last year. Last year, Japanese had \$20 advantage over U.S. in 13" size (\$330 vs. \$350); this year, median starting point for American sets is \$10 less than Japanese (\$340 vs. \$350).

U.S. makers who have been blaming low Japanese prices for depressing tags on domestic product now appear to have their opportunity to go up—assuming leader price table is representative of true marketplace situation, which isn't necessarily so. However, it does provide good basis for comparison of this year vs. last. And Japanese prices seem due for another hike this fall, with yen now hovering around 200-to-\$1, while most importers' forward planning has been on basis of around 210 to \$1. Not included in tabulation, but constituting major competitive anti-inflationary force is proliferation of sets from Korea & Taiwan under own and regional private-brand labels.

Other trends shown in tabulation: Leg console has virtually disappeared—last year we

counted 4, this year one. Console starting prices not only are declining, but cabinetry is improving, at least to extent that almost all consoles are full-to-floor type. Important part of median price drop is represented by Sears & Penney catalog prices—both now featuring 25" consoles below \$500, while Sears shows \$30 drop to \$540.

The 21" category is completely changed from years past. Except for GTE (Philco & Sylvania), U.S. brands have phased out this size, but it shows up as high end of 3 Japanese lines. Lowering prices in 17" category (and fewer models) may indicate that size is finally being phased out. Only 2 brands—Ward & Zenith—have 23" models this year; Admiral & Sears have dropped them, at least temporarily. Remote 19" set is now offered under every listed brandname except Philco & Tatung. In table below, prices in parentheses are estimated retail prices for open-listed models.

COLOR TV STARTING PRICES

Brand	9-10"	12"	13"	15"	17"	19"	19" Remote	21"	25" Table	25" Console	25" Remote
Admiral . . .	-	-	340	-	-	400	600	-	600	620	730
GE	275	-	320	-	360	400	650	-	600	630	960
JVC	-	-	370	-	-	500	650	-	-	-	-
Hitachi . . .	390	300	350	390	-	(430)	560	-	-	-	-
Magnavox* .	330	-	340	-	-	400	600	-	600	620	995
MGA	-	-	350	450	480	490	670	750 ¹	-	-	830
Panasonic .	310	300	340	-	-	460	620	-	-	640	780
Penney** . .	267	297	324	389 ¹	-	359	489	-	-	-	-
Philco	-	-	-	320	-	380	-	440	-	640	670
Quasar	-	350	380	400	-	(430)	670	-	(610)	660	(710)
RCA	-	-	300	-	370	400	560	-	690	600	740
Sanyo	-	300	340	370	-	370	510	-	-	-	-
Sears** . . .	325	315	335	360	270	290	540	-	-	480	825
Sharp	330	-	350	430	-	400	590	-	-	-	-
Sony	440	410	-	470	480	570	690	670 ¹	-	-	-
Sylvania . . .	-	-	300	-	400	380	550	530	580	600	680
Tatung	-	-	317	-	-	470	-	-	-	707	-
Toshiba . . .	330	-	350	-	420	420	570	950 ²	-	-	-
Ward**	275	-	335	-	-	315	530	-	-	490 ³	820
Zenith	-	-	350	-	390	400	(580)	-	600	600 ⁴	730
Median . . .	353	323	340	395	375	410	590	695	645	593	837
Median (7/77) . .	283	305	330	370	400	400	-	590	630	650	-

1-Remote. 2-Programmable. 3-23" console at \$430. 4-Leg console; 23" consoles start at \$580. *Typical midwest prices; prices vary by region. **Fall-Winter 1978 catalog prices.

JAPAN EYES CHINA: Japanese trade officials are expected to push hard for easing restrictions on sales of militarily sensitive products to China at Oct. Paris meeting of Coordinating Committee for Export Control (COCOM), Western multinational group which polices such West-to-East trade.

While Japanese are concerned with long-range sales to China of communications, computer & semiconductor products, production equipment & technology, their prime concern is pending sale of virtually turnkey color TV manufacturing industry under contracts worth \$200 million or more. As previously reported, Hitachi, Matsushita & Toshiba are

still in running to supply 2 or more color TV & tube manufacturing operations.

More recently, China has agreed to buy \$65-million color tube glass plant from Asahi Glass. Scheduled to be operational in 1981, facility will have million-bulb annual capacity. Dai Nippon Screen says it has tentative order for shadow mask plant & technology, while Dai Nippon Tōryō has pending \$9.4-million contract to build phosphor facility. DNT says plant production schedule & capacity match that of glass facility, and that its contract includes provisions for 100% expansion if needed.

GTE SEES UPTURN: "It's not too bad a time to be part of the North American [TV] market." So Sylvania Entertainment Products Group Senior Vp Frank Lann last week summed up growing optimism at GTE. Among plus signs this year, he cited: (1) Success of "Super Set" concept and its associated ad campaign. (2) Improved distribution through switch to 2-step marketing. (3) Early dealer response to "little giant" promotion of 21" sets in 19"-sized cabinets. (4) Increases in market share in both U.S. & Canada. (5) Earliest availability in history of company's new product on marketplace.

Lann made observation at N. Y. luncheon for formal introduction of new GTE Consumer Electronics Pres. Thomas Shepherd (Vol. 18:22 p10) to trade press. Shepherd said both Sylvania & Philco sales are running "ahead of the industry numbers," forecast 1978 sales to dealers of 9.5-10 million sets, with GTE TV increases bettering industry's by 10%. Explaining changeover to 2-step distribution—complete in all but 3 markets by Sylvania and 70% accomplished by Philco (Vol. 18:21 p8)—he said in today's market retailers want kind of service that distribution can provide.

This year's heavy ad campaign will continue in fall and again will stress Sylvania Super Sets vs. competition, Shepherd said. Lann elaborated: "It's always been knowledge in the trade that Sylvania had a better picture—now we're telling consumers."

As to color pricing, Lann said: "I think there's going to be some upward movement. We've already made some modest advances." He said GTE prices were up "couple of percent" in general, resulting in about 5% increase when mix is taken into consideration.

Both Lann & Shepherd hinted at major developments in next May's Sylvania line reflecting evolution of TV set from single-purpose instrument to home video center. New line, said Shepherd, "will include some moves consistent with our view of where & when these changes [in nature of TV] will take place."

GTE continues to take conservative view of near-term future of home VCR market (Vol. 18:21 p10). Although company's official forecast of 1978 U.S. sales is 400,000 or more, both Lann & Shepherd indicated they personally thought total would be around 395,000. Lann said some dealers simply are giving up on VCR. "The critical factor is dealer profitability. We have severe cost pressure as a result of the yen situation, together with severe pressure on price. The dealer won't sell without a profit, and many dealers are saying 'to hell with it.' In the long haul, though, it will be a viable product."

Asked about projection TV, Lann said it will be "a very small business" in next 2 years, considering space dealer must allot to it and price he can ask. How small? "A lot smaller than GE envisions." GE's forecast, made last April (Vol. 18:16 p13): 125,000 units in 1978 and 220,000 in 1979.

Magnavox will hold div. sales to introduce 1979 product line in 22 cities July 12-Aug. 17.

MAY TV IMPORTS: In May, for 2nd time this year, Taiwan led Japan as top supplier of color TV sets & chassis, according to Commerce Dept. data. As in Feb. (Vol. 18:15 p9), Japan was undisputed leader in complete TV, with Taiwan taking over on strength of incomplete set shipments.

Total of 841,400 TVs in complete & incomplete form were imported in month, up 12.7% from May 1977, with color up just 2.1% to 401,600, b&w up 24.5% to 439,800. For 5 months, TV imports totaled 3.92 million, up 18.8%, with color at 1.8 million, up 19.3%, b&w at 2.11 million, up 18.4%. Color imports for May broke down into 196,500 complete (down 22.6%), 205,100 incomplete (up 47.4%), with 5-month results of 976,000 complete (down 5%), 828,900 incomplete (up 70.8%).

Results by country for May, with 5-month totals in parentheses: Japan total 249,000, down 32.3% (1.26 million, down 17.9%), color 119,400, down 52.6% (654,500, down 32.4%), b&w 129,700, up 11.3% (604,600, up 7.2%); Taiwan total 377,500, up 76.5% (1.63 million, up 49.7%), color 135,500, up 435.8% (492,000, up 352%), b&w 242,100, up 28.3% (1.14 million, up 16.1%); Korea total 86,900, up 66.5% (425,200, up 66.5%), color 22,200, up 398.1% (88,700, up 190.9%), b&w 64,700, up 35.6% (336,500, up 49.7%).

Also in color, Canada supplied 14,700 in month, 90,600 for 5 months, against virtually none last year; Singapore was source for 4,470 in May (up 239.8%), for 5-month 9,800 total, up 116.1%. Mexico accounted for 104,800 chassis in May, down 4.5%, 5-month total of 460,600, up 15.3%.

Breakdown of May color imports from Japan shows complete sets down 54.9% to 100,900, incomplete down 34% to 18,500. For 5 months, complete was down 35.7% to 571,700, incomplete up 4.5% to 82,800. Taiwan's color breakdown puts complete May imports at 54,400, up 127.2% for 5-month total of 216,900, up 103.7%. Incomplete imports from Taiwan grew geometrically, leaping by factor of 18 in May to 81,100 and by 40 to 275,000 for full period.

Imports of color VCRs, both home & industrial models, leaped 431.6% in May to just under 46,000, 2nd highest monthly total of year. Five-month total of 186,900 was up 451.1%.

BASF has distributed metal tape samples, along with its philosophy, to Japanese hardware manufacturers. BASF offered samples with 950- & 1,100-Oersted (Oe) coercivity levels, but suggested that industry standard not exceed 1,000 Oe. 3M & Fuji metal tapes are set at 1,000 Oe; BASF request could be hint of emerging agreement on metal-tape standardization questions.

German color TV sales increased by 27.8% in first quarter over same period last year. Sales jump is attributed to World Cup soccer games in Argentina. First-quarter color production totaled 885,000 this year vs. 862,000 in 1977. But black-&-white sales declined 1.7% and profits were off due to increased foreign competition, according to German Electrical & Electronic Mfrs. Assn.

Personals

Tom Zink promoted at Cobra from autosound products mgr. to gen. sales mgr., in realignment reflecting firm's entry into car stereo; **Frank Samela**, ex-CB product mgr., named product planning & administration mgr. for all radios & accessories... **Robert Paul**, former Allen Group vp-treas., named pres. of subsidiary Antenna Specialists, succeeding **James Rice**, resigned... **M. T. Fuglesang** resigns as ICP/PRB Industries mktg. dir... **Steve Voyles** named TDK Great Lakes territory mktg. mgr.; **Philip Lapkin** appointed for Northwest... **Steward Greenberg**, Yamaha Audio Div. gen. mgr., named vp.

John Anderson promoted from Sylvania Special Products Div. vp-gen. mgr. to GTE Precision Materials Group pres., succeeding **John Avallon**, now GTE Lighting Group exec. vp... **Jonathan Barrington** advanced at Du Pont to Electronics Materials Div. international operations mgr... **Oswald Hoffman**, ex-mgr. of TRW Electronic Components' Munich office, advanced to European mktg. mgr., succeeding **Frank Cavalier**, who returns to regional sales post in U.S... **David Turney**, Thordarson Meissner pres., named vp of parent Components Corp. of America.

Herman Flalkov, ex-GI Semiconductor Group vp, elected Wells Benrus chmn.-chief exec... **Joseph La Berge**, Motorola Semiconductor watch crystal operations mgr., adds mktg. responsibility, succeeding **Lee Mittman**, resigned... **Don Bell** shifts at American Microsystems from mktg. exec. vp to MPU & Memory Products Group vp in realignment; **Robert Penn** named to head Custom & Telecommunications Products Group; **Warren Wheeler** appointed International & Joint Development Group vp with responsibility for international sales & mktg.; **Carmen Santoro** named mfg. vp, succeeding **Charles Isherwood**, now operations services senior vp; **John Richardson** appointed central mktg. vp; **John Fluke** named international mktg. vp... **James Calvin** promoted at Wabash Components Group to employ relations dir.

Robert Sikora promoted at Westinghouse to Electronic Components Div. strategic planning mgr., succeeding **James Watson**, now exec. asst. to Components & Materials Group Exec. Vp **Douglas Stark**... **Frank Cosentino** named exec. asst. to ITT Components Group Gen. Mgr. **James von Harz**... **Vito Bevilacqua**, Erie Technological Products treas., named vp... **William Chapman** promoted at Litronix to component mktg. vp; **Richard Kingsbury** advanced to engineering & development vp.

Andrew Lozyniak, Dynamics Corp. of America pres., adds chmn. post... **Edward Roach** appointed Honeywell Consumer Products Residential Div. vp as firm prepares to launch direct-to-dealer marketing of full product line... **Lewis Moretsky** named Consumer Product Dept. mgr. for North Supply, telephone marketing arm of United Telecommunications... **Walter Salm**, ex-editor of Communications Retailing & CBA World, forms PR agency specializing in electronics at 206 Highway 34, Matawan, N.J. 07747 (201-727-0066), with Video Warehouse (VCR software) as first client.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
AEL Industries			
1978-qtr. to May 26	14,128,998	479,641	.28
1977-qtr. to May 27	10,059,955	107,651	.06
Capehart			
1978-year to March 31	33,600,000	(2,830,000) ^a	--
1977-year to March 31	43,139,000	(4,442,000)	--
1978-qtr. to March 31	7,739,000	(1,525,000)	--
1977-qtr. to March 31	6,359,000	(3,862,000)	--
Chris-Craft Industries			
1978-9 mo. to May 31	64,936,000 ^b	4,047,000 ^a	.75
1977-9 mo. to May 31 ^c	65,673,000 ^b	6,433,000 ^a	1.28
1978-qtr. to May 31	24,990,000 ^b	1,360,000	.26
1977-qtr. to May 31 ^c	26,568,000 ^b	3,601,000 ^a	.70
Hitachi^d			
1978-year to March 31	11,755,500,000	385,000,000	--
1977-year to March 31	10,989,100,000	347,000,000	--
Kansas State Network			
1978-9 mo. to May 31	12,895,000	1,472,000	.85
1977-9 mo. to May 31	11,852,000	1,410,000	.82
1978-qtr. to May 31	4,724,000	616,000	.35
1977-qtr. to May 31	4,274,000	590,000	.34
Lloyd's Electronics			
1978-year to March 31	116,542,400	(3,351,300)	--
1977-year to March 31 ^c	107,309,000	1,798,400	.95
1978-qtr. to March 31	20,578,400	(3,973,300)	--
1977-qtr. to March 31 ^c	20,562,000	(430,600)	--
MGM			
1978-9 mo. to May 31	274,047,000	30,896,000	2.12
1977-9 mo. to May 31 ^c	221,522,000	21,159,000	1.42 ^e
1978-qtr. to May 31	106,920,000	13,074,000	.90
1977-qtr. to May 31 ^c	74,333,000	7,449,000	.50 ^e

Notes: ^aIncludes special credit. ^bFrom operations. ^cRestated. ^dAt yen's current rate. ^eAdjusted.

MATSUSHITA NET UP: Matsushita net (parent company only), rose 13.7% to \$116.1 million in half to May 20 as sales edged up 7.3% to \$3.31 billion, both setting new records for period. Company said sales of electronics rose 8.3% to \$1.54 billion, with growth paced by VCRs & hi-fi, while color TV & audio recorder volume was flat. Matsushita said stress on higher priced products resulted in 10.4% growth in exports despite generally unfavorable international trade situation.

Morse's year-long restructuring effort, which resulted in operating profits in 2nd & 3rd fiscal quarters, suffered severe setback in closing quarter when firm posted apparent \$5.66-million loss, to end year to March 31 with \$4.5-million deficit. Company reported full-year sales up 1.2% to \$100.8 million, indicating final-period volume was down 7.5% to \$20.5 million. Morse said it has preliminary agreement with creditors to convert \$10 million in loans to preferred stock & subordinated debt, plus up to \$3.5 million in financing & loans. Morse said it's attempting to work out new arrangement with long-term lenders, indicated failure to reach terms could force bankruptcy proceedings.

Capehart posted \$8.2-million operating loss, partially offset by special credit, in year to March 31, as sales declined 22%. In final quarter, company had 21.7% sales increase, trimmed loss.

WEEKLY

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Broadcast

JONES LIKELY FCC CHOICE: Law classmate of Chmn. Ferris has his support for seat held by White. White House insists no decision made. (P. 1)

KNXT SLATED FOR SHORT-TERM as punishment for licensee CBS's conduct of 'Winner Take All' tennis. Staff reversed move against WCBS-TV N.Y. (P. 2)

'NARROW CONSTRUCTION' of Pacifica 'dirty words' case sought by Bcst. Bureau in complaint against WGBH-TV renewal. FCC expected to go along. (P. 2)

CONFUSION AT NETWORKS ON REWRITE: CBS & NBC unhappy with ABC's posture at rewrite meeting. NBC wires 'clarification' to owned stations. Hearings start this week. (P. 3)

PERTSCHUK WON'T DISQUALIFY SELF: FTC chmn. won't remove himself from children TV ad inquiry, as several groups demanded, has asked Commission to vote on his participation. (P. 4)

DISNEY FILMS TO PAY CABLE: Starts with 7 for Sept.-May release, considers next step later. HBO & HHT deals announced, Viacom due shortly, discussions going on with others. (P. 4)

JONES SEEMS LIKELY FOR FCC: Anne Jones, gen. counsel of Federal Home Loan Bank Board, is likely choice of President Carter for FCC—although White House insists no decision has been made. In fact, last week top Carter aide Hamilton Jordan was calling around seeking qualified female Republican candidates but "that was just to cover their tracks and make sure no one had been missed," we were told.

Jones is considered favorite because she's reportedly choice of her Boston Law College classmate—FCC Chmn. Charles Ferris. Ferris called Jones several weeks ago to ask if she would be interested, has told White House she's his top choice—according to both Administration & Hill sources. (Ferris couldn't be reached for comment.)

Appointment would fill seat now occupied by Margita White, whose term expired June 30 but who remains on FCC until her successor is qualified. She also is a candidate for re-appointment, is said by White House still to be under consideration. Other names said to still be active at White House include Katherine Sasseville, Minn. Public Service Commission (who has support of Vice President Mondale), Eunice Howe, Mass. Dept. of Public Utilities; Charlene Hemming, ex-HEW and now a Washington marketing consultant; Jacqueline DaCosta, Ted Bates & Co.

Ferris support is considered significant since FTC Chmn. Michael Pertschuk was given say in selection of Robert Pitofsky to that agency (Vol. 18:3 p4). Ferris has only 2 other commissioner votes on many issues, and new member could be expected to provide majority on major policy measures. Jones has seen Ferris a half dozen times over last 10 years. She has

Consumer Electronics

COLOR TV INVENTORIES at just 9-week supply, one of lowest points in recent history, indicating manufacturers feel record sales will slow down soon. (P. 7)

GIANT FLAT COLOR screen seen by GTE in 3-5 years in signing pact for development with former Zenith engineers. Expect 3" thickness, 35"-50" diagonal. (P. 8)

JAPAN ANTITRUST probe reactivated by Senate subcommittee, which plans review of documents and reasoning which led Justice to drop matter. (P. 9)

UHF SET NOISE RULES finalized. FCC plans new proceedings on labeling, measurement procedures, selectivity, antennas, lead-ins, transmitters. (P. 10)

JVC VIDEODISC showing expected in Japan within month as candidate for standardization. Observers say it has advantages of Philips & RCA systems, some drawbacks. (P. 11)

RCA & GE report record sales & earnings in first half. Ampex says it sold 10,000 TV projectors in fiscal 1978. (P. 11)

no background in communications.

Jones graduated magna cum laude from Boston College in 1958, received LLB cum laude in 1961. Before joining Bank Board, she was at SEC 1961-77. in private practice in Boston before that. She's 43, unmarried.

KNXT SLATED FOR SHORT-TERM: Announcement is expected this week that FCC's censure of CBS for network's conduct of "Winner Take All" tennis matches will be short-term renewal for CBS-owned KNXT L.A. (Vol. 18:28 p5)—first ever for a network station. Commission actually voted last week (Quello dissenting, White concurring) to short-term WCBS-TV N.Y., but that apparently has been changed to KNXT.

Renewal also is pending for CBS-owned WCAU-TV Philadelphia and formal petitions to deny have been filed against WCAU-TV & WCBS-TV for allegedly failing to serve N.J. viewers properly. Several informal protests—but no petition to deny—have been lodged against KNXT. After commissioners had voted, staff reasoned that short-term couldn't be levied against WCBS-TV with petition to deny pending and that N.J. Coalition plea was too complicated to dispose of on short notice.

Staff, thus, turned to KNXT, would dismiss informal protests at same time short-term is granted. Commissioners must ratify action this week. CBS also will receive letter of admonition because of alleged failure to comply with all sponsorship identification rules in connection with tennis matches. At issue are considerations supplied by Caesar's Palace Hotel in Las Vegas.

Proposal to levy fines against CBS-owned stations—instead of more drastic short-term renewal, which many believe can lead to competing applications—was discussed briefly by Commission. It was rejected, at urging of Chmn. Ferris, since network hadn't waived its right to appeal fines (CBS had waived statute of limitations last spring).

In dissent, Quello will say: "I think a short-term renewal for the dereliction of a parent network is unprecedented and in this case unwarranted & unreasonable... This is another example of regulatory overkill that fomented a public outcry against big government and federal bureaucracy." He noted that CBS took "massive corrective action" even before FCC got involved and that network already had been castigated in hearings before House Communications Subcommittee, which told CBS, in effect, "go forth and sin no more." Quello said FCC action is more "punitive than corrective."

'NARROW CONSTRUCTION' ON PACIFICA: "Consistent with the paramount importance we attach to encouraging free-ranging and unrestricted programming and editorial discretion by broadcasters," FCC's Best. Bureau wants agency to tell broadcasters it'll stick strictly to "narrow construction" of dirty words case. That's recommendation of Bureau in first obscenity-indecency case since Supreme Court ruling in Pacifica (Vol. 18:28 p1). Agency is expected to go along with Bureau, thus somewhat allaying fears of licensees about impact of Pacifica.

Involved is Morality in Media (MM) complaint against renewal of educational WGBH-TV Boston; staff recommendation for renewal will be considered in July 20 Commission meeting. Citing several programs (including "Masterpiece Theatre"), MM claims WGBH-TV telecasts contain "offensive, vulgar and material otherwise harmful to children" and other programs containing profanity, obscenities & nudity.

Arguing for renewal, proposed Best. Bureau order says Pacifica doesn't apply to WGBH-TV, states: "We intend strictly to observe the narrowness of the Pacifica holding... The Supreme Court's decision... affords this Commission no general prerogative to intervene in any case where words similar or identical to those in Pacifica are broadcast." Bureau notes that FCC and Court decisions relied on fact words in George Carlin album causing Pacifica case were voiced repeatedly; "WGBH-TV's programs thus differ dramatically from the concentrated and repeated assault involved in Pacifica."

