FCC MAY COMMUTE DEATH SENTENCE: Rulemak-
ing studied to permit stations which lose licenses to sell: support growing, chances slim. Wiley's Jan.-March calendar excludes fairness experiment. (P. 1)

FILMLESS SLIDES, with storage of 1,500 frames on computer discs, developed by Ampex & CBS as digital revolution comes to telecasting. (P. 2)

DISMISS FAMILY VIEWING SUIT, govt. & broadcast-
ers urge L.A. Court for lack of jurisdiction, no First Amendment violation. (P. 3)

DIXON AGAIN LEADS FTC as acting chmn.; permanent head expected in 'days.' (P. 4)

TV SPECTRUM STUDY planned by House Communications Subcommittee: will examine FCC channel allocations, TV receiver design. (P. 4)

PTV CORP. FUNDING UP despite inflation & recession. PBS drafts underwriter 'guidelines.' (P. 4)

CRACKS IN WHITE HOUSE cable stance develop as Eger ponders independent view from White House task force. (P. 5)

NAB BOARD NOMINEES: 11 seeking 6 TV seats; 25 after 12 spots on Radio Board. (P. 6)

FCC MAY COMMUTE DEATH SENTENCE: "To take 5 stations away from a broadcaster and send him out in a barrel is cruel & inhuman punishment," according to FCC lawyer who is backing rules change to permit licensee who fails to get renewed to sell station. Under current FCC policy, such a broadcaster—such as Don Burden's Star Stations (see below)—has only equipment & real estate to sell. Backers of new concept say there's precedent to change, citing WENN-AM-FM Birmingham (announced last week), Victor Muscat & Melody Music.

Idea for relaxation of absolute death penalty seems to be gaining support among Commis-
sion lawyers, although its chances still are considered very slim. According to backer of con-
cept, Comrs. Lee, Hooks & Quello probably would support it; other commissioners would be strongly opposed. "If the Commission approves this, we might as well fold our tent and go out of business," FCC lawyer opined.

"I think such a rule would be reversed," opponent told us. "I don't think the D.C. Appeals Court could swallow it even by slathering a lot of peanut butter on it." Another said "clearly it requires legislation...I sure wouldn't support it."

On other hand, supporters say that since there's ample precedent for allowing broadcaster with bad character qualifications to sell, "why not write a rule." Backers of concept see these benefits: (1) Increased black ownership. (2) "Rid the public of offending licensees." (3) Promote "fluidity" in broadcasting by eliminating "dire consequences to non-renewal." (4) Allow
EVERYBODY'S PLAYING GAMES: One of surprises at CES was number of firms jumping into home video game field, but just how many displayed actually will make it to market is open to question. Skeptics speculated that some of half dozen or so were there to draw traffic and might go into closet until next CES. Even so, home market is being viewed as potentially lucrative by growing number of firms—including APF & Bohsei. Here’s rundown of game introductions and market plans revealed at CES:

APF: "Mark I" 4-game (tennis, football, squash, handball) b&w unit with on-screen digital scoring was shown at booth. Game will be priced in $80 range, deliveries begin in June. Firm says more games might be added for June CES.

Dyn Electronics: "Victorious" 2-game wireless (Ping Pong, tennis) color unit displayed at show will be priced under $70, delivered in April. Second model by year’s end.

Gran Prix: Unnamed 3-game (hockey, tennis, Ping Pong) selling in $50-$60 range was shown, delivery time uncertain. Spokesman at booth said game was being made in Europe, "probably France."

Universal Research: "Video Action III" 2-game (tennis, hockey) color model with robot or solitaire feature. New unit, priced at $200, replaces b&w "Video Action II," taken off market after failure to get FCC type approval.

Also in Chicago were Magnavox, with Odyssey 100 & 200, Atari with Pong, First Dimension, Broadcom with "Video Action II" b&w game, sold as package with b&w sets. New firm at CES—Bohsei—plans to introduce high-end games in $1,000 range at summer show. Spokesman said they would be direct-coupled to TV set, feature "sophisticated, microprocessor-driven" games. Novus spokesman said plan to enter field has been delayed due to design work on chip. First unit, probably to be shown in June, will be priced at $70-$80. Second generation games with removable cartridges will be introduced later.

At Video Conference, TV producers were generally enthusiastic about games, with exception of Admiral Mktg. VP George Simkowski, who saw eventual big market for "educational interface" devices and predicted games would be built into TV sets.