Public broadcasting bill (Vol. 18:19 p6) last week was approved by House on voice vote but Senate version is expected to be held up for while because of reservations of some in Senate GOP Steering Committee.

D.C. Appeals Court has approved rules permitting 20,000 Washington lawyers to advertise and solicit client in person. However, lawyers won't be able to cite cases won or use endorsements by clients in advertising.

NETWORK REWRITE DISPUTE: With House Communications Subcommittee rewrite hearings beginning this week, there's considerable confusion and some bad feelings among networks over tack to take. Confusion stems from first NAB seminar explaining Assn.'s position (Vol. 18:27 p2), held in N. Y.

CBS & NBC officials claim ABC's Washington Vp Eugene Cowen misrepresented position of NAB by strongly opposing rewrite. Board actually straddled fence in Toronto meeting (Vol. 18:27 p1), and NBC Washington Vp Peter Kenney hastily sent telegram to mgrs. of NBC-owned stations, explaining board position. Said telegram: "The NAB Board decided that taking a position now against rewrite would close the door to further necessary dialogue with members of the Congress before they reach their conclusions."

CBS official said many walked from N. Y. meeting with feeling that industry had received "marching orders" against bill. Said he: "I just don't want anyone going around saying they're speaking for CBS and at the head of that list would be someone from ABC."

Meanwhile, NAB Chmn. Donald Thurston, speaking to Cal. Assn. of Bcstrs., said: "We cannot and must not fall prey to the seductive portions of the rewrite and then realize we have wiped out over 50 years of law, precedent, and understanding and lost our supposedly regained freedoms through an undefined and unlimited spectrum tax proposal... [Cable provisions in rewrite], instead of being a formula for success, are more like a fatal overdose of misunderstanding on the part of the bureaucracy. Perhaps now is the time for broadcasting and cable system operators... to seek their common ground. [New technologies] will... provide plenty of reason to cooperate..."

Also speaking on topic was FCC Comr. Tyrone Brown, who believes rewrite hurts minorities several ways, particularly through loss of, or changes in, EEO requirements, fairness doctrine, ascertainment, equal time. Said he at D. C. Media Task Force seminar: "I don't see any reason for surrendering the public airwaves to private groups."

In other actions, NRBA has backed concept of rewrite, although it has reservations about some provisions, particularly license fee and limit on ownership of radio stations. Opposing rewrite recently was William Young, director of TV action center, National Congress of Parents & Teachers. He complained rewrite would give advertisers most control over objectionable programming by putting broadcasters beyond govt. control.

Communications Subcommittee hearing this week will feature raft of present & former FCC commissioners, among others, speaking on general provisions of rewrite, new Communications Regulatory Commission & National Telecommunications Agency, administrative & judicial procedures.

White House, whose spokesman, NTIA head Henry Geller testifies this week, is said to be "generally supportive" of rewrite areas to be discussed in this week's sessions.

This week's witness list: July 18: FCC Comrs. Ferris, Quello, Washburn, Fogarty. White, Brown; July 19: John Shenefield, asst. attorney general, JD Antitrust Div.; former FCC Chmn. Burch. Ford, Henry, Hyde, Minow, Wiley; July 20: Ann Aldrich, law prof., Cleveland State U.; Annenberg Prof. Barry Cole; Jack Cornman, National Rural Center pres.; Richard Elkin, NARUC pres.; Howard Gan. CTIC; Ed Hayes, attorney; Robert Hughes, NCTA chmn.; Lawrence Lichty, Smithsonian Institution; July 21: Geller; ex-OTP officials John Eger & Henry Goldberg; Clay Whitehead, ex-OTP dir.; Thomas Cross, Communications Institute of Boulder, exec. dir.

Candidate-access guidelines for stations issued by FCC, following inquiry started in March, include: "Reasonable access" must be provided through gift or sale; prime time must be available except for unusual circumstances; candidates must be able to buy same kinds of time available to advertisers; time must be available at least 45 days before primary, 60 days before general or special election. Commission also revised definition of candidate, major items being addition of requirements that candidates must make "substantial showing" of legitimacy if not chosen in primary and that those legally qualified for presidential or vice presidential nomination in 10 states must be considered nationwide candidates.

Telecommunications Consumer Coalition has been formed, chaired by Everett Parker, United Church of Christ, to provide "single information source... where consumers... can find out about the complex issues and policies that affect our ability to send & receive messages." It will participate in Communications Act rewrite, offer technical advice & counseling. Warren Braren, Consumers Union, is vice chmn.; Kathleen O'Reilly, Consumers Federation, secy.; Ralph Jennings, UCC, chief exec.; Barry Lynn, UCC, Washington rep; Rev. Donald Matthews, Fordham U., gen. exec.

FCBA conference on "Law & the Electronic Media" Sept. 14-17, Homestead, Hot Springs, Va., includes, among other participants, law Profs. Benno Schmidt, Columbia, and Arthur Miller, Harvard. Co-sponsored by Ford Foundation, conference will feature FCBA members, journalists, regulators & judges in Socratic method discussion of hypothetical cases involving coverage of terrorists, fair trial, fairness doctrine, reporter privilege subpoenas, libel, privacy, gag orders, national security.

CPB plans to double grants for TV & radio stations' minority & womens' training—up to \$640,000. Meanwhile, Forum of National Hispanic Organizations, coalition of 63 groups, complained to House Communications Subcommittee that CPB discriminates against Hispanics. Group also knocked FCC, PBS & NPR for "total & reckless disregard" of group's needs.

FCC plans to reduce "duplicative" broadcast rules by 40%, combine all regulations dealing with TV-AM-FM in Part 73, Volume III, of rules.

PERTSCHUK WON'T WITHDRAW: FTC Chmn. Pertschuk says he won't disqualify himself from participation in children's advertising rulemaking proceeding (Vol. 18:20 p4), despite request of 4 groups that he do so because of bias. Instead, he has asked rest of commissioners to vote on matter.

Pertschuk said in letter to lawyer representing 4 groups seeking disqualification: "I am sympathetic with the concerns underlying your request," and everyone is "entitled to an inquiry that is free of any taint, conducted by an impartial body and leading to an outcome based solely on facts, the applicable law, and the public interest."

He defended his public statements on issue, saying "the phenomenon of TV advertising directed to children raises serious questions and merits a Commission inquiry." He said statements weren't meant to disparage the 4 groups (3 of which represent ad industry) or industry itself.

Pertschuk letter said he has "consistently acknowledged that issues raised by the staff proposals are complex and difficult," and "consistently indicated that I would base my conclusions, as to these issues, on the record of the hearings."

Meanwhile, columnist Jack Anderson says Sen. Thurmond (R-S. C.) has done "180-degree turn-around" from original stance backing inquiry (Vol. 18:23 p3). Anderson says lobbyists "began bombarding his position," and Thurmond then reversed himself.

In another development, CBS Bcst. Group Pres. Gene Jankowski described FTC's efforts as "a totally unprecedented effort to ban, by administrative fiat, truthful advertising of products which are legally made & legally sold in this country." Speaking to Cal. Assn. of Bcstrs., he said idea that ban on advertising sweets would cut down on their use "is simply contrary to common sense & experience."

Jankowski said FTC staff-backed concept that it's deceptive to aim ads at children is faulty. "I suggest to you that the protection of parents from nagging children is a rather novel concept of the proper concepts of govt. . .

"The current efforts of the FTC are purely cosmetic in nature. They also may be political in character since attacking TV is too often the 'in' thing to do. But such efforts are also disingenuous."

At FCC, Commission is expected to vote July 27 on whether to start inquiry on children's TV (Vol. 18:20 p3), is expected to approve it.

"Rule-of-rummage" U.S. Supreme Court decision in Stanford Daily case (Vol. 18:23 p1) was attacked by ANPA in testimony before Senate Judiciary Subcommittee, which is considering legislation to offset decision. ANPA Exec. Vp Jerry Friedheim urged, among other things, that new law apply to state & local officials as well as to federal and that warrant be issued only when there's "probable cause to believe that evidence sought is in the possession, custody or control of a person implicated in a crime, or that it almost certainly will be destroyed, hidden or removed unless a warrant is issued & executed."

DISNEY FILMS TO PAY CABLE: Disney has opened valve a bit to its much-desired family-style films, releasing 7 to pay cable—finalizing agreement with HBO, reaching "agreement in principle" with HHT, expecting to sign with Viacom in "matter of days"—according to James Jimirro, exec. vp. Walt Disney Educational Media Co. He said company also has had discussions with National Subscription TV "and other stand-alones."

Jimirro said that Disney has been studying field for years, then experimented with Qube in Columbus, SelectTV in L.A., before going national. First film will be released in Sept., last next May. After that, Jimirro said: "We haven't considered the next step yet."

Disney pay-cable licensees have rights similar to those acquired from other producers—can run films 6-7 times in 3-week period, plus 2-4 exposures 6 months later. Pictures are predominantly live action, not "classic" animations such as "Snow White." Features are both very old & very new. HBO also gets a Disney Christmas special titled "The Small One," an exclusive with HBO. It plans no increase in subscriber rates because of new package.

Pay-cable industry has been hard up for good PG material. Said HBO's Austin Furst: "We view Disney with profound respect as the primary source of family programming in the world today." Disney has long been planning on pay TV, concluded that audience is now big enough to warrant release. HBO has well over a million subscribers.

Immediate tabulation, via computer, of radio network rankings, averages & audience composition now is available through Radar-On-Line (ROL). System was designed by Statistical Research, which is in final stages of project to provide multiple-week reach & frequency for network radio; when completed, figures also will be available through ROL.

N. Y. City will quit funding WNYC-TV-AM-FM, Mayor Koch announced, and fund-raising will be stepped up. Stations have been attracting some \$500,000-\$600,000 yearly; additional \$300,000 will be sought in current fiscal year, full \$1.7 million budget in next. Thereafter, stations may seek shift to commercial status.

Pay-TV scrambling device developed by Stern Telecommunications has been granted patent. It scrambles signal, has replacement sound carrier which can be used for promotional messages. It's called PROMO, is used by more than 30 cable systems, says Stern.

FCC has agreed to expedite handling of 2 minority applicants for AM stations—in Virgin Islands, where normal delay is 9 months, and Tucson, facing year delay. Commission said applications would be processed "immediately."

New FCC forms: 303-R, AM or FM renewal; 309 & 311, for construction & renewal of international, experimental TV & fax and developmental broadcast stations.

CBS-NEW RECORDS, AGAIN: Revenues, earnings & earnings per share all achieved new records in 2nd quarter & first half, with Broadcast & Publishing Groups leading earnings increase, CBS reports.

Second quarter net income increased 8% to \$59.3 million, revenues 13% to \$751.8 million. Per-share earnings rose 10% to \$2.14. In first half, net income rose 6% to \$93.1 million, revenues 14% to \$1.5 billion, per-share earnings 8% to \$3.36.

Broadcast Group revenues were up 12% in 2nd quarter, "with good growth" in all areas-TV network, TV stations, radio. Record Group revenues were up 15%, Columbia Group 26%, Publishing Group 2%. Earnings of each group weren't disclosed.

Rural cable operation in low-density areas by phone companies is being proposed by FCC, will be announced shortly. National Telephone Cooperative Assn. had petitioned Commission for waiver of rules to allow such construction & operation where phone companies had 25 or fewer subscribers per mile. Commission is proposing to change rules "to establish a population density level below which telephone companies would be relieved of proving the infeasibility of independent cable operation." At same time, FCC will clarify its existing rules to: (1) Make clear that phone companies are currently prohibited from operating or programming cable, not from construction. (2) Set forth "standard showing" which phone company must furnish when it wishes to build—subject to case-by-case waivers. (3) Required phone companies to show in detail why waivers should be granted. (4) Grant phone company applications quickly when their waiver requests are unopposed for communities "where the population density was lower than an independent operation could presume to be economically feasible."

NBC earnings were down in 3 months to June 30—2nd consecutive quarterly decline this year—and are expected to be down for all of 1978, according to RCA Chmn. Edgar Griffiths. New NBC management "under Fred Silverman is energetically coming to grips with the challenge of restoring long-range profit growth," Griffiths added. In reporting on activities of other units, RCA noted Commercial Systems had record earnings in quarter, paced by broadcast color camera sales. RCA Americom reduced loss in period, and profit improvement was shown by Globcom, company said.

World Wide Video Services has been set up in U.S. to rep several British duplication, standards-conversion & production firms: Audio & Video, InfoVision, Teletape Video, TV International Operations. Details: WVSI, 9575 Higgins Rd., Rosemont, Ill. 60018, 800-323-2172.

Video Programs International, New Rochelle, offers programming package to cable, including films, cartoons, taped plays, etc. Company says package is low cost, can be offered to subscribers for free as incentive.

Station Representatives Assn. has divided into separate TV, radio & joint boards; TV & radio each to have 7 dirs., according to Pres. Adam Young.

Ambitious experiment was conducted in June by Public Service Satellite Consortium in connection with World Congress on Future Special Education, sponsored by Council for Exceptional Children. It involved 4 countries, 3 satellites, 3 color systems. Videotape of Congress in Stirling, Scotland, was: (1) Taken to U. of Paris. (2) Microwaved to Paris Control Center. (3) Converted to different standards. (4) Microwaved to earth station in Brittany. (5) Transmitted to French-German Symphonie satellite. (6) Received in Rosman, N.C. & Ottawa, Can. (7) Transmitted from Rosman to NASA's ATS-6. (8) Received at 44 sites in 13 Appalachian states. (9) Transmitted from Ottawa to CTS-Hermes satellite. (10) Received in southeast U.S. by members of Southern Educational Communications Assn. (11) Broadcast to public in Toronto. (12) Viewers in U.S. & Canada phoned questions to Council hq in Reston, Va. (13) Questions were relayed to Paris, answered by panel there. Council's principal in arrangements was Rusty Welch, PSSC's was Louis Bransford. PSSC chmn. is H. Rex Lee, former FCC member.

ABC appoints Robert Gottlieb, former Gimbel's sales promotion vp, as dir. of new Retail Mktg. Dept. for Owned TV Stations Div. Unit will provide coordination & guidance for planned strong push for retailer ads by ABC's TV stations. In 5 markets its stations serve, ABC said, major retailers spent more than \$300 million for ads, with less than 10% going into TV. Overall retailer outlays for newspaper ads in those markets totaled more than \$1.25 billion in 1977, or some 50% more than total TV ad income in those areas and nearly triple outlays of all local TV advertisers. ABC said its stations will each create new retail mktg. mgr. posts to be filled by experts brought in from outside TV.

Request to hire engineers directly was made by FCC Chmn. Ferris to Civil Service Commission Chmn. Alan Campbell. Bid was response to inquiry by House Commerce Committee Chmn. Staggers (D-W. Va.) about 1-1/2-year, 150-application AM processing backlog (Vol. 18:25 p4). Difficulty of attracting engineers at low entrance salaries and after long delays is a major cause of problem, said Ferris in letter to Staggers, along with "unprecedented number of applications received to beat 1976 "freeze" and relaxation of assignment standards in 1975. Ferris said he also plans engineer task force to remove backlog and loosening of financial and other qualifications to shorten delays.

Public TV viewing is up for third year in row. Figures released by CPB show 63.2% of households watched in March (up 5% from 1976). 44% in prime time (up 12%). During average March week, 40.9% saw public TV (up 6%), 22.4% in prime time (up 13%).

Ampex has been named exclusive official supplier of VTRs, disc recorders & tape for 1980 Moscow Olympics.

Moscow Olympics cable system contract, \$1 million, has been given to EMI Sound & Vision Equipment, London.

Personals

CBS Washington Vp **Bill Leonard** returns to N.Y. as exec. vp-CBS News, will succeed **Richard Salant** as pres. when latter retires next April; Leonard has been with CBS since 1945, was senior vp-dir. of public affairs broadcasts, CBS News, before going to Washington in Nov. 1975.

John Loftus, CBS Washington dir. of govt. & media relations, promoted to vp-corp. information, N.Y., succeeding **Leonard Spinrad**, who moves to vp-CBS Inc. in charge of reports & analyses for Exec. Office & CBS board... **Ethel Winant**, ex-Children's TV Workshop & CBS-TV, joins NBC-TV as vp-talent, Burbank; **Benjamin Raub** promoted to vp-contracts & negotiations... **Mary Fifield** advanced to dir. of news PR, ABC, Washington hq.

Douglas Barker promoted to station mgr., WTVJ Miami, succeeding **Tay Voyer**, who moves to pres. of Metrotape West, new div. of Metromedia; **Thelma Rollins** advanced to WTVJ program dir... WCAU-TV Philadelphia promotions: **Thomas Pearson**, dir. of broadcasting; **Phillp Press**, dir. of sales; **Bernard Weber**, dir. of communications.

Clifford Alsberg promoted to vp-dramatic development, ABC Entertainment; **Robert Gottlieb** joins ABC-owned stations as dir.-retail marketing (see p. 5)... **Alfred Cancellieri** advanced to dir.-administration, John Blair & Co.

James Danner advanced at Field Communications to business affairs dir.; **Denis Curley** promoted to accounting mgr., succeeding Danner... **William Reed** promoted to senior vp-station relations, PBS... **Don Keene** appointed north central sales mgr., Times Wire & Cable, covering Ill., Minn., Ia., Mo., Wis... New NCTA asst. gen. counsels: **Michael Hendrickson**, ex-FCC Cable Bureau; **Michael Isaacs**, ex-Mass. Cable Commission.

Larry Scott, ex-WEVU Ft. Myers, named sales mgr., WHFT Miami... **Jeff Hawkinson** promoted to news dir., WEEK-TV Peoria... **Kathleen McCraw** advanced to personnel dir., WJLA-TV Washington... **Paul Arnzen** named marketing dir., WCCO-TV Minneapolis.

In management realignment, **Peter Downey** named PBS senior vp-corp. affairs & administration, **John Ball** appointed vp-dir. of engineering; **Eric Sass**, ex-WJCT Jacksonville, becomes dir. of future funding project... **Joseph Vasapoli**, ex-U.S. Dist. Court clerk, joins Keith Puthrese communications law firm.

Lou Friedland, MCA-TV pres., moves to chmn.: in restructuring, **Donald Menchel** becomes pres. of MCA-TV sales & distribution; **Ralph Franklin** pres. of international operations; **Al Rush**, one-time NBC exec. vp, joins MCA as pres. of program enterprises... **Joshua Brand** joins Children's TV Workshop as administrative vp-products group.

Consultant **Russell McKennan** rejoins NAB as asst. to Research Vp **John Dimling**... **John Swanson**, ex-WTVF Nashville, joins Buford TV as broadcast engineering dir... **James Joyella** promoted to vp-gen. sales mgr., CBS Radio Network.

Ivan Johnson, Ariz. CATV Assn. exec. secy., named NCTA vp, operator services, succeeding **Wally Briscoe**, now Gardiner Communications vp... **Lawrence Ehnstrom** joins Grass Valley Group as midwest mgr., new post... **Stan Amon**, ex-FCB Cablevision, appointed treas., Falcon Communications.

Lester Hunt, ex-Memorex, joins Philips Best. Equipment as mid-Atlantic sales mgr. (Washington hq), succeeding **Michael Hartt**, now southwest sales mgr. (L.A. hq); **Jefferey Clarine** moves from south-east to north central sales mgr. (Minneapolis hq)... **LeRoy Cochran** promoted to Ampex audio products gen. mgr., also named pres. of subsidiary Duca-Richardson... **David Newborg** advanced to mgr.-antenna product management, RCA Best. Systems.

To meet "increased sophistication" of spot TV representation, Katz TV plans major reorganization to take effect Sept. 1. Among changes: **Victor Ferrante** fills new spot of senior vp-operations; **Richard Goldstein** to senior vp-sales; **Gerald Jones** advanced to vp-station & industry relations for 11 western states; **James Beloyianis** & **Edward Papazian** become gen. sales mgrs. for American & Continental Divs., respectively; **Larry Shrum** replaces Ferrante as regional vp-Chicago; **Len Graziano** succeeds Shrum as regional vp-Atlanta; **Joel Segall** to regional vp-West Coast; **John De-Simone** & **Michael Hugger** become sales mgrs. for American White & Blue teams, respectively, N.Y. In Katz changes already effective, **Robert Levenstein** named vp-national sales mgr. of Continental Silver team; **Jack Mulderrig** for Bronze team; **Earl Overton** for Gold team; **Alan Bennett**, ex-WKBW-TV Buffalo, joins Katz as dir.-program development; **Phil Oldham** promoted to dir.-program operations.

Keynoter for RTNDA convention Sept. 20-22 in Atlanta will be **Harry Reasoner**, soon to return to CBS News after stint at ABC. Other speakers include CBS News Pres. **Dick Salant**, NBC News Pres. **Les Crystal** (ABC News Pres. **Roone Arledge** has been invited, hasn't responded), "Meet the Press" moderator **Bill Monroe** and violence researcher **George Gerbner**. Running for RTNDA pres.-elect are **Curt Beckman**, WCCO (AM) Minneapolis, and **Chris Botsaris**, WTVF Nashville. **Paul Davis**, WCIA Champaign, will succeed **Ernie Schultz**, KTVY Okla. City, as pres. (Note: **Dick Westbrook**, WAND Decatur, Ill., defeated incumbent **Fred Heckman**, WIBO (AM) Indianapolis, in RTNDA board elections [Vol. 18:28 p6].)

Comments on quad standards filed with FCC strongly favor SQ, according to analysis by CBS. Of 374 broadcaster comments, CBS said, 52.7% favored SQ, 26.5% "any discrete," 4% "other matrix," 4.8% "any matrix," 6.4% no system preference. Only 5.6% were against quad.

Viacom is buying **Valtec** fiber optics system for link between Suffolk, L.I. studios and Central Islip control center, said it's one of first aerial uses of fiber.

Correction: Nielsen survey reports cable homes served at 12.7 million, vs. 11.8 million in May 1977.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 30 (26th week of 1978):

	June 24-30	1977 week	% change	June 17-23	First Half 1978	First Half 1977	% change
Total TV.	434,500	380,826	+14.1	310,087	7,165,446	6,302,199	+13.7
color	271,410*	247,101	+9.8	196,533	4,578,312**	3,868,297	+18.4
monochrome . .	163,090	133,725	+22.0	113,554	2,587,134	2,433,902	+6.3
Total radio	1,763,614	1,855,516	-5.0	1,385,385	22,403,310	21,565,133	+3.9
home, portable	1,528,229	1,636,400	-6.6	1,170,833	15,877,529	15,169,675	+4.7
AM-only	143,849	278,769	-48.4	142,458	3,882,266	3,575,975	+8.6
FM & FM-AM	1,384,380	1,357,631	+2.0	1,028,375	11,995,263	11,593,700	+3.5
auto	235,385	219,116	+7.4	214,552	6,525,781	6,395,458	+2.0

Color TV 5-week moving average: 1978-183,724*; 1977-158,952 (up 15.6%).

*Highest for 26th week of any year. **Record.

INVENTORY DROP-PRUDENT OR PERILOUS? Manufacturers & importers simply aren't buying idea that color TV sales will continue apparent rampage much longer. At end of first half, which shattered all records in EIA sales-to-dealer figures (Vol. 18:28 p7), combined factory-distributor inventories stood at one of lowest points in recent history, both in relation to sales and in number of weeks' supply.

At current going rate of 15.6% increase over 1977 in sales to dealers (5-week moving average), factories & distributors had less than 9 weeks' supply of color sets in inventory. Combined total was just a little over 2.55 million, decline of 2.7% from year earlier, when sales pace was much slower. Factory inventories of 1.51 million were down 0.5%, distributor stocks of 1.04 million were 5.7% below year earlier. In June, factory-distributor total increased 3.4% over end of May—factory 1.1%, distributor 7%.

Scanty supply of sets in stock, industry market researchers think, indicates: (a) Manufacturers don't quite believe business is as good as EIA figures indicate; (b) they think sales are going to turn fairly sour soon, or (c) both. Apropos of 2nd point, although June set record for month and was 15.6% over previous record June (1977), it may represent turning point—seasonally adjusted figures indicating annual rate peaked in April & May (at 11.5- & 11.2-million rate), June rate going down to just below 10.2 million. Industry also can base its conservatism on almost universal forecast of generally softening economy in 2nd half.

Although EIA sales-to-dealer figures have been checked & rechecked by industry watchdogs, manufacturers & importers still blink their eyes in disbelief every week when new figures (and new records) are issued. "We're not as high as the industry statistics" is the common observation by major-brand manufacturers. It's known that neither of leaders Zenith & RCA is up same 18.4% as total industry for first half, although they're both understood to have posted respectable increases. Industry puzzle then is—who is it?

Manufacturers & marketers readily agree that business is very good, sets are selling at retail and dealers have very little inventory now so much of current sales to dealers represents sell-through rather than restocking. But inventory figures show that nobody is being carried away by good news, and quite possibly that industry is counting on reverse soon. And it's certainly not producing at the 10.5-million annual rate shown by EIA first-half sales figures. Thus, industry is taking extremely conservative path, risking possibility of color TV set

shortages if boom continues, rather than take chance on possible glut in any sales downturn.

* * * *

June home VCR sales to dealers, according to EIA figures, showed some deterioration from April & May, which could represent seasonal softening. June sales totaled 31,339 units, highest monthly figure this year—but in EIA statistical calendar June is 5-week month, so sales pace actually declined from May's 27,994 and April's 27,221. June weekly sales averaged 6,268, May 6,999, April 6,805, March 5,483, Feb. 3,738, Jan. 3,391. First-half VCR sales to dealers totaled 142,940. Here are EIA's total-market sales-to-dealer figures for June (for first-half results, see State of the Industry):

Product	June 1978	June 1977	% change	June 1976
Total TV.....	1,434,566	1,290,438	+11.2	1,171,454
color	918,622	794,760	+15.6	690,027
monochrome	515,944	495,678	+ 4.1	481,427
Home VCR.....	31,339	--	--	--
Total radio.....	6,149,069	6,489,299	- 5.3	3,957,740
home, portable.....	4,999,086	5,306,591	- 5.8	2,798,827
AM-only	684,516	1,169,982	-41.5	385,168
FM & FM-AM.....	4,314,570	4,136,609	+ 4.3	2,413,659
auto	1,146,983	1,182,708	- 3.0	1,158,913

GIANT FLAT SCREEN IN 3-5 YEARS—GTE: Hot on track of what it considers first big breakthrough away from cathode-ray tube, GTE now feels it can have giant-screen consumer flat color TV display ready for commercialization in 3-5 years, using principle of cathodoluminescence. Forecast was made to us last week by GTE Consumer Electronics Engineering Vp W. Daniel Schuster and is by far most optimistic we've heard from any responsible industry source.

GTE announced joint program to develop flat-screen gas-discharge displays with Lucitron Inc., Northbrook, Ill., which comprises most Zenith's former display systems research organization and is headed by Pres. Joseph Markin (ex-Zenith mgr. of display systems research) with other former Zenith scientists Operations Vp Alan Sobel and R&D Vp Michael de Jule. Research program will also involve GTE Labs, Consumer Electronics, Sylvania picture tube operations, Sylvania Precision Materials.

Conceding he was being conservative, Markin told us: "If I had to guess [when giant flat-screen color would be commercial], I'd say no sooner than 5 years and no longer than 10." He said monochrome displays—but not necessarily consumer TV sets—would be on market by 1981. However, Schuster told us: "If we don't have [color] in 5 years, we won't have it in 10," and forecast marketing of b&w display "sooner than 1981."

Venture involves cross-licensing arrangement as well as cooperative and individual-company work, with GTE providing financing to Lucitron. Lucitron panels are less than 3" thick, regardless of viewing area, are claimed to provide good grey scale, good efficiency, high brightness and to promise economy & long life. One of major advantages is "self-scanning" feature, claimed to make possible significant savings in circuitry needed to drive display. Because panels use conventional phosphors and much technology which is similar to that of CR tube, Sylvania feels its materials & picture tube operations will be well suited to project.

GTE-Lucitron strategy in color is to start with panels 35"-50" diagonal, doing what can't be done with picture tubes—competing, instead, with projection TV. Both partners in research agree no new principles have to be developed and no laws of physics stand in way. "Our approach," Markin told us, "is nothing which calls for a radical change" from b&w panels already developed. Added Schuster: "Feasibility has been proven in b&w—color is now just a matter of practical construction."

Initial development of b&w display will be aimed primarily at alphanumeric uses (airport, brokerage displays, computer terminals), with extremely compact monochrome receivers likely to come next, according to both parties in research—but neither loses sight of fact that major

payoff and ultimate goal is big-screen color.

In past, GTE Labs has worked hard on electroluminescent (EL) approach to flat-screen color and will continue research on other methods of achieving same results. Zenith & others have researched plasma displays, liquid crystal, etc. Most advanced flat-screen work displayed publicly so far is Sharp's EL, shown in 6" monochrome (black-&-yellow) form at CES (Vol. 18:26 p13). Sharp promises first commercial b&w EL set next year at about \$425. GTE seems determined to be first with flat, large-screen color.

SENATE LAUNCHES OWN JAPAN TV PROBE: New investigation is being opened into Zenith charges that business practices of Japanese TV manufacturers violate antitrust laws. Probing this time is Senate Judiciary Committee's Antitrust Subcommittee, which plans full review of case Justice Dept. dropped last April (Vol. 18:16 p12).

"We're beginning to move," we were told last week by Subcommittee Staff Attorney Daniel Boyce. He said staff is working with representatives of both sides in Zenith-NUE \$1-billion antitrust suit against Japanese set makers to get access to "sensitive materials."

Selected filings in case, embargoed by court order, had been made available to Justice Dept. investigators. Court documents "will certainly be included" in Subcommittee investigation—"plus we will be looking at other materials," Boyce said. He added that effort may be made to open sealed files of International Trade Commission's 1977 probe of Sylvania's unfair competition complaint against Japanese, which ended with consent decree (Vol. 17:24 p13).

In addition, subcommittee will look at JD's internal staff memos on case to see if they justify agency's decision to drop matter. At Judiciary hearing last April, Asst. Attorney-Gen. John Shenefield said staff unanimously agreed there was no evidence Japanese attempted to destroy U.S. industry and "I find no basis for proceeding further." Said Boyce: "There is some basis for doubt" of JD's judgment, and "we've said to Zenith 'show us.'" Orders for materials are being prepared "and we should have most of the work done by mid-Sept.," he stated. By then "we should know whether to subpoena more documents, go for a hearing or what."

COMPACT called on President Carter, meanwhile, to order Treasury to speed up collection of Japanese TV dumping duties. Union-industry group pointed to Treasury & Customs memos which indicate "Treasury has sought to block the collection" of duties "by raising procedural questions" concerning new duty valuation system (Vol. 18:28 p7). Letter said Treasury may be making "another attempt to stall, and perhaps drop" case, stated agency officials may "be interfering with the proper assessment of the duties and implementation" of the dumping act.

JD is stepping up investigation into legality of kickback received by TV importers from Japanese suppliers. We've learned agency has issued subpoenas to some major private-brand retailers asking for documents related to their purchasing activities. It's understood case is being prepared for presentation to a grand jury.

Four-tube projection TV system is planned for limited introduction this fall at \$1,200 with 67" screen by Projectapix (300 W. 53rd St., N.Y. 10019). According to company, unit will use Quasar chassis, with images from 4 monochrome tubes (one for each color, one b&w) combined through prism into single beam. System is focusable, may be used with variety of screen sizes, is claimed to be 250% brighter than single-tube system. Projectapix originally had attempted to use fluid-lens principle, said engineering difficulties led it to choose optically cut set of prisms instead. Projection unit, weighing 122 lb., has ball-type swivel head which can be adjusted up to 15 degrees both horizontally & vertically; reversal switch is included for rear projection.

NATESA holds annual convention Aug. 24-27, Chateau Louise Resort, Ill.

Color imports from Japan totaled 134,900 in May, including 96,000 in incomplete form, according to Customs, which is monitoring compliance with agreement limiting Japan's annual exports to U.S. to 1.75 million, plus special allowance of 52,500. Total from Japan for 11 months of first quota fiscal year, to June 30, was 1.49 million, leaving maximum of 316,400 to go. Because quota agreement is specifically keyed to date sets are cleared for export from Japan, shipments under fiscal 1977 limit can be expected to continue arriving in U.S. ports well into July.

Median salary for all jobs in non-broadcast or private TV rose \$2,500 in 1978 to \$20,000, according to ITVA survey released last week. Copies (\$5 to non-members) from ITVA, 26 South St., New Providence, N.J. 07974.

UHF SET NOISE RULES: FCC is expected to issue final rules this week implementing decision to require 14 dB maximum noise figure in all new models submitted for certification after Oct. 1, 1979, 12 dB by Oct. 1, 1982 (Vol. 18:21 p10)—and it has a few additions. Commission now plans to start proceedings:

(1) Looking toward requiring labels on sets showing noise figure so that "those viewers having a strong need for a low noise figure will be able readily to identify a set appropriate for their needs" and because labels will produce "increased competitive pressure to provide sets with reduced noise figure."

(2) To mandate measurement procedures, because they're "clearly warranted."

(3) "We will institute a proceeding to study imposition of immediate selectivity standards to prevent set manufacturers from simply obtaining the 12 dB noise figure by reducing a set's ability to reject undesired signals."

(4) Examining "all issues relating to TV reception." These include antennas, lead-ins & transmitters.

To implement 14 dB figure, FCC said it will require manufacturers to explain "the basis on which the applicant will rely to insure that at least 97.5% of all production units of the test sample" have no more than 14 dB.

Commission said it will continue to assess improvements, and it's "more likely" that next step will be 10 dB instead of 12.

Commission warned about waivers: "Because a failure by a manufacturer to meet a 14 dB reasonable worst case noise figure by Oct. 1, 1979 only means that new models cannot be sold, we will not—barring the most unusual of circumstances—grant any waivers. . . Manufacturers who are unable to meet a 14 dB reasonable case noise figure will simply be required to continue manufacturing existing models already certified."

Customs Service discontinued investigation into issue of more conspicuous country-of-origin marking on consumer electronics, said present practices are satisfactory. Proposed change in marking rules, announced last summer, would have required origin marking on top, front or side of product, and was urged by unions. Those opposing change complained it would: (1) Ruin appearance of product. (2) Unfairly discriminate against electronics imports.

(3) Result in higher costs. They also noted that marking on back of product is considered adequate by FCC, HEW & UL, and that consumers expect to find such information there. FCC, meanwhile, rejected Communications Workers of America request to set rules for origin marking on imported telephone equipment. Such rules, FCC said, are responsibility of Customs.

CB Scene: Superscope's brief fling in CB apparently is over. Company has liquidated estimated \$4-million inventory of Aircommand units, discontinued line. . . Sanyo transfers its little remaining CB production to subsidiary in Singapore, converts former Japanese CB facilities to VCR manufacturing.

IMPORT IMPACT AID: Labor Dept. last week approved import adjustment assistance request from workers at one component firm, rejected similar bids from 2 others, opened 3 new cases.

Cleared for help were those who lost jobs turning out TV & radio controls & switches at Mallory Controls, Frankfort, Ind. Labor said imports of such controls rose 75% in 1976 from \$1.2 million to \$2.1 million, tripled in 1977 to \$6.3 million. Agency indicated imports accounted for 4% of \$28.5-million market in 1975, 17% of \$33.4-million market in 1976, 30% of \$55-million market last year, said Mallory customers reported shifting purchases to imports.

Rejection was for those formerly producing antennas & transformers for stereo systems at Tim Coil & Loop Co., S. Sioux City, Neb. Labor said company was forced to reduce production & employment when major customer stopped ordering. Customer is understood to be Zenith, which switched from manufacturing to importing of all audio equipment chassis this year. Labor turned down aid request on grounds that complete chassis imports are not directly competitive with domestically made components.

Similar reason was used by Labor in refusing aid for dismissed workers at Wabash Transformer Div. of Wabash Inc., Farmington, Mo. Workers lost jobs producing TV transformers when plant's only customer reduced purchases. LD said increased TV imports can't directly be blamed for loss of transformer business, noted customer increased purchases from other domestic suppliers. New cases opened were for workers at VRN Co., St. Petersburg, Fla. (potentiometers); Communications Co., Coral Gables, Fla. (land-mobile radio); Hudson Wire Co., Winsted, Conn. (magnet wire).

Britain's "Consumer Electronics Show"—Sound & Vision Festival, scheduled for London Sept. 12-17—has been cancelled, sponsor IPC Electrical-Electronics Press announced. Reasons given: (1) Failure of British manufacturers to exhibit. (2) Withdrawal of Japanese suppliers, blaming promotional cutbacks because of international exchange-rate fluctuation. Sponsor also cited Japanese "reluctance. . . to attract adverse political comment by too great a presence in comparison with British firms." Major trade associations, including BREMA, backed show, as did BBC.

Taiwan cut loose from U.S. dollar last week, and value of its currency floated up 5.26% from NT\$38 to \$1 to NT\$36. Last rate change was in Feb. 1975 when Nixon Administration devalued dollar 10%. Then, Taiwan devalued only 5%, rate going from NT\$40 to \$1 to NT\$38. Change should mean only slightly higher costs for importers. Taiwan said it made move because falling value of dollar was causing sharp increases in costs of raw materials from Japan.

Audio cassettes of conferences & seminars at Summer Consumer Electronics Show are available at \$5 per session from MGE Audio Cassette Library, Box 244, Lake Villa, Ill. 60046.

JVC MAY SHOW V-DISC: JVC's super-secret video-disc system, described in these pages last March (Vol. 18:11 p14), probably will get first public showing in Japan within month. Thus JVC, Sony & Matsushita will have unveiled 3 completely different systems within 2-month period, presumably in attempt to stake out claim in any standards battle (Vol. 18:23 p10, 18:24 p13, 18:25 p7).

Based on reports from Europe (where JVC has shown its system to some manufacturers) & Japan, it's believed JVC will make strong pitch that its system has all major advantages of original Philips/MCA system—still-frame, infinitely variable slow, fast or reverse motion, indexing—but at lower cost and without depending on such future developments as solid-state laser & plastic optics for cost reduction. It's also expected to stress that it can provide 2-hour-per-disc playing time while preserving these special features (Philips/MCA doesn't) and that disc can be pressed on regular audio record equipment with no secondary operations required.

Like RCA's system, JVC's is capacitance device, but like Philips', its disc has no grooves, pickup being positioned by servo. Like Sony's optical system, JVC disc revolves at 900 rpm, twice speed of RCA & Matsushita systems, one-half speed of original Philips/MCA system (additional LP mode on newer Philips/MCA player varies rotational speed to maintain constant pickup-to-groove speed).

Representative of European manufacturer who saw recent demonstration told us JVC system "works like a charm." Another said it does have drawbacks: (1) As in all non-optical systems, disc is vulnerable to environmental conditions and presumably requires protective case or "caddy." (2) System requires optical mastering and electrochemical etching of master, which probably means low yield.

Matsushita, parent of autonomous JVC, apparently is in same position in disc field as it was in VCR. It originally espoused (and sold) different VCR system than its subsidiary. Matsushita's mechanical needle-in-groove Visc system, demonstrated at CES, is basically incompatible with JVC's ungrooved capacitance system.

Videonotes: Home Videotape Disc Programming Seminar will be sponsored by ITA Oct. 18-20 in N.Y. Information: ITA, 10 W. 66th St., N.Y. 10023... Joint venture to manufacture Beta & VHS videocassettes has been formed by Memorex and Bell & Howell, with target of early 1979 availability... Two software firms are expanding distribution—Video Warehouse (Box 275, Atlantic Highlands, N.J. 07716) now recruiting nationwide network of distributors & reps; Video & Sound (287 Kenyon St., Stratford, Conn. 06497) establishes dealer program for "Great Movies on Videotape" series.

Japan isn't dumping alarm horns in U.S., Treasury ruled last week. Charges that horns for smoke detectors, were being sold here at prices 26-38% below those charged in Japan were brought last Nov. by Delta Electric Div. of Halle Industries (Vol. 17:47 p10). Treasury said horn imports from Japan in first 11 months last year were valued at \$7.7 million.

RCA SETS RECORDS: RCA reported record sales & earnings for 2nd quarter & first half (see financial table), said all units except NBC participated in growth. Net from Consumer Electronics increased, but didn't set record in quarter. Color sales for full period hit new unit high. New earnings records for quarter were set by RCA Records (which had 300% rise on 40% sales gain), semiconductor & service operations. RCA reported worldwide color tube plants operated at full capacity and their sales & net increased.

GE posted record sales & net for 2nd quarter & half, said Consumer Products & Services continued to show "good gains," cited audio among performance leaders.

Advent sold 10,000 video projectors, representing more than half of total sales volume in year to March 25, annual report states. Advent said TV business rose 41.8% to \$19.6 million, to account for 54.6% of \$35.9-million sales last year, speakers were up 24.6% to \$12.8 million, while volume for other audio products dropped 10.5% to \$3.5 million. Advent estimates 66% of TV projection sales were to consumers, 23% commercial entertainment, 11% industrial users. R&D expense rose 39.4% to \$1.1 million, including writeoff for terminated development of new FM receiver. Ad outlay was up 57.7% to \$1.32 million.

PLANT VACATIONS: Summer vacation plant closing season is in full swing, with following companies' plants already closed: Admiral (closed June 26, re-opened July 11); Magnavox (closed July 3, opening July 25); Quasar (July 3-17); Sanyo (July 3-18); Wells Gardner (June 30-July 18); Zenith (July 3-17). Companies traditionally use shutdown to convert production lines for new models, take inventory, meet union contracts. Several companies whose breaks encompassed July 4 added extra day at end of break to compensate. Following is list of upcoming domestic closings:

Company	Closing Date	Duration
GE	July 31	2 weeks
Curtis Mathes	July 17	2 weeks
MGA	Aug. 7	2 weeks
RCA	July 24	2 weeks
Sony	July 31	2 weeks
Sylvania	July 31	3 weeks

Mergers & acquisitions: Gorenje, state-owned \$500-million Yugoslavian TV-appliance producer, is acquiring privately-owned Korting of West Germany for about \$10 million. Subject to Yugoslavian govt. approval, deal will be closed in Aug., give Gorenje entry into German market. . . . Globe-Union has accepted \$258.1-million acquisition offer from Johnson Controls. UV Industries, which acquired 20% of G-U last year, has agreed to sell holdings to Johnson. . . . General Dynamics has increased price it plans to pay for American Telecommunications from \$41.3 million to \$44.7 million. Change in previously announced terms (Vol. 18:15 p18) was caused by current business & stock-market conditions, companies said.

Television Digest

with
Consumer Electronics...

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Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Canadian Cablesystems ^a			
1978-9 mo. to May 31	--	8,350,000	2.08
1977-9 mo. to May 31	--	4,551,000	1.14
CBS			
1978-6 mo. to June 30	1,496,000,000 ^b	93,100,000 ^b	3.36
1977-6 mo. to June 30	1,309,300,000	87,900,000	3.11
1978-qtr. to June 30	751,800,000 ^b	59,300,000 ^b	2.14
1977-qtr. to June 30	665,500,000	54,900,000	1.95
GE			
1978-6 mo. to June 30	9,407,200,000	567,200,000 ^b	2.49
1977-6 mo. to June 30	8,446,300,000	487,300,000	2.15
1978-qtr. to June 30	4,963,800,000	319,400,000 ^b	1.40
1977-qtr. to June 30	4,383,300,000	271,900,000	1.20
Owens-Illinois			
1978-6 mo. to June 30	1,510,914,000	52,065,000	1.77
1977-6 mo. to June 30	1,367,169,000	50,611,000	1.72
1978-qtr. to June 30	814,445,000	42,930,000	1.48
1977-qtr. to June 30	687,815,000	32,718,000	1.12
Raytheon			
1978-6 mo. to July 2	1,603,832,000	71,593,000	2.31
1977-6 mo. to July 3	1,374,379,000	52,521,000	1.71
1978-qtr. to July 2	834,406,000	38,984,000	1.26
1977-qtr. to July 3	712,783,000	29,483,000	.96
RCA			
1978-6 mo. to June 30	3,116,100,000	133,200,000	1.74
1977-6 mo. to June 30	2,802,900,000 ^b	118,600,000 ^b	1.55
1978-qtr. to June 30	1,612,100,000	78,300,000	1.02
1977-qtr. to June 30	1,430,000,000	70,100,000	.92
Scripps-Howard Bcstg.			
1978-6 mo. to June 30	31,086,000	6,800,000	2.63
1977-6 mo. to June 30	23,816,000	5,308,000	2.05
1978-qtr. to June 30	17,394,000	4,091,000	1.58
1977-qtr. to June 30	12,993,000	3,130,000	1.21
Storer Bcstg.			
1978-6 mo. to June 30	69,797,000	7,856,000	1.61
1977-6 mo. to June 30 ^c	58,090,000	5,789,000	1.19
1978-qtr. to June 30	40,032,000	5,523,000	1.13
1977-qtr. to June 30 ^c	32,114,000	3,787,000	.78
Walt Disney Productions			
1978-9 mo. to June 30	499,384,000	60,915,000 ^b	1.88
1977-9 mo. to June 30	424,628,000	49,969,000	1.54 ^d
1978-qtr. to June 30	192,358,000	24,534,000 ^b	.76
1977-qtr. to June 30	165,103,000	20,355,000	.63 ^d
Wometco Enterprises			
1978-24 wk. to June 17	119,953,000	7,132,000 ^e	.84
1977-24 wk. to June 18 ^c	95,875,000	6,087,000 ^e	.71
1978-12 wk. to June 17	63,849,000	4,357,000 ^e	.51
1977-12 wk. to June 18 ^c	50,661,000	3,634,000	.42

Notes: ^aIn Canadian dollars. ^bRecord. ^cRestated. ^dAdjusted
^eIncludes special credit.