FTC hopes to propose 4 additional warranty rules within next 4 months, Acting Dir. Joan Bernstein of Bureau of Consumer Protection told CES Video Conference. Next 2 rules will cover definition of "reasonable time" for warranty service and advertising of warranties. She said Commission hopes to finalize rules within year of proposal. First 2 rules, issued Dec. 30 (Vol. 16:1 p10), covering disclosure of terms and what warrantor will do in case of defect, are effective Jan. 1977; 3rd rule on what purchaser should do to get warranty honored goes into effect July 4.

GE's meeting with FDA to argue against BRH order to recall some 36,000 microwave ovens to eliminate excess radiation leakage potential was postponed from Jan. 8 to Jan. 13. GE is insisting ovens meet federal safety standards.

WATCH SHAKEOUT: Shakeout in watch business, similar to one which sharply thinned ranks of calculator producers over last 18 months, should be hitting any day now, according to Creative Strategies (CS). In report on industry, research firm predicts wave of dropouts, mainly among domestic non-vertically integrated module & watch assemblers, will begin soon after current holiday season.

CS study sees electronic digitals holding just 1.5% of worldwide watch market units, 5.7% of dollars in 1975, but rising to 28.6% of units, 39.8% of dollars, by 1980, when unit production hits 88 million, value tops $2.8 billion and average price falls from present $76 to $32. CS sees low end digitals selling for under $20 by 1978, though cost of watch module, now about $20, won't drop to current $6 level of mechanical watches until 1980. Results are similar to those in previously published Frost & Sullivan report (Vol. 15:41 p11).

CS estimates Hughes will hold largest share of module production in 1976 with 18%, followed by Litronix at 16%, American Microsystems 14%, National Semiconductor 13%, Texas Instruments 12%, Microma 8%, Fairchild 7%.

Also on watch front, there are signs that LCD units will start eating into 10-1 sales advantage currently enjoyed by LED models. National Semiconductor said it will add LCD models to line this year, Timex has placed large LCD order with Beckman Instruments, Frontier said it would start producing LCD modules for OEM customers by mid-year... Fairchild & TDK have formed new Japanese joint venture, TEC, to assemble & market electronic digital watches... Lucien Piccard, seeking Chapter XI bankruptcy protection in N.Y. federal court, says its mechanical watch business is casualty of electronic watch boom... Hewlett-Packard is offering LED displays to watch OEMs.

FTC involuntarily enlisted 88 unidentified businesses in pilot enforcement program which enables Commission to impose fines more swiftly than is currently possible. Companies received letters notifying them that Magnuson-Moss Warranty Act gave FTC right to seek court-imposed fines of up to $10,000 against companies that violate business practices already banned by FTC orders in prior cases; move thus enables FTC to drop one step in current procedure. Companies also were sent list of orders pertaining to their businesses, along with warning that "you should immediately insure that you are not" violating any of them.

Novel approach to FCC's rule that TVs & radios which haven't been type accepted can't be displayed at trade shows (because this constitutes offer to sell) was adopted by Panasonic at CES. Sign on new 13" color set said: "This model is not available for sale until it has received FCC approval."

Quasar establishes distribution branch in Hartford (110 Prestige Park Rd., E. Hartford 06108) with Herbert Walker as gen. mgr., Kevin Sullivan, sales mgr.

Oak has opened sales office in Brussels.
THE BEST IS YET TO COME—INTV: Programming, satellites, sales & news were prime subjects at INTV convention in L.A. last week—described as "a good, meaningful meeting; great 2-way communication." All of 220 delegates (up from 150 year ago in Atlanta) we talked to agreed with above evaluation by Cox Bcstg.'s James Rupp, particularly as it related to sessions with program producers & syndicators. And, according to INTV Chmn. James Terrell, "the best is yet to come" for independents.

One major development probably coming will be co-op of independent stations to help producers finance first-run programming for family viewing (FV) time slots. "The independents are willing to put their money where their mouths are," Terrell said following closed business meeting during which committee was authorized to study proposal. Producers said they'd welcome such help. No dollar figures have been mentioned, and members will be surveyed to determine interest. INTV didn't foresee any antitrust or legal problems.

Lorimar Productions Pres. Lee Rich said independents should get in program business and become partners of producers. He said if Tandem Productions' Mary Hartman succeeds—after rousing starts on independents 2 weeks ago as 5 nights a week strip show—it will greatly change way programmers do business. Tandem Pres. Norman Lear said 5 writers were working on Hartman, said quality could be kept high despite 5 new shows weekly because "imagination is given free rein." MTM Enterprises Pres. Grant Tinker said programs his company makes are
At one time, Sony conducted intensive negotiations with RCA on subject. Schein also said: (1) Sony is developing Betamax cassette with more than 60-min. recording time and expressed hope that new AIA plant will make possible reduction in tape price. (2) Some 600 Betamax units were sold in U.S. in Dec. under limited marketing, indicating that VTR-equipped TVs could capture 5% of market.