Personals

Bruce Everly, ex-ITT, joins Magnavox as planning & administration vp; **Johan Koppler**, ex-Heath, named TV product mgr.; **J. Philip Reichmann** promoted at Zenith Sales from mkt. development mgr. to Eastern Div. vp, succeeding **James Turnbull**, who joins Northeastern Distributors (Zenith), Cambridge, Mass. as vp-gen. mgr.; **Joseph Clayton** advanced at RCA Sales Corp. from b&w TV mdsg. mgr. to VCR products mdsg. mgr., succeeding **William Gillis**, resigned to join Western Electric as head of new mktg. operation.

James Kiggen resigns as Tenna pres. & chief exec. in wake of board takeover by dissident slate headed by founder **Sidney Ludwig** who is expected to resume role as chmn.; **Harvey Ludwig**, onetime chmn.-pres., also named to board; **Marvin Fried**, ex-ERC & Soundesign, appointed R. J. MacDonald International sales vp; **Roy Kamin** promoted at TEAC from consumer relations mgr. to dealer relations mgr.; **Wesley Miyahara**, ex-Miida, named asst. to Nikko Audio Pres. **Kay Sato**.

John Duffy promoted at Fairchild Semiconductor to Discrete Products Group vp-gen. mgr., succeeding **Manny Fernandez**, now head of Emdex, photo-diode subsidiary of Exxon; **Andrew Procassini** advanced from vp-international to worldwide semiconductor mktg. vp, succeeding **Duffy**; **Wayne Etter**, Mallory Components Group vp, adds interim responsibility as pres. of Capacitor & Distributor Products Divs., succeeding **Ronald Warwick**, resigned; **Andrew Allison** advanced at Intersil to mktg. dir. for new Microsystems Mktg. Group.

Robert Burnett joins Columbia Pictures Video-cassette Services as national sales mgr.; **Vorce McIntosh** named technical services dir.; **Theodore**

Brunnell advanced at GTE to Communications Products Group special projects vp; **F. Craig Huston** promoted to international relations vp; **A. J. Schriber**, ex-Miida & Brother, joins Sharp Home Appliance Dept. as midwest sales mgr.

New members in EIA Communications Div. are FMC Corp. Northern Ordnance Div. & NEC America. Raytheon Display Devices joined Tube Div., Siecor Optical Cables is now Parts Div. member; **Joining Creative Audio & Musical Electronics Organization (CAMEO)** are Acoustic Control, Bose, E-V, Peavey Electronics, OSC Audio, Sound Workshop, Uni-Sync & Yamaha, increasing membership roster of professional audio equipment group to 28.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

LICENSE FEES UNDER REWRITE run up to \$7.5 million for each N.Y. VHF, zero for most UHF's. AMs range \$40,800 to \$211, FM's from \$2,500 to \$400. Proposals 'tentative.' (P. 1)

COMMISSION REWRITE SPLIT: First hearing week on House rewrite finds FCC split on 'marketplace' standard, unanimous in opposition to letting new NTA allocate whole spectrum. (P. 2)

FCC RENEWING CHILDREN TV INQUIRY: Plans extensive questioning on progress under industry self-regulation, new requirements needed. (P. 3)

CABLE GETS REWRITE SUPPORT: Commissioners & others tell House Subcommittee cable regulation shouldn't be left to states. (P. 4)

KNXT GETS SHORT-TERM renewal as punishment for CBS handling of 'Winner Take All.' (P. 4)

FCC WON'T BE CENSOR: Ferris says renewal of WGBH-TV Boston license shows Commission will interpret Pacifica ruling narrowly. (P. 5)

NAB WARC POSITION: Urges keeping all UHF-TV spectrum, no AM in 115-190 kHz, no expansion of AM beyond 525-1805 kHz. (P. 5)

LICENSE FEES UNDER REWRITE: Annual station license fees which would be levied under new Communications Act have been spelled out in memo of House Communications Subcommittee staff, and, based on 1976 figures, they're designed to bring in \$266.9 million. Formula for TV is built on number of Arbitron prime-time TV households, number of VHF's & UHF's in market and several constants—the constants apparently derived from extent to which industry earnings exceed cost of capital (cost of capital is estimated at 25%, per Robert Crandall, of Brookings Institution).

Application of formula brings annual fees ranging from \$7,746,083 for each N.Y. VHF to zero for all except 11 UHF's. Specifically, VHF formula is $\$25.3 \times (\text{NHH}/\text{NSIG}) - (\$1.5 \text{ million} + \$1.33 \times \text{NHH})$. NHH is number of prime-time households. NSIG is number of commercial VHF's plus 1/2 commercial UHF's in market. N.Y. figure is derived, for example, assuming 4,525,000 households, 6 VHF's, 3 UHF's. Formula for UHF is half VHF fee minus \$1.8 million—meaning zero for most.

For AM, schedule would be flat fee based simply on class of station: I-A, \$40,800; I-B & II, \$10,700; II-daytime, \$700; III-fulltime, \$350; III-daytime, \$250; IV, \$211. For FM, it's Class A, \$400; B & C, \$2,500.

Memo includes figures for 100 markets. You can figure your own, using Arbitron household figures on pp. 46-49-a of Television Factbook. Here's top 10 VHF fees, according to

Consumer Electronics

1978-MODEL COLOR sales establish new record of more than 9.8 million units at wholesale, up nearly 1.5 million from 1977 model-year. Banner year for radio, too. (P. 7)

TV DUMPING CASE is focus of planned hearing by Vanik House Trade unit in Aug. U.S. proposing new international countervailing duty ground rules. (P. 7)

VCR RETAIL SALES in first half were under 100,000, Early Warning Report survey indicates. Total inventories estimated at 150,000. (P. 8)

MAGNAVOX CLOSING U.K. record-changer producer Collaro, marking end to era in U.S. audio business. Sanyo's San Diego plant. (P. 9)

PROJECTION TV market size still mystery as majors prepare entry. GE entry has 1,000 dealers. Quasar to announce price next week. (P. 9)

FCC POSTPONES AM stereo consideration until Aug. or Sept. Broadcasters & manufacturers say they're ready for any of the 5 systems. (P. 10)

ZENITH NET UP in 2nd quarter from first, down from year earlier. Magnavox, Sylvania earnings also off; Admiral still in red. (P. 11)

memo: N.Y., \$7,746,083 each; L.A., \$1,707,578; Chicago, \$4,056,833; Philadelphia, \$5,-316,049; Boston, \$3,474,686; Detroit, \$2,126,430; San Francisco-Oakland, \$1,118,678; Cleveland, \$3,944,381; Washington, \$2,345,831; Pittsburgh, \$3,065,494. In only 4 markets would UHF's pay: N.Y., \$2,073,042 each; Chicago, \$228,417; Philadelphia, \$858,024; Cleveland, \$172,191.

Total fees derived break down into: VHF, \$246.9 million; UHF, \$9.8 million; AM, \$5.4 million; FM, \$4.8 million. Memo states that formulas are "tentative," and "a first step towards refining a fee schedule." They're based on economic concept of "scarcity"—plus administrative costs of licensing.

COMMISSIONERS SPLIT ON REWRITE PRINCIPLE: Industry, govt., academia & others last week got first crack at criticizing Van Deerlin-Frey rewrite bill during hearings before House Communications Subcommittee, and here are highlights:

(1) Six FCC members split over supporting basic philosophy of rewrite bill, which replaces "public interest" standard with one relying on "marketplace."

(2) Commissioners & several former commissioners strongly opposed bill's provision turning all spectrum allocation functions over to proposed new National Telecommunications Agency (NTA). NTIA head Henry Geller supported it.

(3) Cable industry got considerable support in its argument that cable regulation shouldn't be left to local governments because it's an interstate service (see p. 4).

Leading Comrs. Brown & Washburn in opposition to replacing public interest standard was FCC Chmn. Ferris, who said he favors less regulation but thinks "competitive forces do not work perfectly in many communications markets [and] regulatory intervention of some type is still very necessary when markets do not work properly." Brown said that bill makes broadcast permit "a license to print money with few if any public responsibilities attached... The bill would permit a return to the disgraceful days when women & minorities were excluded from employment in the industry..." Washburn thought entire rewrite wasn't needed, said: "My grandfather in Minnesota used to warn, 'Never tinker with a machine that's running well.'"

On other side of public interest standard question were Comrs. Quello, Fogarty & White (Lee didn't attend hearing). Said White: "Especially at a time of rapidly developing communications technology, the public is likely to be better served through the free marketplace of products and ideas than through the more remote, inflexible and bureaucratic processes of govt."

Speaking on bill's provision switching spectrum allocation function to NTA, Ferris generally reflected views of present & former commissioners: "I believe that the bill's proposal to shift the spectrum allocation & policymaking powers to a single Executive Branch administrator could seriously erode mechanisms created by the Congress to insulate broadcasting from direct or indirect govt. control. [A] single administrator of NTA under direction of a chief executive at some future time could use the broad powers conferred on NTA to revoke any broadcast license simply by withdrawing the spectrum allocation..."

Geller strongly disagreed with Ferris et al., saying that "uproar" would be caused if politics entered into spectrum withdrawal. He doubted it would ever happen, said because demand for spectrum has grown rapidly, one agency could handle whole function more efficiently.

Subcommittee got reams of testimony last week, and Van Deerlin indicated he's expecting to make changes in bill as result of hearings—but gave no clues. Frey didn't attend, is in Fla. gubernatorial race.

Here are some other highlights of hearings:

Nicholas Johnson, former FCC member, now head of Citizen's Communications Lobby, complained bill leaves to "advertisers & businessmen [right] to decide what will appear on the air... You don't have competition under the present system and there's no way competition is going to be created by your bill."

John Shenefield, asst. atty. gen., JD Antitrust Div., said JD favors marketplace idea and "We would support reduced regulation for TV as competition in that field increases."

License fee concept was rarely mentioned, is expected to come up in later hearings (see p. 1) but ex-FCC Chmn. Richard Wiley said fact that fees will go to help public broadcasting, minorities and rural areas "raises serious philosophical & policy questions concerning the cross-subsidization of one communications by another." Hearings continue through Aug. on common carrier provisions of bill, return to broadcast week of Sept. 11.

FCC RENEWING CHILDREN TV INQUIRY: FCC is poised to "revisit" its children's TV programming-advertising inquiry, may issue Second Notice this week to examine progress since Commission's Nov. 1974 policy statement. At that time, FCC outlined policies, left them to industry voluntary compliance. ACT then took Commission to court, charging that self-regulation isn't enough—but court said FCC was reasonable in its policy of self-regulation-now-revisit-results-later.

Renewed inquiry is expected to cover 2 major questions: (1) How well has voluntary compliance worked? (2) Are further FCC measures, such as specific rules, now required?

In addition to seeking industry & public comments, Commission is planning in-house and contracted research in such subjects as: What's effect of commercial clustering before & after programs? What's impact of commercial reduction? What happens to broadcast economics under restricted commercialism?

Questions posed for comments run entire gamut. Examples: What programs are produced now, vs. pre-1974? Who produces them? When are they telecast? What's "reasonable amount" in each category? What's Code station performance vs. non-Code? How are commercials separated from program matter? What's happened in host selling? Are FCC definitions adequate? Should Commission reporting forms be changed, required more frequently? What are costs of producing children's programs—network, syndicated, local? What were pre-1974 costs? What are revenues & profits from such programs, and how do they compare with other programs? What would happen to profits if FCC required more programs of specific kinds, fewer commercials? What happens to advertisers? What alternative kinds of program distribution are there—such as cable, pay TV, public TV? What alternative kinds of funding are there? What's role of public service announcements? How do you ascertain children's needs? What psychological benefits might come from reduced commercials?

Pre-1974 inquiry took 3 years, generated some 100,000 comments.

Reversing findings of administrative law judge, FCC Review Board would have Commission award Ch. 9 Orlando to TV 9 Inc., one of 5 applicants operating station on interim basis since 1969. Board said Judge David Kraushaar showed "impatience with the entire...proceeding," which led to "skewed conclusions." Major issue was whether involvement of Martin Segal, minority stockholder in applicant Mid-Florida TV Corp., in Fla. gambling rackets, should impose demerit on Mid-Florida. Judge found it shouldn't, would give it CP. Review Board disagreed, discarded bulk of his findings on Segal issue.

Impact of non-voting rights in multiple ownership rules will be explored by FCC in inquiry & rule-making—because Commission believes some forms of such rights constitute control. For example, FCC questions whether some voting trusts sufficiently "insulate" beneficial owners from control. Commission also will examine impact on control stemming from leasebacks, debt holdings and public trading of broadcast stocks.

Ohio Supreme Court has proposed opening all state courtrooms to coverage by electronic media, set period to Sept. 15 for comment. Ohio Assn. of Bcstrs. called action "reasonable first step."

Eased financial requirements for radio station applicants are expected out of FCC this week. Commission will consider staff recommendations that applicant be required to have at least 3 months' operating money, instead of at least a year's—in addition to construction funds. It's also proposed that same relaxed requirement apply to those acquiring unbuilt CPs. Full-year provision for TV would remain unchanged. A major reason for FCC move is desire to promote ownership by minorities.

White House is having second thoughts about one of its choices—unidentified—for CPB Board (Vol. 18:28 p4) and may replace nominee with another, according to White House source. Meanwhile, White House official denies FCC Chmn. Ferris has picked Anne Jones of Federal Home Loan Bank Board as his first choice for Commission seat (Vol. 18:29 p1), but says her name was "put in the pot" by Ferris.

ENG color camera under \$5,000 has been introduced by Sharp. Company claims registration problems have been eliminated through use of rugged single housing block which contains lens, beam-splitter, coil assemblies and 3 vidicon tubes attached directly to dichroic mirror. Price includes 6-to-1 zoom lens, electronic viewfinder, AC adapter.

CABLE GETS SUPPORT ON REWRITE: Cable industry was in unusual position last week of calling for more regulation rather than less during rewrite hearing (see p. 2), but industry got goodly support for its contention that federal govt. shouldn't completely deregulate and leave industry to local govt.

Support came from several present & former FCC commissioners plus other witnesses, all of whom to some degree backed up NCTA Chmn. Robert Hughes, who said bill "opens door for state and local govts. to impose unjustified limits" on cable. He said it would allow a "crazy quilt" of regulation by 50 states & 9,400 localities. Federal involvement in cable is "inevitable" because cable is a national business, Hughes said. And he complained current bill would favor AT&T.

Said ex-FCC Chmn. Dean Burch: "No one who knows anything about cable would think that it is intrastate... I don't think you should turn this over to the states." Said Chmn. Ferris: "I wonder... whether it is consistent for the bill to endorse regulation by the marketplace and to de-emphasize Commission regulation, while ignoring potential state regulation... And severe controls in even a few critical states might frustrate the development of the benefits of competition sought by the bill."

Hughes and NCTA Pres. Robert Schmidt had tough time convincing Subcommittee Counsel Harry Shooshan, who compared cable operators to taxi drivers picking up interstate passengers at airport. Said Shooshan: "Should we have a Federal Taxicab Commission?"

Schmidt answered that cable has "an overriding national purpose... We know that many communities would thwart that national purpose." His response brought this from Rep. Henson Moore (R-La.): "I'm at somewhat of a loss to see your overriding national concern." Earlier, Moore professed astonishment that NCTA was asking for federal regulation.

Schmidt also was asked about effect of rewrite on potential cable service by phone company. Said Schmidt: "If you are going to have the elephant dance with the gnat, we want to make sure you're close by so we don't get smashed."

Blackouts of network programs under 30 min. in length by cable systems, under non-duplication rules, would be unnecessary under proposed rule-making being considered by FCC. Staff said there are only about dozen such programs, mostly 1-5-min. news breaks. Commission also is expected to deny NAB petition for reconsideration of decision refusing to regulate radio carriage.

"Chilling effects" are foreseen if FCC says AT&T can't recover institutional advertising costs as part of phone rates, NAB spokesman testified. Broadcast and advertising opponents of change in current policy argued that Commission can't regulate advertising content protected by First Amendment.

Demand for satellite use will more than double by 1982, with 29,000 telephone circuits needed by then, says INTELSAT. Biggest demand is expected from U.S. & Europe.

SHORT TERM FOR KNXT: As expected, short-term renewal for CBS-owned KNXT L.A. is FCC action against network for deceiving public in "Winner Take All" tennis matches (Vol. 18:29 p2).

Commission announced 6-1 decision July 20, Quello dissenting. Ruling doesn't actually name KNXT, says short-term to be imposed on first CBS owned-station license to come before commission—but that will be KNXT.

It's first time network-owned station has been penalized for network's action, but from now on, ruling said, "misrepresentations by network personnel will be attributed to the licensee corporation... and could result in designation of one or more of its licenses for renewal or revocation hearing."

Dissenting, Quello called action against "innocent" station "unfortunate," said Commission should have acknowledged "inability to apply sanctions" against CBS. Decision says short-term will allow Commission to monitor CBS compliance with its promises that deceptive practices will stop.

Discussing budget last week, FCC Comr. Lee complained about \$1,500 earmarked for "representation"—i.e., entertainment. He noted that at international conferences, such as WARC, poor nations such as England put on receptions, while U.S. can't entertain unless it "passes the hat among industry representatives." He said: "Let's put \$10,000 right up front in the budget." Chmn. Ferris demurred: "We don't want to free load, but let's find other variations"—referring to fairly well known fact that other U.S. agencies manage to find such funds without waving red flag in front of Congress.

FTC denied petition of 4 groups seeking Chmn. Pertschuk disqualification from participating in Commission's children's advertising rulemaking. Pertschuk had refused to disqualify himself but left final decision to Commission, which denied petition 3-0. Ad industry and toy manufacturers filed petition, claiming Pertschuk is biased on subject of how highly sugared foods are advertised to children.

Columbia Pictures, evidently feeling it must be above reproach, like Caesar's wife, following Begelman scandal involving misuse of company funds, has gone all the way and hired Caesar's wife: Francis Vincent Jr., assoc. dir., SEC corp. finance division, was named pres., succeeding Alan Hirschfield, who was fired.

Mexican cable system, 340 miles serving 10 communities in Proyecto Pacifico, will be built by Jerrold for T.V. Por Cable Nacional (Rodolfo Grunberger, dir. gen.).

Second progress report on "Spectrum Efficient Technology" is available from FCC, describing Stanford work on narrow band voice communications.

WTVD Durham is first station to buy new RCA "Tetra Coil" circularly polarized antenna, installing next spring.

Add PRISM to pay-cable operators obtaining rights to Disney pictures (Vol. 18:29 p4).

FERRIS—NO CENSORSHIP: "The particular set of circumstances in the Pacifica case is about as likely to occur again as Halley's Comet. Our WGBH-TV decision should make clear that Pacifica really is limited," Chmn. Ferris told New England Bcstg. Assn. last week.

Commission July 20 renewed license of Boston public TV station WGBH-TV over complaint of Morality in Media (MM) that station consistently broadcast offensive material. MM charged episodes of such programs as "Masterpiece Theatre" and "Monty Python's Flying Circus" contained material harmful to children: Profanity, obscenity & nudity.

Ferris stressed difference in cases: WGBH-TV aired one of Pacifica's "7 dirty words" late night, another early evening. It wasn't "concentrated and repeated" assault.

Those who feel Supreme Court ruling on Pacifica signals FCC to "stifle nonconforming speech" are wrong, Ferris said, assuring that Commission favors "robust speech" in news, public affairs, programming. He stressed that Court's decision was limited, that WGBH-TV ruling proves Commission will interpret it narrowly.

"It should show that the FCC is not going to become a censor... hopefully it will prevent an outpouring of audience complaints based on occasional words," Ferris said.

Cable earth station grants: Eielson AFB, Alaska; Bullhead City & Lake Havasu City, Ariz.; San Bruno, Simi & S. San Francisco, Cal.; La Junta, Colo.; Homestead, Lake Wales, Port Charlotte, Sebastian & Venice, Fla.; Normal, Ill.; Marion, Kan.; Minden & Thibodaux, La.; Aberdeen, Md.; Calumet & Forsyth Twp., Mich.; Carthage, Mo.; Havre & Lewiston, Mont.; Broken Bow & Kearney, Neb.; Espanola & Grants, N.M.; Spring Lake, N.C.; Ardmore, Okla.; Meadville & Titusville, Pa.; Erwin & Lawrenceburg, Tenn.; Marfa, Seagraves, Seminole & Lockhart, Tex.; Arlington & Salem, Va.; Anacortes & Centralia, Wash.; Lander, Wyo. Applications: Lees, Ala.; Crossett & Fordyce, Ark.; Wilmington, Del.; Kalamazoo, Mich.; Brookhaven & Islip, N.Y.; N. Wilkesboro, N.C.; Providence, R.I.; Marshall & Quanah, Tex.; La Crosse & Viroqua, Wis.; Gillette, Wyo. (For details, see CATV Addenda.)

FCC staff rewrite of decision denying Del. citizens' committee access to financial records of WBOC-TV Salisbury, Md. & WCMC-TV Wildwood, N.J. finally won commissioners' approval (Vol. 18:28 p5). Final decision makes clear financial records will be released only if station places its financial condition in issue.

Updated primer on political broadcasting will soon be available from FCC, presenting full & current statement of Commission, court interpretations of laws & regulations. Commission will publish primer in Federal Register, send copies to all stations.

Newspaper readers are better informed than TV watchers, says U. of Mich. survey. Study questioned persons in 25 states after 1974 elections, found viewers didn't retain much.

NAB WARC POSITION: Preparing for 1979 World Administrative Radio Conference, which will determine allocation for rest of century. NAB last week sent its comments to FCC. Its conclusions: (1) AM broadcasting in 115-190 kHz band is not in public interest; (2) AM band shouldn't be expanded beyond 525-1805 kHz; (3) frequencies 530 & 1610 kHz shouldn't be reserved exclusively for Travelers Info Service; (4) sharing 1615-1805 kHz with Fixed, Mobile & Radiolocation Services shouldn't be considered; (5) changes should be made in auxiliary broadcast service part of band to accommodate further use of ENG; (6) full complement of UHF frequencies should be preserved for growth: land mobile shouldn't share Ch. 14-20 & 70-83; (7) satellite operation in 620-790 MHz would create catastrophic TV interference; (8) FCC proposal for sharing of 470-608 & 614-890 MHz within 200 miles of U.S. by Fixed, Mobile & Bcst. service should be deleted.

NRBA support of radio portion of rewrite bill appears certain. Several board members met with Rep. Van Deerlin (D-Cal.), came away ready to recommend support to full board. NAB earlier called for "creative blend" of old Act and new bill, with deregulation for TV, too. NRBA Pres. James Gabbert's reaction to that: "Screw the blending... This is one of the greatest things to happen to radio. Every radio broadcaster should fight like hell for it." NRBA will, however, seek change in spectrum leasing fee portion of bill.

Direct access to Comsat for international TV users has won preliminary support of FCC. Bypassing intermediate carriers (AT&T, WUI, RCA, ITT) is likely to bring savings to broadcasters, greater public participation in determining quality and type of service, Commission said. Spanish International Network, providing Spanish-language programming to U.S. affiliates, filed request for ruling.

Home computer to keep children from watching "offensive" programs has been developed by Larchmont, N.Y. couple who designed "video proctor." Parents place programs in computer memory; if child tries to select program not on list, computer keeps screen blank. Device will be marketed by direct mail for \$160.

Dual language telecast of movie "Airport" isn't in public interest, FCC said, denying WAPA-TV San Juan waiver of 15-hour weekly limit on dual language programming. Station wanted to show film with Spanish sound track on TV, English on FM.

Entertainment industry white collar crime will be investigated by new squad organized by L.A. district attorney. Effort won't be limited to movie industry, although recent Columbia Pictures and DeLuxe Filmlab cases led him to form unit.

RCA boosts TV & radio broadcast equipment prices average 8.1% effective Aug. 15, blaming rising production & materials costs.

Palmer Bcstg. is buying KDAL-TV Duluth, from WGN Continental Bcstg., price undisclosed.

Personals

CBS Entertainment Div., under Pres. Robert Daly, was completed with these appointments: Harvey Shephard, vp-program administration—to whom report Bernie Sofronski, vp-special programs; Michael Ogiens, vp-daytime programs; Steve Mills, vp-program production; Jerry Golod, vp-children's programs & variety development; Herman Keld, vp-planning, feature films & late night programs. Alan Wagner is named vp-programs, N. Y., reporting to Donald Grant.

Stephen Mathis resigns as gen. mgr., WNAC-TV Boston, recently sold to New England TV, to manage his syndication firm Air Time International, now headed by partner Richard Gold... Basil O'Hagan advanced to vp-gen. mgr., WNDU-TV-AM-FM South Bend... Thomas Girocco promoted to pres., WOTV Grand Rapids, succeeding Willard Schroeder, retired... Duane Kell advances to gen. sales mgr., WJRT-TV Flint, Ronald Kwasnick to national sales mgr... Andy Rogin, from CBS National Sales, appointed sales dir., WBBM-TV Chicago.

Arthur Ginsburg advanced from "acting" to chief, FCC Complaints & Compliance Div... William Ginsberg, ex-security analyst, Blumenthal & Co., N. Y., appointed economic asst. to FCC Chmn. Charles Ferris... Larry Tierney, ex-variety store operator in Decorah, Ia., formerly account exec. at WMT-TV Cedar Rapids, named NAB regional mgr. for N. D., S. D., Minn., Ia., Wis., Ill., Kan., Neb., Okla. & Mich... John Facciola, Philip Nache & Thomas Wilson advance to partners in Washington law firm Wilkinson, Cragun & Barker; Tobey Marzouk, Robert Johnson, Valerie Schurman & Thomas Moran become associates... Benjamin Fern named counsel to Keith Puttrese law firm.

George Milner, ex-Columbia Pictures, appointed Viacom Southeast Div. mgr... Brian Innes, ex-Blue Cross, named Arbitron senior statistician, N. Y. office; Richard Smart Jr., ex-Service Bureau Co. (Control Data), appointed mgr., meter operations, Arbitron TV.

George Benton advanced to mgr., BroadCom, Jerrold... Harold Bailey, ex-Applied Magnetics, named mktg. dir., TV antennas, Cetec... Michael Mackin promoted to mgr., mktg. services, Philips Bcst. Equipment... Evan Wright, ex-ABC News, named Showtime mgr., production & studio operations; Ronald Morante, ex-CBS-TV, appointed film & videotape editor... Ronald Kops appointed mktg. dir., CBS Publications... Barbara Pratt advanced to asst. sales dir., Television Digest Inc.

Obituary

Seymour Siegel, 70, longtime head of N. Y. City's Municipal Bcstg. System, died July 15. He directed WNYC-TV-AM-FM from 1934-71, was a former NAEB pres. Wife & mother survive.

Legal workshops, looking at FCC rules and policies affecting time sales & political broadcasting will be conducted by NAB July 31 Indianapolis, Aug. 3 Atlanta, Sept. 7 Portland.

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with

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"The major factor is audience, not technology. The competition is not the hardware—but the software." That's conclusion presented by Melvin Goldberg, ABC-TV vp, primary & social research, in recent address to American Assn. For Public Opinion Research. Said he: "For broadcasters, aside from public service obligations and responsibilities, the major concerns are audience and time. Insofar as new technologies lead to a siphoning off of audiences, there must be concern. But more than that, it is not so much the number of people who buy BCR or video discs, nor the numbers watching different stations; rather it is the time taken by these people to do other things, including reading, bowling or the like... The objective for broadcasters must be to maintain a high level of creativity... and to maintain the flow of programming."

Warner Communications reported increased revenues from CATV operations for 2nd quarter & first half, but said "continued high level of expenditures" for 2-way Qube system in Columbus resulted in decreased earnings. In quarter, net from cable operations dropped 49.3% to \$1.4 million, as revenue rose 16.3% to \$16.1 million. In half, net dropped 66.9% to \$2.04 million, on 13.5% revenue increase to \$31.2 million.

Storer Bcstg. reports record earnings for 2nd quarter and first half, with earnings per share for quarter up 45%, first half up 35%. Company was "particularly encouraged" with stations' 2nd quarter profits, up 39%. Business continues strong for 3rd quarter, with bullish projections for 4th, says Chmn. Bill Michaels.

Broadcast Town Meetings have been set by NAB for Oct. 17 Charlotte, Nov. 1 Duluth, taking questions from public on programming, advertising policies, NAB codes. First such meetings were held last year in Boston & San Diego.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 7 (27th week of 1978):

	July 1-7	1977 week	% change	June 24-30	1978 to date	1977 to date	% change
Total TV	212,894	174,180	+22.2	434,500	7,378,340	6,476,379	+13.9
color	134,396	106,583	+26.1	271,410	4,712,708*	3,974,880	+18.6
monochrome	78,498	67,597	+16.1	163,090	2,665,632	2,501,499	+6.6
Total radio	710,887	731,719	-2.9	1,763,614	23,114,197	22,296,852	+3.7
home, portable	517,241	523,002	-1.1	1,528,229	16,394,770	15,692,677	+4.5
AM-only	118,640	105,651	+12.3	143,849	4,000,906	3,681,626	+8.7
FM & FM-AM	398,601	417,351	-4.5	1,384,380	12,393,864	12,011,051	+3.2
auto	193,646	208,717	-7.2	235,385	6,719,427	6,604,175	+1.7

Color TV 5-week moving average: 1978-188,351*; 1977-160,432 (up 17.4%).

*Record for period.

1978-MODEL COLOR RECORD-9.8 MILLION: Sales of 1978-model color TV sets easily hit record—more than 9.8 million, up nearly 1.5 million from 1977 model-year and surpassing by 8.3% previous record of 9,061,922 established in 1974. Total TV sets—color & monochrome—at more than 15.6 million fell just short of record 15.77 million established in 1974 model-year.

Figures are EIA sales-to-dealers data for July 1977 through June 1978, roughly equalling 1978 model-year. Highest calendar-year sales figure ever reached for color was 9.26 million in 1973. Total TV set sales exceeded 17 million in both calendar 1972 & 1973. In 1978 model-year, radio sales—total radio, home & portable, FM—shattered records for the 8 years EIA has been compiling total-market figures, and probably for all time. Here are total-market sales to dealers for 1978 model-year, with 1977 & 1976 comparisons:

MODEL-YEAR SALES TO DEALERS

Product	1978 models	1977 models	% change	1976 models
Total TV	15,634,264	13,761,837	+13.6	11,834,174
color	9,816,841	8,374,830	+17.2	6,840,443
b&w.	5,817,423	5,387,007	+8.0	4,993,731
Total radio	55,532,878	45,833,246	+21.2	37,107,379
home, portable	42,512,713	33,126,457	+28.3	25,840,925
AM-only	11,154,715	10,728,628	+4.0	6,200,144
FM & FM-AM	31,357,998	22,397,829	+40.0	19,640,781
auto	13,020,165	12,706,789	+2.5	11,266,454

VANIK SLATES DUMPING HEARING: Total review of Treasury's administration of Antidumping Act, with special spotlight on steps being taken to clean up 6-year assessment backlog on Japanese TVs, is subject of hearing tentatively slated for mid-Aug. by House Ways & Means Trade Subcommittee.

Announcement of planned hearing came from Chmn. Charles Vanik (D-O.) in response to comments on excessive delay in TV case made by Rep. Dan Rostenkowski (D-Ill.) during last week's subcommittee appearance by Special Trade Negotiator Robert Strauss. Vanik wants hearing before Aug. 18 recess, and staff has already started going through documents in hopes of being ready on time. "It's an important enough hearing that we need adequate time to pre-

pare," one staffer told us, adding that if Aug. deadline can't be met, hearing will be held in early Sept.

Treasury & Customs memos dealing with TV case, some of which indicate Treasury uncertainty over Customs' use of commodity tax system to set valuation on Japanese sets (Vol. 18:28 p7), are among materials being examined, and "will form the base for many questions we'll be asking Treasury," we were told.

Hearing will cover other aspects of antidumping enforcement, it was stressed. Complexity of TV case pinpoints area of difficulty. "At the time [of 1972 dumping determination] we asked Treasury for proposals on how to make their job easier, and they said they didn't have any," but there may be some now, spokesman said. If schedule permits, subcommittee will listen to non-govt. witnesses too.

Zenith may have lost battle to have countervailing duties levied on Japanese electronics imports (Vol. 18:26 p10), but won war to equalize worldwide competition. U.S. is proposing new international ground rules that would require finding of injury to a domestic industry before country would levy extra duties to offset subsidies some nations give their exporters, set up world court to resolve complaints that subsidized exports of one nation are preventing another from selling in foreign markets. Success of that or any similar plan hinges on unresolved question of what types of export incentives are to be allowed.

6-MONTH RETAIL VCR SALES UNDER 100,000: If public is going to buy 400,000-500,000 VCRs this year, it's going to purchase at least 300,000 in 2nd half. Based on data from our monthly retail Early Warning Report (EWR), we estimate retail sales for this year's first 6 months came to approximately 96,700.

Using import figures, EIA sales-to-dealers statistics and our own EWR, we come up with these estimates of U.S. home VCR market for first half 1978: Total imports, based on Commerce Dept. figures (June data estimated), 204,000. Sales to dealers (EIA), 142,490. Retail sales (EWR), 96,700. Inventories at factory & distributor levels (including overhang from 1977), 100,000. Retail inventories, 50,000. Total factory-distributor-retail inventories, 150,000.

Total inventories estimated at 150,000 thus exceed 1978 sales to date by more than 50%. Imports so far this year have averaged 34,000 monthly, about double retail sales. Yet if there is to be seasonal boom in VCR during 2nd half, as many predict, imports are going to have to start zooming mighty soon or there'll be shortage. At current import rate, total supply for year (including inventory hangover from last year) would come to less than 500,000—and that includes every unit in inventory.

Based on our Early Warning Report statistics, we estimate retail sales for last 9 months at 163,400. Here's breakdown by month:

1977		1978	
October	14,900	January	13,600
November	24,700	February	14,700
December	27,100	March	16,500
4th qtr.	66,700	April	17,000
		May	17,000
		June	17,900
		1st half	96,700
		9 months	163,400

Note: If your responsibilities or interests include market trends in VCR, color or b&w TV or stereo, you should be subscribing to our monthly Early Warning Report service, which keeps tabs on retail trends in those areas. For information and sample copy, call our Washington or N. Y. office collect.

Ad notes: Superscope will back Sept. introduction of electronic Pianocorder system with \$1.8 million TV & print campaign, plus \$1.2 million in dealer co-op. . . Matsushita Electric appoints Ruder & Finn for U.S. corporate PR. . . Empire Scientific names Daniel Roher for ads & PR.

Mergers & acquisitions: Lafayette has received acquisition offer from unidentified source. Trading in electronics marketer's shares were halted last week pending clarification announcement expected July 24. . . Superscope completed acquisition of Grand Piano, changed name to Marantz Piano Co.

MAGNAVOX CLOSING COLLARO: U.K.-based Collaro, last of industry's traditional record-changer suppliers, is being shut down by parent Magnavox, leaving BSR virtually world's only source for drop-in changer requirements of low- & mid-fi compact & console stereo OEMs.

Magnavox was considered biggest radio-phono marketer in U.S. in 1960 when it acquired Collaro's operation in Barking, England. At that time, Collaro's changers had own-brand distribution in U.S. and were widely used by OEMs here, including Magnavox. Top supplier in field was now-bankrupt V-M, while Admiral, GE, RCA & Webcor, among others, had in-house production capability, and U.K.'s BSR was considered promising upstart. Now, with exception of BSR, not one is in active production at time when stereo sales are approaching new records.

Closing of Collaro, at estimated cost of \$3.5 million, is first visible action of new Magnavox Consumer Electronics Pres. Kenneth Meinken, and is seen as belt-tightening reaction to profit downturn. Audio business in U.K. is in general slump, and even Magnavox's considerable volume isn't enough to keep plant there in black.

Collaro's last shot at survival was attempt to crack U.S. OEM & component stereo markets at 1976 Summer Consumer Electronics Show. Timing was good, with V-M on ropes, Garrard out of OEM field and newcomer Mesa unable to get delivery from Mexican supplier. But Collaro line didn't make grade.

Emergence of major OEM customer, such as Magnavox, would normally set off scramble among suppliers, but in this case there's virtually no one for BSR to vie with. If Magnavox is willing to put money up front, V-M is possible source. Garrard is possibility, but it's in financial difficulty, may be on sales block, and parent Plessey isn't likely to approve any capital expansion without long-term purchase commitment. Tenva, an Avnet company which shares plant with affiliate BIC, is actively selling OEM belt-drive changer which doubles as automatic turntable and can be used as drop-in for compacts & consoles, packaged as component. But price, about \$20 in quantity, puts it up against middle of BSR line, and company size limits it to 2nd-source role. Matsushita is dark horse. Company has become leading seller of turntables to kiddie-phono producers, has been sounding out potential for low-end changer, but isn't believed to have any significant current production capacity.

Magnavox is understood to have big enough changer stockpile for this year anyway, so isn't necessarily in any rush to commit. We've been told company is only now starting to review its options, put out bid feelers.

CTP Inc., Salt Lake City production firm (Patrick Pintus, pres.), has contracted to provide all duplication services for Sports World Cinema prerecorded home video programs.

Recording head for metal-alloy tape has been developed by Mitsumi Electric, using alloy compounded by Yamaha.

MAJOR-BRAND PROJECTION: It's too early to tell how projection TV will fare this fall—name-brand manufacturers are still lumbering into position to distribute. Panasonic began shipping in late June, and feedback from dealers isn't in yet on Matsushita-built \$3,800 one-piece unit with 60" screen. Quasar won't introduce its projector to dealers until next week, when it reveals suggested retail price (expected to be \$3,300-\$3,800), and shipments won't start until Sept. Sony hopes to ship its 50" & 72" one-piece TVs by late Nov. in time for Christmas sales; prices haven't been set. Sharp still doubts whether it will offer its 2-piece 6-ft. model as consumer item; \$3,000 unit will be sold for professional use.

But industry confidence hasn't faltered. Over 1,000 GE dealers were interested enough in \$2,800 "Widescreen 1000" to order at least one (many ordered more); GE expects first sets to be gone fast, dealers to re-order on one-at-a-time basis. This pattern may emerge as standard for projection TV distribution; Panasonic is working on limited distribution system whereby dealer stocks no inventory, customer receives set shipped directly from factory.

Entrance of big Japanese & American firms into projection field delights rather than frightens industry leader Advent. "Companies like GE & Quasar have dealer systems that will introduce projection TV to whole new markets which have never seen them before," said Advent Video Product Mgr. Walt Henry, "and since we're really price-competitive, that new awareness can only help us." But manufacturers don't want to think about competitive pricing & price-cutting just yet. Projection TV is seen as high-ticket item not susceptible to price wars. Panasonic Exec. Vp Ray Gates said: "We've tailored our selling program to dealers on the idea, 'at last, here's a high-profit item,' and I don't think we'll give that up easily."

Predictions for total 1978 projection TV market vary across-board. GE is still sticking to early forecast of 125,000 units this year. Quasar Mktg. & Sales Vp Alex Stone is even more optimistic, believes 1978 market may reach 150,000 units, with 1979 market "exploding." But most observers are more conservative. Advent expects to improve on its \$19.6-million sales figure (10,000 sets) for last year (to March 25) by 30-40%, but still sees this year's market at no more than 70,000 industrywide. "About half GE's guess," was common response to our question on 1978 market (we're staying with our own Jan. 1 prediction of 60,000 as ceiling—see Vol. 18:1 p9). Next year? Sony & Panasonic think 150,000 likely; GE holds to its 220,000 figure.

Hitachi & Toshiba are in final stages of negotiation to supply China with color TV production technology. Matsushita, 3rd Japanese major in bidding war, reportedly has dropped out. Hitachi is believed to have won contract for \$95-million color tube plant, Toshiba an order for \$150-million IC facility. Completion of deal hangs on further negotiation plus approval of sale by COCOM, multinational organization that oversees western sale of military-related equipment & knowhow to Communists (Vol. 18:28 p10).

AM STEREO, FM QUAD: FCC has postponed consideration of AM stereo & FM quad from July 27 to Aug. 8 because of heavy agenda—and it could slip to Sept. Best bet is that Commission won't propose any of 5 AM stereo systems under review, instead will put out rulemaking asking public to comment. Because there's far more interest than in FM quad, AM stereo proceeding is expected to get priority.

Just about everyone agrees that AM stereo will be approved eventually: only question is which system (Kahn, Belar, Harris, Magnavox, Motorola) will be selected as standard. FCC staffers express hope for final approval vote by Commission by mid-Dec., but no one in industry believes issue will be settled before early 1979.

Timing is crucial, since broadcasters will be converting stations to stereo quickly to take advantage of promotional value. Only problem is that manufacturers won't have hardware in stores for several months after FCC decision; consumers may be irritated that they can't utilize new capability immediately.

Situation distresses car stereo manufacturers, expected to benefit most from AM stereo. Pioneer America Pres. Jack Doyle, in speech at CES, predicted that AM stereo situation would contribute to car-fi shakeout in 1979 (Vol. 18:25 p10), with consumers postponing high-end purchases until feature became available (late 1979-early 1980). Jensen Mkt. Vp James Twerdahl offers one possible solution: "The FCC should set a date—say, for example, Jan. 1, 1980—before which no one can sell an AM stereo receiver or broadcast in AM stereo. It would even things out, make the impact much greater."

Few manufacturers will risk guess as to how much business AM stereo eventually will generate. Though most already have prototypes on shelf, ready to go soon after decision is made, some are hanging back. "We're going to wait a few months and see what happens," said one. "We don't want to sink capital into something that might turn out to be as limited as FM quad."

Broadcasters say FM quad analogy is incorrect because of AM's huge audience. But they're beginning to get message that AM stereo isn't cure-all for listener defection to FM. "Some people—particularly broadcasters—didn't understand some of the tradeoffs in these systems," said FCC staffer, "and I think that's going to hit home in the next couple of months." New York-area AM station personnel we talked with were all ready to convert, but all mentioned technical bugs: "It sounds good but it's not really high fidelity." "It's still going to be subject to night-time noise that FM is free of." "We have some doubts about the sky-wave propagation."

Early estimates of how much AM stereo option will add to price of audio equipment are varied. Pioneer spokesman says with car stereo "it will be about the same as adding Dolby—\$40-\$50." Emerson Senior Vp Saul Knazick sees it raising price of home stereo units \$8-\$10, "\$10 tops." Thomas McAuliffe, radio products mgr. of GE Audio Products Div., thinks it will add \$15-\$20 to price of digital clock radio.

Clue as to how fast broadcasters & manufacturers can move may be found in history of FM stereo (old Vol. 17:17 p1). From among 8 proposed systems, FCC chose the almost identical GE & Zenith systems April 19, 1961, announced it would permit start of stereocasting June 1. Two stations met deadline—GE-owned WGFM Schenectady and Zenith-owned WEFM Chicago, both using equipment developed earlier for field tests. By June 2, big radio producer Granco announced it was shipping 2-piece FM stereo table radios. By year's end, 57 stations were stereocasting. Granco, GE & Zenith stereo radios were widely available and stereo adaptors & components were available from audio dealers (Scott & Sherwood were first).

FCC issued show-cause order to Japan's Hosiden Electric in move to withdraw type approval for FM wireless microphone FTM-13EA. Lab tests of sample showed emission bandwidth 40 times allowable maximum, fundamental emission strength triple and spurious emission level 44 times permitted limits. FCC said model complied with rules when it was originally cleared for sale here in 1972. Same orders were issued to Lafayette, Radio Shack & Teleport, which have been marketing Hosiden unit under own brandnames. Also getting order was Olson Electronics, which has been offering Hosiden model 14EA, which FCC found was similarly in non-compliance.

Owens-Illinois workers producing color tube faceplates were declared ineligible for import adjustment assistance by Labor Dept. LD said value of faceplates imported in each of last 3 years represented small fraction of 1% of value of domestic production and it found no U.S. tube maker currently using them. It ruled that imports of complete color receivers couldn't be considered directly competitive with U.S.-made tube parts. Decision affects workers at O-I's Pittston, Pa. plant. Agency opened eligibility probe for workers formerly making electronic components for Freedom Electronic & Engineering, Dorchester, Mass.

Korea's Chunilsa is joining manufacturing ventures in Europe & South America. Company will be 50% partner with Pinta Branca of Portugal in \$600,000 consumer electronics assembly operation in Lisbon. Chunilsa is supplying parts & manufacturing equipment for facility due for completion in Sept. Plant will have monthly capacity for 3,000 b&w TVs, 3,000 stereos, 2,000 speaker systems. Chunilsa also will be 33% partner in \$500,000 hi-fi venture in Venezuela, with local producer Benyton holding majority interest. It will make stereos & speaker systems for Latin America.

"Polaroid's technical marvel [instant movies] may already have been made obsolete by home videotape recording equipment... We have just begun testing such equipment for a future report, and our findings indicate that the overall image quality of home videotape can be superior to that of Polavision. [Although video equipment is more expensive, it] may be a bargain in the long run. Its tape cassettes cost... about \$6 an hour, vs. about \$230 an hour for Polavision."—Consumer Reports, July.

Personals

Fred Darby, former vp-gen. mgr. of Frank Lyon Co., RCA Lenexa, Kan. distributor, joins Zenith Sales as mkt. development mgr. . . **David Kapsack**, former sales promotion consultant, named sales & mktg. vp for ERA Consumer Electronics Group (flat panel speakers) . . . **Patrick Moffett**, ex-J. C. Penney, named Lafayette transportation dir.

Eugene Blanchette advanced at Varian's Communications Transistor Corp. from operations mgr. to pres., succeeding **Thomas Clochetti**, resigned; **Thomas Sege**, Varian Electronic Device Group pres., adds post as CTC chmn. . . **Richard Ahrons**, ex-Motorola Semiconductor, rejoins RCA Solid State as MPU & memory mktg. & support engineering mgr.; **Seymour Reich** promoted to consumer & timekeeping IC product mktg. mgr. . . **Harry Wetzel**, Garrett pres., named to National Semiconductor board.

Richard Gralton promoted at GE Consumer Products & Services Major Appliance Group from Product Mgmt. Div. vp-gen. mgr. to same post at Sales & Distribution Operation, succeeding **Irving Griffin**, who will serve as special studies vp until retirement, Jan. 1; Gralton's duties assumed on interim basis by Group Exec. **Richard Donegan**. . . **Gary Bradley** promoted at Teletronics to technical operations mgr. . . **Walter Hall** advanced at Sunbeam Microwave Co. from operations dir. to national sales mgr.

William Mercurio promoted at Mura OEM Div. from sales engineer to sales mgr. . . **Terry O'Kelly**, ex-Midwest Sound, joins BASF as field technical service supervisor. . . **Michael Maller** advanced at Chicago Switch to west sales mgr., succeeding **Phil Gardanier**, now Inter-Market vp.

Worldwide sales of audio cassettes approached billion-unit mark last year, up from 850 million in 1976, may hit 1.15 billion this year, BASF estimates. Pre-recorded cassettes are providing increasing share of total, BASF says. It estimates they accounted for 28% in 1977, up from 25% in 1976. Pre-recorded cassettes have lowest penetration in U.S., where they represent just 17% of cassette business, probably because this is sole market where 8-track is successful tape format. They account for 32% of market in Europe, 35% in Asia, 25% in Latin America, 60% in Africa, where cassettes are as important as records as music source.

TV tube technology & production equipment will be provided to 2 Czechoslovakian state-owned firms by Owens-Illinois & Nippon Electric Glass. Firms will aid modernization of existing b&w glass facility, handle construction & worker training for country's first color facility. Building is scheduled to start in 1980, with first production in 1982.

Zenith introduces 19" hospital TV set with 91-watt power consumption, electronic tuning, 100° tube, Color Sentry system—first in institutional market with these features.

Poland has developed capacitance-pickup video-disc system, according to Electronics magazine.

ZENITH NET REBOUNDS: Zenith 2nd-quarter performance showed comeback from level of opening quarter, though sales & net were both down from same year-earlier period. Results, along with those of Admiral, Magnavox & Sylvania (see financial table), reflect continued problems with color TV profitability.

Zenith sales in quarter were down 4.1% from those for continuing operations year earlier, with net down 25%. For half, sales were down 5.8%, net off 50.4%. Figures indicate Zenith earned about 5% on sales in 2nd quarter (excluding effects of interest expense, other income), down from 6.3% of same 1977 period, but well above 0.7% margin in troubled opening 1978 quarter. Lower 2nd-quarter margin can be attributed, in part at least, to continued intense price competition, more emphasis on portable color.

Magnavox had lower consumer electronics earnings in 2nd quarter, understood to be at least partially caused by lower color margins, plus pre-tax \$3.5-million provision for loss from closing of record-changer plant in U.K. (see p. 9). Magnavox figures are included with those of parent North American Philips, aren't broken out. NAP said earnings from electronic & electrical components business were up in quarter.

Sylvania had higher color sales in 2nd quarter, but effect on net was offset by rising marketing costs, parent GTE reported. GTE said 2nd-quarter earnings gain for Consumer Electronics Group was due to improved color tube sales in U.S. & Latin America, higher TV & component volume in Europe. GTE reported CEG sales rose 28.3% in quarter to \$248.2 million, 28.1% in half to \$469.1 million. Income was \$4.8 million in quarter against year-earlier \$2.2-million loss, \$6.1 million for half against \$6.1-million loss.

Admiral apparently continued in red in 2nd quarter. Parent Rockwell said consumer products operations, which includes only Admiral and generally profitable power tool operation, suffered about same \$1.6-million loss it had in 2nd quarter 1977. All other major business sectors improved, company said.

Conrac attributed bulk of decline in 2nd-quarter & first-half net to \$1.2-million provision for realignment of CB operations. Producer of CB antennas, mikes & accessories said it shut one of 3 Turner Div. CB plants in Cedar Rapids, laid off 25% of workforce, said special charge would cover inventory adjustments, plant-closing expenses, severance pay. Company noted 2nd-quarter CB-related sales were down 27% from preceding period, announced settlement of 6-week strike at Turner.

Atari sales were up in 2nd quarter, though losses continued for Toys & Electronic Games Div., Warner Communications reported. Unit's sales nearly tripled to \$27.9 million in quarter, were doubled for half to \$52.2 million. Losses were \$2.2 million in quarter (down from \$3.8 million), \$7.66 million for full period (up from \$6.88 million). Warner said higher 2nd-half sales could make unit profitable for full year.

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			
1978-6 mo. to June 30	1,061,885	39,318	.08
1977-6 mo. to June 30	908,030	59,565	.12
1978-qtr. to June 30	587,327	43,066	.08
1977-qtr. to June 30	445,009	26,455	.05
Bell & Howell			
1978-6 mo. to June 30	262,312,000	6,476,000	1.16
1977-6 mo. to June 30 ^a	227,468,000	5,867,000	1.02
1978-qtr. to June 30	138,341,000	3,374,000	.61
1977-qtr. to June 30 ^a	117,076,000	3,026,000	.53
Buckbee-Mears			
1978-6 mo. to June 30	32,344,000	1,380,000	.45
1977-6 mo. to June 30	30,994,000	726,000	.24
1978-qtr. to June 30	16,540,000	854,000	.28
1977-qtr. to June 30	15,994,000	577,000	.19
Combined Communications			
1978-6 mo. to June 30	154,726,000	12,315,000	1.21
1977-6 mo. to June 30	113,413,000	9,312,000	.96 ^b
1978-qtr. to June 30	85,259,000	8,202,000	.79
1977-qtr. to June 30	61,689,000	6,137,000	.63 ^b
Conrac			
1978-6 mo. to June 30	63,031,000	1,569,000 ^c	.68 ^b
1977-6 mo. to June 30	67,540,000	3,561,000 ^c	1.71 ^b
1978-qtr. to June 30	32,861,000	591,000 ^c	.24 ^b
1977-qtr. to June 30	33,512,000	1,938,000 ^c	.93 ^b
Cox Bcstg.			
1978-6 mo. to June 30	104,867,000	14,799,000	2.22
1977-6 mo. to June 30 ^a	90,138,000	13,176,000	2.22
1978-qtr. to June 30	58,052,000	9,507,000	1.43
1977-qtr. to June 30 ^a	49,682,000	7,484,000	1.27
Electronic Memories & Magnetics			
1978-6 mo. to July 2	62,870,000	2,365,000	.34
1977-6 mo. to July 2	53,281,000	2,095,000	.29
1978-qtr. to July 2	32,038,000	1,339,000	.20
1977-qtr. to July 2	26,917,000	1,111,000	.16
GTE			
1978-6 mo. to June 30	4,138,911,000	310,068,000	2.13
1977-6 mo. to June 30	3,646,448,000	268,481,000	1.89
1978-qtr. to June 30	2,146,260,000	149,561,000	1.01
1977-qtr. to June 30	1,882,338,000	134,641,000	.94
Globe-Union			
1978-9 mo. to June 30	322,663,000	18,705,000	2.89
1977-9 mo. to June 30	285,515,000	15,416,000	2.42 ^b
1978-qtr. to June 30	95,057,000	5,046,000	.77 ^b
1977-qtr. to June 30	94,886,000	4,620,000	.73 ^b
Gross Telecasting			
1978-6 mo. to June 30	4,540,927	988,088 ^d	1.23
1977-6 mo. to June 30	3,990,829	801,282	1.00
1978-qtr. to June 30	2,469,807	556,941 ^d	.69
1977-qtr. to June 30	2,202,675	469,129	.59
Harte-Hanks Communications			
1978-6 mo. to June 30	83,341,000	7,100,000	1.56
1977-6 mo. to June 30	68,488,000	5,822,000	1.30
1978-qtr. to June 30	44,907,000	4,358,000	.96
1977-qtr. to June 30	36,454,000	3,521,000	.79
E.F. Johnson			
1978-6 mo. to June 30	22,011,000	557,000	.22
1977-6 mo. to June 30	32,278,000	(3,959,000)	--
1978-qtr. to June 30	10,352,000	440,000	.17
1977-qtr. to June 30	12,970,000	(4,241,000)	--
Lee Enterprises			
1978-9 mo. to June 30	78,021,000	12,207,000 ^c	2.49
1977-9 mo. to June 30 ^a	60,548,000	8,062,000	1.62
1978-qtr. to June 30	27,915,000	3,703,000	.75
1977-qtr. to June 30 ^a	22,128,000	3,085,000	.62
LIN Bcstg.			
1978-6 mo. to June 30	24,218,000	5,094,000	1.82
1977-6 mo. to June 30	20,194,000	3,424,000	1.25

Company & Period	Revenues	Net Earnings	Per Share
LIN Bcstg. (continued)			
1978-qtr. to June 30	13,694,000	3,233,000	1.15
1977-qtr. to June 30	11,570,000	2,335,000	.85
P.R. Mallory			
1978-6 mo. to June 30	182,426,000	5,361,000	1.21
1977-6 mo. to June 30 ^a	161,241,000	7,460,000 ^c	1.70
1978-qtr. to June 30	95,642,000	2,905,000	.65
1977-qtr. to June 30 ^a	84,095,000	3,533,000	.80
Metromedia			
1978-6 mo. to July 2	165,738,000	16,298,000	3.00
1977-6 mo. to July 3	146,956,000	15,311,000	2.26
1978-qtr. to July 2	85,125,000	9,937,000	2.06
1977-qtr. to July 3	73,422,000	9,437,000	1.39
Motorola			
1978-6 mo. to June 30	1,041,910,000	60,546,000	1.99
1977-6 mo. to June 30	878,860,000	51,835,000	1.71
1978-qtr. to June 30	548,221,000	32,912,000	1.08
1977-qtr. to June 30	459,696,000	27,817,000	.92
Multimedia			
1978-6 mo. to June 30	51,477,298	6,962,008	1.05 ^b
1977-6 mo. to June 30	42,949,298	5,216,505	.79 ^b
1978-qtr. to June 30	28,420,524	4,173,115	.63 ^b
1977-qtr. to June 30	23,231,391	3,180,721	.48 ^b
North American Philips			
1978-6 mo. to June 30	1,043,503,000	28,445,000	2.20
1977-6 mo. to June 30	895,558,000	27,753,000	2.15
1978-qtr. to June 30	579,467,000	17,579,000	1.36
1977-qtr. to June 30	477,448,000	15,682,000 ^c	1.22
Oak Industries			
1978-6 mo. to June 30	91,166,000 ^d	2,040,000 ^d	1.01
1977-6 mo. to June 30	80,093,000	1,295,000	.62
1978-qtr. to June 30	48,743,000 ^d	1,159,000 ^d	.58
1977-qtr. to June 30	40,723,000	586,000	.27
Rockwell International			
1978-9 mo. to June 30	4,288,700,000	136,100,000 ^d	3.88
1977-9 mo. to June 30	4,266,900,000	102,500,000	2.97
1978-qtr. to June 30	1,517,300,000	52,500,000 ^d	1.50
1977-qtr. to June 30	1,473,400,000	37,000,000	1.07
J. Walter Thompson			
1978-6 mo. to June 30	102,625,000	5,540,000	1.85
1977-6 mo. to June 30	84,521,000	3,630,000	1.26
1978-qtr. to June 30	58,627,000	5,003,000	1.67
1977-qtr. to June 30	46,781,000	3,452,000	1.19
Toshiba^e			
1978-year to March 31	7,400,000,000	11,700,000	--
1977-year to March 31	6,900,000,000	17,700,000	--
Viacom International			
1978-6 mo. to July 1	37,584,000	3,270,000	.86
1977-6 mo. to June 30	27,045,000	2,509,000	.67
1978-qtr. to July 1	19,487,000	1,714,000	.45
1977-qtr. to June 30	13,583,000	1,349,000	.36
Warner Communications			
1978-6 mo. to June 30	587,864,000 ^f	38,418,000	2.76
1977-6 mo. to June 30	473,040,000 ^f	34,278,000	2.57
1978-qtr. to June 30	275,367,000 ^f	18,036,000	1.27
1977-qtr. to June 30	219,799,000 ^f	16,246,000	1.21
Zenith			
1978-6 mo. to June 30	440,800,000	6,700,000	.36
1977-6 mo. to June 30 ^a	467,900,000	13,500,000	.72
1978-qtr. to June 30	226,900,000	5,600,000	.30
1977-qtr. to June 30 ^a	236,500,000	7,500,000	.40

Notes: ^aRestated. ^bAdjusted. ^cIncludes special credit.

^dRecord. ^eAt yen's current rate. ^fFrom operations.

Apple Computer has sold European manufacturing rights to its personal computer to ITT. Multi-million-dollar deal licenses ITT Europe Consumer Products Group to make Apple II computer, buy subsystems & peripherals from Apple, market them through its own European retail outlets... VideoBrain moves to new location: 2950 Patrick Henry Dr., Santa Clara, Cal. 95050, 408-988-3020.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

REACTION TO LICENSE FEES: Broadcasters react negatively to Van Deerlin license fee schedule. Figures are 'preposterous,' says one. Rep. Murphy raps rewrite. (P. 1)

FCC NETWORK STUDY makes signs of moving, staff complete. Budget includes \$250,000 for contracts & travel. (P. 2)

SENATE UNIT BACKS FTC WARNING: Appropriations Committee backs Subcommittee's criticism of FTC kid TV ad proceeding. Chocolate Mfrs. Assn. goes to court to stop FTC. FCC launches its inquiry. (P. 3)

N.Y.C. RADIATION LIMIT proposal, 200 times stricter than OSHA's, would mean no TV or FM stations in city. Broadcasters filing opposition, seek clarification. (P. 4)

ABC'S RECORD HALF: Largest earnings of any quarter or 6 months in its history. Broadcasting principally responsible. (P. 5)

Consumer Electronics

GE-HITACHI VENTURE on shaky ground at Justice Dept. Clearance delay for start of GTA seen tied to agency's concern with 'concentrated' industries. (P. 7)

REACTION TO LICENSE FEES: Predictably, broadcasters reacted negatively to preliminary schedule of annual license fees released last week by House Communications Subcommittee (Vol. 18:30 p1). Reaction fell into 2 categories: Opposition to entire concept of license fees and bewilderment at how Subcommittee arrived at specific figures.

"They didn't look at the real world. It's preposterous. Grossly out of whack," said Leavitt Pope, head of independent WPIX N.Y. VHF's there would each pay \$7.7 million annual fee under formula for new Communications Act, but fees vary widely market to market.

All 3 networks criticized fees: ABC reiterated total disagreement with "whole concept of a spectrum license fee"; CBS spokesman called figures "arbitrary," said broadcasters have been willing to pay "reasonable costs of regulation... but this goes beyond a fair share." NBC statement was harshest: "It is an axiom of political history that the power to tax is the power to destroy. Quite apart from that consideration and the bewildering structure of the proposed 'license fee,' calling it that does not change its character as a tax, when its purpose is to subsidize new govt. programs. The Commerce Committee is not empowered to originate such tax legislation."

NAB refused to comment on schedule—declined to "dignify it with a comment," one staffer said—since group is on record as opposed to fee concept. But NAB official did characterize radio fee schedule as attempt to "beguile" radio broadcasters into thinking "that's all they'll

JAPAN EXPORTED 1.7 million color TVs to U.S. in first quota year, 3% below limit. June shipments down 37%. U.S. promises harder look at imports from other countries. (P. 8)

TV PRICE INCREASE may be in works for fall, but little action is seen at this month's sales meetings. Zenith's Fisher predicts fall hike. RCA's Pollack declines to forecast. Japanese price boosts seen more promise than fact. (P. 8)

VIDEO ALLIANCES: Bell & Howell to handle transfer, duplication & distribution of Allied Artists cassettes. Prices seen \$10 above Magnetic Video. (P. 10)

ELECTRONICS TOP 50 list shows RCA, GTE improving relative position in industry, while Zenith-slips and GE retains hold on 5th place. (P. 10)

FIRST HALF at-a-glance—table of consumer electronics sales by month. (P. 11)

MATSUSHITA RESULTS on consolidated basis set half & quarter records. Advent profit up. (P. 11)

EUROPE'S MARKET for consumer electronics seen rising at 4% rate through 1985, new products pacing growth. Protectionist wave may limit potential. (P. 12)

have to pay," when fees could be increased at later date. Said NAB Radio board member Daniel Kops: "Insofar as some of the radio fees may be on the low side—I think that's a seductive approach. I oppose all such fees."

Clear Channel Broadcasting Service (CCBS) called fees a "discriminatory tax. We strongly object to the imposition of a fee for the purpose of subsidizing other communications services," said CCBS Pres. E. W. Wendell, WSM Nashville. Group said if public broadcasting is supported with public money, it should be from general revenue.

Fee schedules certainly weren't "tied to income," said James Coppersmith, head of independent WNEW-TV N.Y. "It's unrealistic to apply same ground rules to independents as to affiliates. It's substantially more expensive to run an independent," he said. Pope sent written objections to Subcommittee Chmn. Van Deerlin (D-Cal.). "During the past 5 years, the 3 N.Y. independents have averaged a total of \$7 million. This thing is something like a 300% income tax," he told us.

Meanwhile, strongest Congressional critic of rewrite last week let loose ringing indictment of bill in testimony before Subcommittee. Rep. John Murphy (D-N.Y.), ranking majority member of Subcommittee, has lambasted rewrite concept in general in past but last week spoke after reading bill.

Here are his comments on effects of bill on broadcasters: "The commercial broadcaster will henceforth be free of all but the vaguest constraints and standards. The result is predictable: For most broadcasters, the ratings alone will prevail. In the end, there will be fewer public affairs programs, if that is possible. Our children and young people will continue to get short shrift. The cheap programming that fills the Saturday morning ghetto period—which earns high profits at low cost—will still be their standard fare. And in adult entertainment, banality will continue to rule. It is true that the broadcaster will have to pay license fees that reflect the value of the spectrum he uses into a telecommunications fund—a fund designed in part to assist public broadcasting and rural services. But I think this is hardly a fair trade. Spectrum fees are poor compensation for a low common denominator of quality in TV programming."

On cable: "Why total deregulation... I think there are important federal regulatory tasks to be carried out even in an environment of free-swinging competition, and the failure of [the rewrite] to recognize this is one of its serious defects." On radio: "I am not yet convinced the public interest will be fully served in a regime of sweeping deregulation." On networks: "If we are to secure better & more diverse programming, then we must change the institutional structure of American TV."

At last week's hearings, AT&T Vice Chmn. William Ellinghaus said AT&T has no interest in getting into cable business although company is interested in other broadband services. However, NCTA Pres. Robert Schmidt said he interprets statement to mean AT&T does indeed intend to get involved in cable. Ellinghaus also said major flaw in rewrite is absence of public interest standard.

Subcommittee has set dates for regional hearings in districts of several Subcommittee members: Boston Aug. 18, Chicago Aug. 22, L.A. Aug. 25, Denver Aug. 31, Trenton Sept. 8, New Orleans Sept. 23.

In related matter, MST offered analysis of rewrite: "An entirely new act would nullify 45 years of statutory construction & application, would create troublesome uncertainties, and would damage or destroy a closely-knit fabric of policies that have served the public interest well."

FIRST STIRRINGS IN NETWORK STUDY: Staffing almost complete, FCC network inquiry finally is beginning to get under way—but just beginning. Co-dirs. of study, Stanley Besen & Thomas Krattenmaker, announced that they'll study issues this summer, then recommend to Commission how to proceed from there. For the present, interested parties are "not encouraged" to file formal filings now, but they're "free to do so." Later, such comments will be sought.

Krattenmaker told us group "would like to finish the job in 2 years." Commission has given group 10 people & \$697,000 for fiscal 1979, plans same for 1980. Of funds, \$250,000 are ear-

marked each year for outside contracting & travel.

Ironically, if Communications Act rewrite is enacted as proposed, network inquiry might go for nought. Said one industry attorney, close student of networking: "Has anyone noticed that the rewrite completely deregulates networks?"

Latest network staff additions: Michael Cummings, from faculty of Stanford U. Graduate School of Business, who has researched incentive contracts in defense industry; Richard Metzger, antitrust attorney from firm of Nutter, McClennan & Fish, Boston. Previously announced staffers: Paul Jones, on loan from Gen. Counsel's Office; Donald Martin, U. of Miami economist; Mary Kilday, attorney, ex-WRC-TV Washington; Sue Ann Preskill, recent Georgetown U. law graduate; Michael Couzens, ex-Verner, Lipfert, Bernhard & McPherson, Washington. One more staffer has been picked, will be announced after Civil Service approval.

SENATE UNIT BACKS FTC WARNING: Senate Appropriations Committee last week supported criticism one of its subcommittees had of FTC's TV advertising inquiry (Vol. 18:24 p4). Committee agreed to keep report language saying there's concern about "First Amendment ramifications" and to give smaller budget increase than requested. Senate action is seen as warning, won't affect continuation of rulemaking proceeding directly.

Sen. Hollings (D-S.C.), chmn. of Appropriations Subcommittee which originally warned FTC, is still examining course his Communications Subcommittee should take. During Appropriations Subcommittee hearing, Hollings indicated Congress, possibly Communications Subcommittee, should examine question.

Meanwhile, Chocolate Mfrs. Assn. has gone to federal court to stop rulemaking. Group says rulemaking should be halted for, among other things, infringing on freedom of speech, illegally addressing questions on how safe sugared foods are, using ex parte rule but not stopping "biased staff" from communicating with commissioners, requiring participants in proceeding to produce all studies on matter they have, regardless of conclusions.

At FCC, new children's TV inquiry was launched as anticipated last week (Vol. 18:30 p3). Comments are due Nov. 1, replies Dec. 15. Decision was greeted with approval by ACT, which petitioned it. "The last examination... by the FCC ended in 1974. At that time the Commission gave the TV industry the chance to correct abuses on its own," said Pres. Peggy Charren. "The industry did not respond," she said, hoping new action "marks the beginning of the end of exploitative TV programming... directed toward children." Commission last week also dismissed petition of Committee on Children's TV to deny renewal of 16 TV stations in L.A. & San Francisco on grounds stations didn't fulfill responsibilities in serving children.

Warner Cable has dropped antitrust action against ABC & NCAA, receiving permission to cablecast 10 Ohio State U. football games in 1978-79 (Vol. 18:27 p5). Warner will transmit 5 games each year, on "pay-per-view" basis, over its 30-channel QUBE system, Columbus. Warner had charged, with Ohio Atty. Gen., that ABC controlled rights to 2,300 college games through \$100 million contract with NCAA, televised only 45, kept rest from public. Under agreement, Warner will cablecast sold-out home games and some away games that wouldn't otherwise be shown on network TV. First Qubic game is Sept. 23, with U. of Minn. Warner officials say they fear they won't be able to make installations fast enough. It doesn't offer service to bars and other public places.

White House apparently is having 2nd thoughts about naming Ralph Guzman, prof. at USC's Kresge College, Santa Cruz, to CPB Board (Vol. 18:30 p3). Administration sent names of 4 other nominees to Senate for preliminary check last week (Vol. 18:28 p4), was expected to nominate them formally this week.

Supreme Court should reconsider its Pacifica "7 dirty words" ruling, 8 media groups said July 28 in petition for rehearing. Decision, as it now stands, leaves FCC, courts, broadcasters "without any... standards to guide them as to the meaning of 'indecent,'" petition said. Court misunderstood Sec. 326 Communications Act, prohibiting FCC interference with the "right of free speech" on radio, petition said. Court rarely reconsiders its rulings, and Pacifica didn't intend to appeal, but was convinced by media organizations, which include: ABC, CBS, NAB, NBC, NRBA, PBS, RTNDA & Reporters Committee for Freedom of the Press. Groups filed supporting brief.

Wometco announced record earnings for first half (Vol. 18:29 p12) but said subscription TV & cable operations showed no profit because of big construction & expansion costs. Company expects pay-TV profit picture to improve by end of year, projects more than 32,000 subscribers by then.

FCC has refused to prohibit stations from syndicating programs, as sought by Worldvision Enterprises.

N.Y.C. RF PROPOSAL: N.Y.C. TV & FM broadcasters are scratching their heads in disbelief at radiation-limiting proposal by city Board of Health which, if taken literally, would require elimination of transmitting antennas on Empire State Bldg., World Trade Center or anyplace else within city limits. Broadcasters are asking for clarification of ambiguities in proposal as well as extension of July 31 comments deadline. Board has informally indicated deadline will be moved to Sept. 5.

Proposal would establish "power density standard" for RF emissions above 10 MHz of 50 microwatts (uw) per square centimeter for fixed transmitters in areas "accessible to the public." This is 200 times tighter than 10-milliwatt standard established by Occupational Safety & Health Administration (OSHA). Proposal states that standards would cover any "facility"—and broadcasters want to know whether this is defined as including total power of all stations on common mast, or whether each antenna is a "facility." Proposal excludes microwave ovens and mobile transmitters.

If "facility" means all TV antennas on Empire State Bldg. tower, power density would exceed 50-(uw) level for radius of 0.5 mile from tower. From proposed World Trade Center mast, "uninhabitable" zone would go out to 1.2 mile. For single VHF station at 100-kw ERP, everything within 0.3 mile would exceed limit, at 316 kw it would extend to more than 0.5 mile, high-powered FM about 0.25 mile. N.Y.C.-owned WNYC-TV, with planned 5-megawatt power from Trade Center, would violate proposed rule for radius of 2.25 miles.

Major ambiguity in Board document is proposal for "integrated energy density" limit of 5 microwatt-hours per square centimeter, which engineers say is meaningless without time element (OSHA limit is one milliwatt-hour per square centimeter in 1/10-hour period). Industry doesn't believe there's any hazard at all from low-density non-ionizing radiation such as RF. Opposition comments are expected to be filed by TV Bcstrs. All-Industry Committee, N.Y. group which manages joint antenna towers on Empire State & World Trade Center, as well as by networks and presumably by FM stations.

NAB opposes request of Searle Radiographics for FCC rule change to permit transmission of biomedical data on any unused VHF TV channel. Such change would create greater interference on Ch. 7-13, NAB says, suggests transmission by coaxial cable a more reasonable alternative. Searle also seeks increase in radiation limit from 150 uv/m to 600.

Congressional Wives Task Force has issued report, recommending that: (1) FCC develop standards so local citizens can judge performance of TV stations. (2) FCC require broadcasting of public service announcements during peak hours. (3) A national endowment for children's TV be considered.

NAB will use technology Aug. 2 to burn mortgage on its Washington office building. Satellite signal will ignite flame, NAB will take title.

Council on UHF Bestg. commended FCC for efforts to improve UHF comparability to VHF, but is concerned about future. Writing to FCC Chmn. Ferris, CUB Chmn. Richard Block urged that Texas Instrument receiver program not be used to reduce amount of spectrum devoted to UHF TV, that FCC work on translators and low-power stations not "confuse & undercut" goal of UHF-VHF comparability, that Safety Bureau stress new technology to meet mobile radio needs without encroaching on UHF spectrum.

Propriety of participation in case before FCC by former aide to ex-Chmn. Wiley has been questioned by Commission administrative law judge. Judge gave attorney Roderick Porter 15 days to reveal what role, if any, he played while at Commission, in request of WYOR(FM) Coral Gables for antenna move. Porter now represents station, has refused to detail involvement, faces contempt ruling if he doesn't.

Several factors indicate FCC won't use Pacifica ruling as excuse to play "big brother," Comr. Tyrone Brown told Okla. Bcstrs. Assn. Narrowness of Supreme Court decision itself, promise of Chmn. Ferris that Commission will interpret it narrowly, and renewal of WGBH-TV Boston over Pacifica-like objection should assure broadcasters they won't be intimidated, Brown said.

Ziff's offer to buy Rust Craft is still up in air after 2 Rust Craft board members turned down proposal of \$30 per share, or \$79 million. Rust Craft Vice Chmn. Jack Berkman & son Nyles maintain that stock is worth more, have asked FCC to reconsider approval of sale. Companies continue to negotiate.

AAAA ad agencies reported 1977 net profit after taxes averaged 4.36% of gross income, vs. 4.52% in 1976. As percentage of billing, net profit averaged .0095%, compared with .0097% in 1976. Smaller agencies' profits averaged 3.16% in 1977, larger agencies' 7.12%.

NAB renewed recommendation to American Bar Assn. that ABA standards be changed to allow electronic media to cover courtroom proceedings, saying First Amendment values are at stake. ABA will take up question at N.Y. convention this week.

Companies complying with federal subpoenas are entitled to a "reasonable measure of reimbursement" for their costs, D.C. Appeals Court has held. Court said complying companies still must absorb "reasonable" expenses, didn't define "reasonable."

Fourth TV channel for Great Britain has been proposed by govt. Legislation will be introduced to create Open Broadcasting Authority to operate new network. Govt. would finance operation until ad revenue developed.

Amended rural cable rules were proposed by FCC as expected (Vol. 18:29 p5), to ease entrance into field by phone companies in sparsely populated areas.

FCC has light Aug. schedule—only oral argument Aug. 7, regular meeting Aug. 8.

ABC'S RECORD HALF: ABC closed out first half with largest earnings of any quarter or 6-month period in its history. First half earnings per share increased 21% to \$3.53. Net income rose 23% to \$64.7 million, revenues increased 20% to \$910.2 million.

For quarter, net income rose 24% to \$41.8 million, revenues increased 24% to \$472.9 million.

Broadcasting operations were principally responsible for record earnings, with 2nd quarter profits of ABC-TV the highest in company's history. ABC-owned TV stations & ABC Radio also reported record 2nd quarter profits.

Figures included \$13 million loss from sale of record & tape rack-jobbing operations, retail record stores & electronics distribution division. Company anticipates \$10-12 million 3rd quarter profit from sale of ABC Theatres.

Marketplace, not FCC, should determine "distress sale" price of stations, NAB said in comments filed with Commission. Position is shared by NTIA. Commission voted in May to allow "distress sale" price to minorities, on case-by-case basis, when station license is being challenged. NAB asked Commission to reconsider policy.

Cox Bcstg. said revenues from broadcasting operations rose 21% in 2nd quarter, and profits were "well ahead" of year earlier. Cox Cable's revenues were up 39% and parent's cable earnings rose 18.4% to \$19.2 million. For half, Cox Bcstg.'s share of cable earnings was \$29.8 million, up 19%.

Washington Post Co. reported increases in earnings and revenues for 2nd quarter. TV revenues were up 16% for quarter, with exchange of WTOP-TV Washington for WWJ-TV Detroit having no significant effect on revenues. Sale of WTOP-AM in June brought \$5.4 million pre-tax gains.

New rep firm, Devney-O'Connor Inc., has been formed to handle Canadian TV stations & networks. Principals are Edward Devney, Devney Organization pres., Roger O'Connor, former vp & U.S. mgr. of Canadian Standard Broadcast Sales. Hq: 347 Madison Ave., N.Y.; 212-661-2460.

Network TV advertising totaled \$297.8 million in June, up 12.6% from year ago, TvB reports. Six-month total was \$1.9 billion, up 11%. Through June, ABC had \$703.7 million, CBS \$644.1 million, NBC \$587.1 million.

FCC has renewed NIAC through July 25, 1980. Established in 1958, NIAC makes recommendations for emergency communications policy.

Inquiry into non-voting rights and their role in multiple-ownership rules was started by FCC, as proposed by staff (Vol. 18:30 p3).

CBS is acquiring toymaker Gabriel Industries for about \$27 million. CBS already owns Creative Playthings & Wonder Products.

WLBT Jackson, Miss. names Blair rep.

HBO launched 30 new systems in June with 130,000 cable subscribers; 18 have fewer than 5,000 subscribers. "Clear trend toward small system affiliation with HBO," is seen, company says. New systems located in: Warwick, Riverdale, E. Hampton, N.Y.; Nantucket, Mass.; Shickshinny, Pa.; Henderson, Ky.; Middletown, Hamilton/Fairfield, Ohio; Myrtle Beach, S.C.; New Albany, Oxford, Booneville, Miss.; Chamblee, Ga.; Durham, N.C.; Midland, Mich.; Effingham, Ill.; Jefferson City, Mo.; Duncan, Okla.; Albuquerque, Lovington, Silver City, Bayard, N.M.; Brazoria, Tex.; Rawlins, Wyo.; Astoria, Ore.; Modesto, Saratoga, Yucca Valley, Cal.; Prescott, Ariz.; Salt Lake City.

NYC Franchise Bureau has recommended 20-year cable contract for Queens be given to Knickerbocker Communications, subsidiary of ATC, being acquired by Time Inc. Wiring borough's 700,000 households will require Knickerbocker investment of \$80 million. Initial construction of 30-channel system could be completed in 18 months; entire borough won't have cable until 1985.

Cable earth station applications: Camden & Hartsell, Ala.; Ferndale, Los Banos & Susanville, Cal.; Gainesville & Swainsboro, Ga.; Ft. Dodge, Ia.; Campbellsville & Elizabethtown, Ky.; Ft. Polk, La.; Corinth, Kosciusko, Philadelphia & Picayune, Miss.; Las Vegas, N.M.; Toledo, O.; Pryor, Okla.; Stroudsburg, Pa. (For details, see CATV Addenda.)

First 3 days programming brought more than 1,000 subscribers for AST California's "SelectTV" service, according to company spokesman. Transmission began July 23 over KWHY-TV L.A., providing about 34 hours per week—all movies. Service costs \$39.95 for installation, \$60 annual box rental & per-program fee, averaging \$3.

Packaging techniques for cable systems will be focus of C-TAM seminar Aug. 27-30 Atlanta. Topics include: Basic Cable Services; To Tier, Qube, or Let It All Hang Out; The Movies, MDS & STV; Maximizing Pay Revenues.

Applied Data Research, Princeton, enters cable field with new CTM/2000 cable management system, designed to handle administrative and accounting functions for systems ranging from 1,000-100,000 subscribers.

FCC cable actions: Adopted proposed rulemaking to exempt under-30-min. network programs from non-duplication rules and denied NAB petition for reconsideration of decision on radio carriage (Vol. 18:30 p4).

Tone switching is now available to HBO affiliates, pre-coded signals inserted into transmission capable of turning receivers on & off, or activating VTR. Cost to affiliates is less than \$300, HBO says.

Final report on Reading, Pa. experiment with 2-way cable for use of senior citizens is available from Mitchell Moss, NYU, 144 Bleecker St., N.Y. 10012.

"A New Guide to Federal Cable TV Regulation" is book by Steven Rivkin, MIT Press, 336 pp., \$25.

Personals

Lee Currllin, ex-CBS, named vp, broadcast planning, NBC... Peter Andrews becomes vp, special projects, West Coast, NBC-TV... Allen Hirschman advanced to dir., sales development, ABC-TV... Paula Gottschalk promoted to dir., corp. relations, CBS, new post.

Eugene D'Angelo Jr. elected pres., WBNS-TV-AM-FM Columbus & WTHR-TV Indianapolis... Llewellyn Krause promoted to local sales mgr., WFSB-TV Hartford... Celeste Reid, ex-WETA, named PR coordinator, WDVM-TV Washington... Frank Scotti named accounting dir., WBBM-TV Chicago; Susan Jaramillo, financial planning dir.; Gordon Smith, planning mgr... Bette Martin, ex-WCKT, appointed mgr., program promotion, WPBT Miami; Rachel Whitebook, mgr., public information.

Bernard Shusman, exec. producer, Newsweek Bestg., named Newsweek Inc. vp... Tom Eaton appointed regional vp, Post-Newsweek Conn. Inc., Richard Ahles asst. news dir./public affairs dir... Carol Callahan named business mgr., WDCA-TV Washington.

Ronald Lightstone named vp, Viacom International... Terry Jones, ex-Booker T. Washington Foundation, appointed vp, Syndicated Communications... Frederic Coufal, ex-Nuclear Regulatory Commission, appointed an FCC judge... James Barrett appointed dir., external relations, NPR... Angela Schapiro, ex-Columbia Pictures, appointed exec. vp, Telemation Program Services, HBO subsidiary.

Howard Hawkins, former pres., RCA Communications, named chmn., American Transcommunications, acquires 20%... Frank Drendel advanced to vice chmn., Valtec, new post, succeeding as chief exec. officer Theodore Valpey Jr., who remains chmn. and becomes chmn., exec. committee, new post... Daniel Prins, ex-TWA, named Showtime mktg. dir.

J. Philip Stack, W. Arnold Taylor, Grant Smith & Fumio Ishida named Sony Video Products Co. vps... Renee Wilson, Worldvision Enterprises United Kingdom rep, named consultant; Michael Alexander, Western European mgr., moves from Munich to London, will cover Wilson's territory; Mex Hartman promoted to Munich office mgr... Graham England, ex-McGraw-Hill, named pres., CBS International Publishing Div.

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NBC is abandoning practice of calling editors and critics when network programs show well in ratings. "To the extent that our publicizing... ratings has been responsible for creating a climate in which news and information programs have had difficulty flourishing, we are determined to change the climate," said Public Information Vp M.S. (Bud) Rukeyser. Network will answer ratings questions, just won't "push successes."

MBS filed objection with FCC last week to AP's request for permission to install 25 earth stations to test planned voice radio network. MBS, which has request for satellite distribution system pending with FCC, said test wasn't necessary and was designed mainly to protect interests of equipment makers & satellite operators. AP said it considered MBS complaint invalid on all counts, would soon file reply with FCC.

FCC has refused to stop Ga. gubernatorial candidate from putting commercial over WTCG Atlanta using hypnotist to convince voters. Commission voted 5-2 to leave matter up to station with belief station should act before Commission should decide. Recommendation from FCC staff that station not allow ad was returned to staff as result of Commission vote.

Prohibiting lawyers from advertising on radio & TV would be of questionable legality, NAB advises ABA Commission on Legal & Professional Advertising. Urging ABA to adopt guidelines allowing advertising, NAB spokesmen say it would "promote general public knowledge" of legal rights, may reduce cost of legal services.

Five-meter earth station has been approved by FCC for KPAZ-TV Phoenix. It's smallest dish ever approved by Commission for broadcast purposes, will bring in religious programming.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 14 (28th week of 1978):

	July 8-14	1977 week	% change	July 1-7	1978 to date	1977 to date	% change
Total TV.	262,561	203,726	+28.9	212,894	7,640,901	6,680,105	+14.4
color	160,170	129,781	+23.4	134,396	4,872,878*	4,104,661	+18.7
monochrome . . .	102,391	73,945	+38.5	78,498	2,768,023	2,575,444	+7.5
Total radio	1,019,537	978,658	+4.2	710,887	24,133,734	23,275,510	+3.7
home, portable . .	806,291	778,285	+3.6	517,241	17,201,061	16,470,962	+4.4
AM-only	123,928	155,142	-20.1	118,640	4,124,834	3,836,768	+7.5
FM & FM-AM . .	682,363	623,143	+9.5	398,601	13,076,227	12,634,194	+3.5
auto	213,246	200,373	+6.4	193,646	6,932,673	6,804,548	+1.9

Color TV 5-week moving average: 1978—191,369*; 1977—160,483 (up 19.2%).

*Record for period.

GE-HITACHI TV VENTURE SNAGGED: GE & Hitachi may have to challenge Justice Dept. Anti-trust Div. if they hope to complete formation of 50-50 U.S. TV manufacturing-marketing venture under General TV of America banner. Once thought certain to get Justice blessing, GTA now has run up against new & tougher Administration antitrust policies. While eventual clearance is still considered likely, it's no longer sure bet.

Venture plan was announced last Dec. (Vol. 17:50 p7), and expectations then were that JD would complete requested business review in 60 days. JD then was investigating antitrust aspects of Japanese TV business practices, had reviewed & approved Sanyo's buy of Warwick TV business less than year earlier, so was well-versed in industry status.

Informal timetable for verdict was first pushed back to end of first quarter, and later postponements saw schedule move to May, then July; latest word is to expect no action until Sept. Clues to what's holding things up are in recently released May 28 staff memo by Antitrust Chief John Shenefield, and in statements he made last week before Senate Antitrust & Monopoly Subcommittee.

Memo outlines need to keep closer watch on industries in which small number of companies dominate market. While concern is with pricing practices, memo itself strongly opposes concentration. At hearing, Shenefield proposed legislation to set market-share guidelines for mergers possible ban on mergers involving large companies. FTC Chmn. Michael Pertschuk, an earlier witness, suggested mergers involving large companies should be blocked regardless of anticompetitive effects.

Color TV industry here is traditionally concentrated, with RCA & Zenith splitting more than 40%, and has become even more so over last 4 years. Matsushita's share jumped from 2% (excluding private-label) to about 7% through purchase of Motorola's Quasar in 1974—same year Sylvania rose from about 5% to 7% by buying Philco. Last year, Sanyo jumped from something over 1% (again excluding private label) to close to 10% when it took over Warwick's operation, now has greater share than Warwick ever had.

Merger flurry in U.S. was followed by sharp cutback of color operations in Canada. While connection is tenuous, fact is that some potential competitors in U.S. market are gone. Quasar Canada has quit, Sylvania closed Fleetwood shortly after takeover of Philco, Philips Canada

dropped color 3 years after parent acquired Magnavox, and Canadian GE says it will halt production after GTA goes into operation.

Sources close to antitrust scene say there's another factor working against GTA venture. Other industry mergers involved relatively healthy company buying sick one, and only alternative to acquisition was shutdown. In contrast, this one involves 2 sound, technologically advanced operations with worldwide clout. GTA, they say, would be powerhouse with potential to leapfrog lesser competitors, vie with RCA & Zenith for industry leadership.

JAPAN'S QUOTA YEAR—1.7 MILLION COLOR: Japanese color TV exporters closed out first full year under U.S. quota agreement in June with decline in shipments, leaving July-June total some 53,000 below allowable maximum, Finance Ministry figures show.

Japan shipped 295,300 TVs to U.S. in month, down 18% from June 1977, color down 37.1% to 109,400 (including 8,000 kits), b&w up 2.5% to 178,000. Through first half, total exports were down 16.1% to 1.63 million. Color exports of 744,500 (including 94,300 kits) were off 37.1%, while b&w was up 16.3% to 888,600.

Color exports for year to June 30 totaled just under 1.7 million, or about 3% below 1.75-million limit established by Orderly Marketing Agreement (OMA). Total is 43.1% less than Japan's color exports to U.S. in July 1976-June 1977 period.

U.S. & Japanese negotiators recently completed brief round of talks on effectiveness of OMA. As forecast here in June (Vol. 18:26 p8), Japan requested meeting to demonstrate concern that its voluntary color export restraint was serving only to open U.S. market door to increased imports from Taiwan, Korea, Mexico & Canada.

Japanese weren't seeking increase in quota, didn't specifically ask U.S. to put limits on imports from 3rd countries, but did question whether OMA was functioning, as intended, to give U.S. industry time to restructure during 3-year import-relief period. Aside from rising imports from 3rd countries, Japanese noted U.S. producers haven't taken advantage of opportunity to raise prices. They also pointed to increased buildup of foreign operations by U.S. companies, with emphasis on Zenith's shift to Mexico & Taiwan, Wells-Gardner's purchase of chassis from Japan's General and Corning's plan for Korean color tube glass plant.

U.S. officials countered by pointing out that Japan's industry hadn't really suffered significant loss of business in U.S. Japan's increased sales of parts & tubes to other Far East producers who export to U.S., plus sharply rising quantity of subassembly exports direct to U.S., have essentially made up for loss in complete-set exports, they contended.

U.S. negotiators agreed foreign buildup by U.S. producers was disappointment, said they shared Japan's concern that level of complete-color imports has remained steady in spite of Japan's shipment cutback, promised to keep close tabs on situation. What that means, we were told, is careful analysis of industry situation through current quarter, followed by decision on need to impose overall color import limit.

There may be end in sight at last for pretrial activity in Zenith-NUE \$1-billion antitrust suit against Japanese TV producers in Philadelphia Federal District Court. Judge Edward Becker has tentatively set Sept. 4, 1979 as trial starting date. In ruling, he rejected motion that Zenith be forced to reveal details surrounding dropping of Sony from list of defendants, said Japanese could re-open issue if Zenith wins case. Other defendants feel Zenith-Sony settlement is related to Zenith's becoming marketer of Sony-made VCRs. Becker indicated he would rule Aug. 7 on consolidation of Zenith & NUE actions for trial purposes. Cases have been combined for pretrial only.

TV PRICE INCREASE SEEN SLATED FOR FALL: As TV majors prepare for mid-summer conventions and product introductions—Zenith this week, RCA next—there's no evidence any immediate significant price hikes are coming. But fall may be another matter. "The industry is faced with a general price increase in the fall" says Zenith Exec. Vp Walter Fisher. "I have no prediction," says RCA Consumer Electronics Vp-Gen. Mgr. Roy Pollack.

Any meaningful price increase requires action by both Zenith & RCA as industry leaders.

If one goes up and other doesn't, hike is doomed to collapse before Christmas—as have so many in past. Other major domestic producers have been forecasting increases. "I look for prices to firm this fall," says Magnavox Senior Vp Ken Ingram, who adds that Magnavox's prices already are up (Vol. 18:27 p10). Sylvania Senior Vp Frank Lann says his company's TV prices are up modestly, sees more "upward movement" (Vol. 18:28 p11).

"This industry needs a price increase pretty badly," Zenith's Fisher told us last week, "but I can't honestly say I see any probability of it now. I even see some evidence in the other direction, particularly in terms of the prices some big accounts are being charged for major deals." But he added flatly: "This fall this industry is going to have an increase." RCA's Pollack conceded that pricing was "critical part" of upcoming distributor meeting. "We're obviously studying the situation very intensely," he added. "We need some increment from the improved product we're offering."

Have increases in Japanese TV set prices given industry more breathing room? "What increases?" was virtually unanimous rejoinder from domestic manufacturers. Those sizeable jumps in Japanese makers' posted suggested list prices just haven't come through yet, according to their competitors, and, as one put it, "they're using the threat of an increase as a selling point, but we certainly haven't seen or heard of any actual increase."

Common logic would appear to dictate increase this year. RCA has been telling financial analysts that color TV profits were down in 2nd quarter and are likely to be below 1977 for full year. Zenith 2nd-quarter figures indicate margins down from year earlier. Magnavox, too, suffered from lower color TV profitability, while GTE indicated profit decline on U.S. color TV sales (Vol. 18:30 p11).

Last time there was any kind of across-board price hike was late 1973-early 1974. Since then, market has generally been too shaky and plagued by overcapacity—this is actually first good year since '73. We think there will be real effort to firm prices—after import prices show real signs of actually increasing. Whether higher prices will stick or not probably depends largely on state of economy. Industry has seen plenty price boosts announced in Sept. only to fall apart before Christmas.

U.K. will spend \$47.8 million to create new integrated IC manufacturer. Called Inmos Ltd., it will have production facilities in U.K., R&D in U.K. & U.S. Move is part of broad program to advance U.K. electronic technology that could involve an additional \$400 million in govt. & private financing. Scheme is viewed unenthusiastically by U.S. firms which already have IC plants there, as well as by local companies planning own IC ventures with U.S. companies. Fairchild & GEC are negotiating venture tie-up and Plessey says it has project in works. In presumably unrelated move, Texas Instruments says it's halting unprofitable silicon material operation at Bedford, England plant, transferring 2 production lines from there to Plymouth facility, reducing employment at Bedford by 400.

Color TV deliveries to U.K. distributors rose 9.5% in first 5 months to 635,000, as U.K.-made sets jumped 16% to 516,000, imports dropped 12% to 119,000, BREMA reports. U.K.-made totals exclude color production there of Matsushita & Sony, thus are understated. In b&w, total deliveries edged up 1% to 433,000, with U.K.-made up 30% to 263,000, imports down 24% to 170,000. Deliveries of other products: Portable radios 1.58 million, down 19%; other radios, including stereo systems & phono combinations, 1.05 million, up 7.5%; phonos, changers & turntables 136,000, down 35%. Imports of audio tape recorders & decks for full period were down 58.5% to 348,000.

Japan's consumer electronics producers did better than average industry in sales for year ending March 31, but turned in mixed performance when it came to profits, according to annual rankings of top-100 corporations by Nihon Keizai Shimbun. Minimum for making lists was sales of \$1.1 billion, net of \$20 million. Among sales leaders, with year-earlier positions in parentheses: Matsushita Electric 6th (6), Hitachi 7 (7), Toshiba 11 (14), Nippon Electric 31 (34), Sanyo 34 (39), Sony 52 (59), Sharp 81 (81), Fuji Photo 91 (103). On profitability list: Matsushita 5 (4), Hitachi 7 (6), Sony 9 (10), Fuji Photo 25 (36), Toshiba 26 (19), Sanyo 33 (41), Pioneer 37 (30), Mitsubishi Electric 39 (47), TDK 47 (66), Sharp 58 (70), Nippon Electric 61 (56).

Japanese component manufacturers are expanding U.S. production capabilities as hedge against further devaluation of dollar and to cut lead time on orders from OEM. Matsushita's U.S. parts marketing subsidiary Arrow-M has leased plant in San Francisco for assembly of switches & relays, plans gradual expansion to full-scale production. Mitsui, major exporter of tape heads, coils & other parts to U.S., has begun search for plant site here.

Mallory boosted aluminum capacitor prices 6-14%. Hikes of 10%-15% were announced by importer United Chemicon, and Cornell Dubilier said its prices will go up 7%-11% later this month. Similar increases are expected from other major suppliers.

VIDEO ALLIANCES: Bell & Howell "intends to be a major factor in the home video market," according to a company official, and more announcements of new deals & alliances are expected soon on top of 2 recent related announcements: (1) Agreement to handle film-to-tape transfer, duplication & logistics for Allied Artists' entry into videocassette field. (2) Joint venture with Memorex to produce blank Beta & VHS cassettes. In addition, B&H has been negotiating for more than year with BASF for license or other participation in LVR home video recorder project and says it is working with GE & others on CCD home color cameras.

Allied Artists last May announced it would release its entire 500-film backlog on videocassettes (Vol. 18:21 p9). Company has been signing up dealers, we were told by Mktg. & Sales Vp Richard Stadin, with unusual requirement of "100% cash in advance or COD with first order." Stadin said orders at Consumer Electronics Show and later have been "tremendous," but declined to state how many dealers had signed up or how many cassettes had been ordered.

Initially, 100 titles will be transferred to Beta & VHS cassettes, Stadin told us, to be priced at \$60, \$70 & \$80, generally \$10 higher than Magnetic Video Corp. charges for its 20th Century-Fox & other movie titles. All new AA features will be released on cassettes a month or 2 after theatrical premieres, with "one major merchandiser" getting exclusive for short period "as showcase for that picture." Dealer getting exclusive "will pay for it," Stadin added.

Meanwhile, 3M has started production of VHS videocassettes, which it will sell initially in Minneapolis-St. Paul market before going nationwide, following pattern it set with its Beta production.

* * * *

Zenith will offer color camera made by Hitachi as accessory to its Sony-made Beta VCRs. Camera uses company's tri-electrode vidicon, has built-in control unit. Similar camera, introduced at CES as accessory for Hitachi's VHS recorder, will sell here for \$1,400, with optional electronic viewfinder-play-back monitor (\$200), zoom lens (\$250). Reports from Japan indicate shipments to Zenith will start in Aug. at nearly 500 monthly.

B&H takes over all distribution tasks under deal with AA, including direct shipment to dealers. B&H Video Planning & Finance Vp Steven Milam declined to give details of arrangement, but said AA "has made financial commitments to us." B&H's entry into blank cassette business "will make us very cost-effective in duplicating," he said.

Deal with Memorex sets up equally owned partnership, M/B&H Home Video, to produce videocassettes, Memorex manufacturing the tape, B&H the plastic cassettes, with production slated to start early 1979. Tape will be sold under Memorex brand as well as being used for B&H's duplication operation. It may also be sold to OEMs, according to Milam. M/B&H will apply for Beta & VHS licenses.

ELECTRONICS LEADERS: RCA & GTE improved standings in Fairchild Publications' annual compilation of nation's 50 largest electronics companies. IBM retained leadership with electronics sales of \$14.8 billion in last 4 reported quarters, while ITT, with sales of \$5.6 billion, was dropped to 3rd place by Western Electric's \$5.98 billion.

Among consumer electronics related firms GE retained 4th place (\$2.68 billion), RCA moved up notch to 5th (\$2.3 billion), as did GTE, rising to 7th (\$2.29 billion). Texas Instruments rose to 12th from 17th (\$1.77 billion), Raytheon to 16th from 18th (\$1.62 billion), while Rockwell dropped to 18th from 14th (\$1.58 billion) and North American Philips retained 21st (\$1.4 billion).

It took \$1 billion in electronics sales to make top 25, and Zenith fell just short, placing 26th, down from 22nd (\$978.6 million); General Instrument slipped to 33rd from 28th (\$504.2 million); National Semiconductor stayed 36th (\$457.4 million); Fairchild Camera dropped to 38th from 33rd (\$415.7 million) and Corning to 42nd from 39th (\$361.6 million). Returning to rankings this year, in 50th place, was Ampex (\$244.8 million).

Only 9 firms were included in list of foreign leaders, down from 12 last year. Repeating were 5 from Japan (Fujitsu, Hitachi, Matsushita, Nippon Electric, Toshiba), Europe's Philips, Siemens, Thomson-CSF, Canada's Northern Telecom.

Home fax service will start in Japan in 1980, according to Nippon Telegraph & Telephone Public Corp. (NTTTPC), which has developed system jointly with 6 other firms. Small home unit, using digital transmission, is expected to sell for around \$500 in quantities of 10,000 monthly, make possible point-to-point fax use for mail, bills, ticket reservations, etc., with goal of costs about same as telephone service. Scheduled to produce equipment are Matsushita, Nippon Electric, Toshiba, Hitachi, Fujitsu, Tamura Electric.

Home security device market will grow to \$565 million by 1982, according to new report by Creative Strategies, which says 1977 market total of \$256 million will enjoy 17% annual growth. CSI sees smoke detectors, \$92 million in 1977, nearly doubling to \$170 million, but believes home burglar alarm has greatest potential—\$395 million by 1982. Report is \$795 from CSI, 4340 Stevens Creek Blvd., Suite 275, San Jose, Cal. 95129.

Magnavox starts national retail promotion, "Trade-In for Touch-Tune Time," Aug. 13 with heavy network advertising, featuring NFL record book for those visiting dealers. Repeat of last year's promotion runs to Oct. 1, features Super Bowl trips as dealer incentives. Most dealers are expected to allow \$50-\$100 trades toward digitally tuned sets.

Microwave oven sales by factories & importers showed largest monthly gain of year in June, rising 46.3% to 184,300, AHAM reports. Total boosted 6-month sales to 959,000, up 14.4%. In 2nd quarter, volume rose 30.2% to 497,000. AHAM is forecasting 1978 sales of 2.48 million, up 14%, an equal rise, to 2.82 million, for 1979.

FIRST HALF AT-A-GLANCE: Here are EIA's statistics for first-half consumer electronics sales to dealers in units, with 1977 comparisons:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1978	1977	1978	1977	1978	1977
January	932,933	963,845	618,963	605,244	313,970	358,601
February	1,102,359	1,044,817	702,513	630,796	399,846	414,021
March (5 weeks)	1,572,295	1,273,546	966,326	770,977	605,969	502,569
April	1,081,687	932,915	698,256	577,142	383,431	355,773
May	1,041,606	796,638	673,632	489,378	367,974	307,260
June (5 weeks)	1,434,566	1,290,438	918,622	794,760	515,944	495,678
TOTAL	7,165,446	6,302,199	4,578,312	3,868,297	2,587,134	2,433,902

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1978	1977	1978	1977	1978	1977
January	1,624,253	1,354,439	1,126,588	846,818	937,678	981,110
February	2,272,816	1,577,099	1,693,239	1,281,087	984,661	982,828
March (5 weeks)	3,310,381	2,769,093	2,212,691	2,185,866	1,282,652	1,220,942
April	1,576,622	1,671,306	1,039,824	1,336,249	1,120,354	962,003
May	2,094,371	2,491,147	1,602,191	1,807,071	1,053,453	1,065,867
June (5 weeks)	4,999,086	5,306,591	4,314,570	4,136,609	1,146,983	1,182,708
TOTAL	15,877,529	15,169,675	11,995,263*	11,593,700	6,525,781	6,395,458

* Includes table, clock & portable.

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

* Does not add due to revisions.

HOME VCR SALES TO DEALERS

Month	1978	Month	1978	Month	1978
January	13,567	March (5 weeks)	27,415	May	27,994
February	14,954	April	27,221	June (5 weeks)	31,339
				TOTAL	142,490

Watch watch: Seiko is selling LCD watch panels to Korea's Handok. In watch business 3 years, Handok makes 200,000 per year, but will be receiving 50,000-100,000 from Seiko monthly. Seiko action reportedly irks other Japanese manufacturers who feel pressure from increasingly competitive Korean watch industry... Motorola is marketing non-watch LCDs & LCD watch modules for first time. Half-inch non-watch LCDs are \$3.50-\$4 in 10,000 lots; modules are \$7-\$8 in same quantities... Desk-top clock-calculator from National Semiconductor has dual-time display, 200-year calendar, stopwatch, 5-function calculator, at \$60... Sharp offers program-mable calculator-clock-radio in Jan., price not set.

Conference notes: MPAA Pres. Jack Valenti will be key speaker at ITA Home Videotape/Disc Programming Seminar Oct. 18-20, in N.Y. Session on "Home Motion Picture Industry Views the Home Video Market" features Steve Roberts, 20th Century-Fox; Tom Johnston, Paramount; James Jimirro, Walt Disney... IHF will hold semi-annual Top Management Seminar at Doral Inn, N.Y. Oct. 24 & 25, open to retailers for first time. Panels include sales training, warranties, bait & switch.

Lafayette Radio has approved plan for takeover for \$16 million, by new corporation being formed by investment firm Gibbons, Green & Rice. Agreement calls for formal offer to be made for all of Lafayette's assets by Sept. 3, requires new financing arrangements be made and provides that some current officers would hold combined 12% interest in new company.

The 200 barrier was pierced in both directions last week as yen-to-dollar rate dropped to 192, price of gold ounce climbed to \$201.

Consumer Electronics Personals

Steven Milam promoted from Video Systems Div. gen. mgr. to planning & finance vp, Bell & Howell Video; Thomas Wheeler, ex-Microimaging Group vp, named vp, Professional Products Video Systems Div... John Roher, ex-Audio Div. mktg. mgr., named Memorex home video program mgr.; Robert Jaunich resigns as Memorex exec. vp to head Shasta beverage unit of Consolidated Foods... Fred Fanella promoted at Sylvania Entertainment Products from materials mgr. to materials dir... Albert Tortorella promoted at GE from N.Y. News Bureau mgr. to Housewares & Audio Business Div. PR mgr.

Frank Novak promoted at Panasonic Communications Div. (adv. & PR) from asst. gen. mgr. to gen. mgr., assuming post & some former duties of Vp Russ Johnson, who retains responsibility for consumer affairs... Y. E. Ed Juge, ex-Spinks Industries, appointed Radio Shack computer products mgr... Tom Richmond advanced at Channel Master from CB antenna project mgr. to CB product mgr.

Leonard Lapine, ex-Superscope & Morse, named Certron gen. sales mgr., new post... Terrance Wherlock advanced at InterMagnetics to pres. & chief operations officer, retaining responsibility for international licensing... Kristin Adams, ex-Magnetic Video, joins Columbia Pictures Videocassette Services as operations mgr... Gordon Edwards promoted at GRT Canada from exec. vp to pres., succeeding Ross Reynolds, now WEA Canada exec. vp.

Leon Dennis advanced at Sylvania Chemical & Metallurgical Div. to vp-gen. mgr., succeeding Theodore Bunnell, now GTE Communications Products Group special projects vp... Allen Alper, former research & engineering dir., promoted to operations mgr., replacing Dennis... Joseph O'Donnell, ex-ITT, named General Instrument communications mktg. mgr.; Robert Jones, ex-RCA, joins GI Micro-electronics as plant operations mgr... Philip Ponzi named electro-optical sales mgr., Westinghouse Industrial & Govt. Tube Div.

MATSUSHITA RECORDS: Matsushita reported consolidated sales & earnings set records for fiscal 2nd quarter & half to May 20. Company said export volume rose 12% to \$636.9 million in quarter, was up 14% for full period to \$1.25 billion. Home-market volume was \$1.66 billion in quarter, \$3.14 billion for half, both up 6.3%. Consumer electronics sales for quarter of \$1 billion were up 6%, leaving sales for half at just over \$2 billion, up 8%.

Advent earnings in first fiscal quarter include \$159,000 credit representing shares received from founder Henry Kloss in settlement of lawsuit. Kloss gave Advent 121,050 shares, agreed to sell remaining holdings in return for Advent's dropping action to prevent his return to projection TV business (Vol. 18:24 p14).

Capehart trimmed loss in opening quarter to June 30 by some 58% as sales rose 9.5%. In 1977 period, company had \$2.3-million operating loss, offset by \$5.35-million gain from debt restructuring.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Advent			
1978-qtr. to June 24	8,402,000	353,000 ^a	.14
1977-qtr. to June 25	6,293,000	(219,000)	--
American Bcstg. Cos.			
1978-6 mo. to July 1	910,163,000	64,691,000 ^b	3.53
1977-6 mo. to June 30	760,042,000	52,709,000	2.91
1978-qtr. to July 1	472,871,000	41,788,000	2.27
1977-qtr. to June 30	382,045,000	33,808,000	1.86
John Blair			
1978-6 mo. to June 30	80,123,000	4,859,000	1.93
1977-6 mo. to June 30	65,622,000	4,052,000	1.68
1978-qtr. to June 30	41,477,000	2,947,000	1.17
1977-qtr. to June 30	33,875,000	2,418,000	1.00
Capehart			
1978-qtr. to June 30	6,351,000	(951,000)	--
1977-qtr. to June 30	5,799,000	3,046,000 ^a	1.34
Capital Cities Communications			
1978-6 mo. to June 30	175,434,000	26,872,000	1.88 ^C
1977-6 mo. to June 30	143,840,000	20,385,000	1.36 ^C
1978-qtr. to June 30	95,779,000	16,165,000	1.13 ^C
1977-qtr. to June 30	80,806,000	12,046,000	.81 ^C
Cohu			
1978-6 mo. to June 30	9,063,403	216,759	.13
1977-6 mo. to June 30	8,766,490	303,295	.17
1978-qtr. to June 30	4,765,556	136,866	.08
1977-qtr. to June 30	4,470,927	186,061	.10
Comsat			
1978-6 mo. to June 30	85,949,000	15,495,000	1.94
1977-6 mo. to June 30	83,988,000	17,665,000 ^a	1.78
1978-qtr. to June 30	43,720,000	7,742,000	.97
1977-qtr. to June 30	42,035,000	7,968,000	.80
Emerson Radio			
1978-qtr. to June 30	9,947,000	296,000	.25
1977-qtr. to June 30	8,210,000	184,000	.17
Esquire Radio & Electronics			
1978-6 mo. to June 30	17,392,491	533,614	.88
1977-6 mo. to June 30	13,547,531	530,567	.83
1978-qtr. to June 30	9,759,016	276,740	.46
1977-qtr. to June 30	7,193,305	278,324	.44
Fuqua Industries			
1978-6 mo. to June 30 ^d	836,850,000	12,617,000	.94
1977-6 mo. to June 30	295,786,000	8,836,000	.93
1978-qtr. to June 30 ^d	457,502,000	8,795,000	.67
1977-qtr. to June 30	157,941,000	5,425,000	.56
Interpublic Group			
1978-6 mo. to June 30	143,596,000	8,699,000	2.37
1977-6 mo. to June 30	114,267,000	6,372,000	1.78 ^C
1978-qtr. to June 30	79,679,000	6,307,000	1.71
1977-qtr. to June 30	63,804,000	5,344,000	1.49 ^C
Masco			
1978-6 mo. to June 30	280,020,000	30,910,000	1.18
1977-6 mo. to June 30	222,285,000	26,830,000	1.03
1978-qtr. to June 30	146,180,000	16,190,000	.62
1977-qtr. to June 30	115,615,000	14,120,000	.54
Matsushita Electric ^e			
1978-6 mo. to May 20	4,393,149,000	185,531,000	1.76 ^f
1977-6 mo. to May 20	4,051,061,000	161,829,000	1.63 ^f
1978-qtr. to May 20	2,295,180,000	103,974,000	.98 ^f
1977-qtr. to May 20	2,126,346,000	87,425,000	.88 ^f
3M			
1978-6 mo. to June 30	2,249,000,000	269,400,000 ^a	2.26
1977-6 mo. to June 30	1,941,000,000	195,200,000	1.69
1978-qtr. to June 30	1,165,000,000	143,100,000 ^a	1.23
1977-qtr. to June 30	1,005,000,000	108,500,000	.94
Rollins			
1978-year to June 30 ^g	295,418,000	26,854,000	2.00
1977-year to June 30	255,549,253	24,894,198	1.86
1978-qtr. to June 30 ^g	85,512,000	10,391,000	.77
1977-qtr. to June 30	73,371,748	8,784,903	.66

Company & Period	Revenues	Net Earnings	Per Share
Taft Bcstg.			
1978-qtr. to June 30	43,687,979	5,978,023	1.42
1977-qtr. to June 30	33,166,947	4,235,837	1.04
Technical Operations			
1978-9 mo. to July 1	61,477,000	554,000 ^a	.41
1977-9 mo. to July 2	69,217,000	280,000 ^a	.21
1978-qtr. to July 1	21,649,000	192,000	.14
1977-qtr. to July 2	21,421,000	92,000	.07
Tektronix			
1978-year to May 27	598,886,000	56,846,000	3.19
1977-year to May 28	454,958,000	43,971,000	2.49
1978-qtr. to May 27	159,842,000	14,667,000	.83
1977-qtr. to May 28	125,308,000	14,172,000	.80
Telecor			
1978-year to May 31	124,093,000	5,577,000	1.31
1977-year to May 31	96,248,000	4,126,000	.98
1978-qtr. to May 31	31,216,000	1,337,000	.31
1977-qtr. to May 31	23,875,000	896,000	.21
TRW			
1978-6 mo. to June 30	1,826,700,000	82,700,000	2.58
1977-6 mo. to June 30	1,602,500,000	74,200,000	2.29
1978-qtr. to June 30	956,300,000	46,900,000	1.48
1977-qtr. to June 30	825,600,000	42,500,000	1.33
UA-Columbia Cablevision			
1978-9 mo. to June 30	21,544,000	2,382,000	1.45
1977-9 mo. to June 30	17,466,000	1,861,000	1.11
1978-qtr. to June 30	7,580,000	833,000	.51
1977-qtr. to June 30	6,071,000	647,000	.39
Washington Post			
1978-26 wk. to July 2	247,909,000	24,271,000 ^a	2.97
1977-26 wk. to July 3	207,516,000	15,842,000	1.83
1978-13 wk. to July 2	135,103,000	17,208,000 ^a	2.11
1977-13 wk. to July 3	112,957,000	10,824,000	1.28

Notes: ^aIncludes special credit. ^bRecord. ^cAdjusted.
^dIncludes acquisition. ^eAt 228 yen=\$1. ^fPer ADS.
^gPreliminary.

EUROPE'S OUTLOOK: Modest 4% annual growth for European consumer electronics market over next 7 years is forecast in new Frost & Sullivan study which estimates sales there were \$11.2 billion in 1976, forecasts increase to \$12.5 billion this year, \$16.6 billion by 1985.

Major increases are expected in certain market segments, however. Volume of tri-mode compact stereo is seen doubling to \$3.2 billion by 1980, video games tripling to \$85 million as programmables grow by factor of 15, VCRs at least doubling, and TV-based information systems such as teletext rising 20-fold to \$465 million. In more basic products, F&S sees radio market climbing 31%, expects total TV growth of about 19% from 13.5 million in 1976 to 16 million in 1985. Study predicts declining sales of stereo components, end to market for b&w, except for battery portables.

Rising imports from Far East will lead to increased protectionism in Europe, limiting ability of non-European manufacturers to participate in market growth, study says (F&S, 106 Fulton St., N.Y. 10038).

Zenith enters monochrome computer display-terminal business. First model is basic 12" tube, additional types & sizes for OEM market scheduled in 1979. Roel Inc., Bensenville, Ill. is U.S.-Canada sales rep.

Bearcat 50-channel scanner is programmable, has channel recall, delay & clock functions, at \$400.