TOY INDUSTRY MARCHING INTO VIDEO GAMES: Next major assault on blossoming video game market will come from toy & game industry. We've learned that first unit will be introduced by Coleco, Hartford-based maker of air hockey and other consumer games, at National Sporting Goods Show in Chicago (Feb. 5-8). Other leading toy/game producers are expected to be in field by end of year or early 1977.

"We're not discussing any details yet," Coleco Pres. Arnold Greenberg told us. Other sources said game uses General Instrument 6-game chip (Vol. 15:48 p8), will be in $50-$70 range. Unit also will be displayed at American Toy Fair in N.Y. Feb. 22-25.

Ideal, Mattel, Kenner & Aurora also are known to be looking hard at field and at least one is expected to introduce game before year end. Several were at WCES looking at games shown there and talking with semiconductor suppliers.

Prices will drop quickly once toy & game makers enter field, toy makers told us. "The toy industry historically has been able to take a technological breakthrough and sell it at a toy price—and $100 is not that price," Kenner Product Planning Vp Stan Sudman said. "It would have to be in the $30-$35 range to become a successful product for the toy industry."

Kenner "is studying the market," Sudman said, will enter field if it "finds the right product." If go-ahead decision is made, first game would be put on market in 1977. Ideal Product Mgr. Charles Light said company is "looking hard at it—it's going to be a very big business and the toy industry will have to be involved in it to protect their interests in the toy field." Mattell spokesman said firm "is familiar with it, we have a reasonably good understanding of it and it's not totally foreign to us."

Mego's, producer of Star Trek & other action games, will introduce self-contained chip-controlled game which uses electronic visual display, including LED readout—instead of picture tube—at Toy Fair. Game will be produced in firm's new Taiwan factory, will be followed by other "action" games next year. Price will be in $50 range.

Toy firms aren't only new ones getting into market. In addition to raft of outfits showing units at CES (Vol. 16:2 p11), Unisonic and Major Mfrs. outlined units to accounts at show. Unisonic games—"Tournament 2000"—will feature 6 games (tennis, hockey, football, squash, 2 rifle games), variable speed, on-screen scoring. Prices and delivery dates weren't available. Major spokesman confirmed that company, now producing coin-operated cocktail table games, soon will be in consumer field, wouldn't elaborate on game or pricing.

Consumer Reports is happy with color TV. Based on test ratings of 14 solid-state 15" & 17" sets, magazine comments in Jan. issue that owning set "can be a pleasure indeed," and rates 12 sets good or better. "The sets reached us in fine working order, too; need for the initial adjustments was minimal. And during our 2-month test period, we had none of the breakdowns that have usually afflicted sets tested in past TV projects." Survey of 2,200 readers who bought color sets in 1972-74 identified Sony as least likely to require repair. Magazine doesn't mention that Sony color sets have always been solid-state, whereas solid-state sets represented only 25% of industry output in 1972, 51% in 1973.

Durable goods sales will lead pickup which will make 1976 "a better year—but no boom," RCA Staff Vp-Chief Economist Robert Eggert told NRMA convention in N.Y. last week. "Auto sales are estimated at 10.2 million units, an increase of 17% over 1975, and color TV sales could reach the 8-million level, up about 25%," he said. He outlined these factors helping durable sales: (1) Above-average growth in real spendable earnings, drop in savings rate, expanded credit use. (2) Improvement in confidence. (3) Replenishment of "aging" household durables after 2 lean years of purchases. (4) Impetus of Bicentennial year, Olympics, election. (5) Better values.

Import adjustment assistance eligibility probe has been launched by Labor Dept., for displaced workers at Dynamic International's AC adaptor plant in Puerto Rico.
SUMMARY-INDEX OF WEEK’S NEWS

Broadcast

RENEWALS & NAB SERVICES are key issues at Key Biscayne board meeting: takes position on renewal bill. Discussions include gripes, radio, cable, budget. Jockeying for elections. (P. 1)

UHF CH. 32-69 SOUGHT by mobile radio users, making estimates for needs in year 2000, preparing for WARC ‘79 sessions. Would displace 151 UHF. (P. 3)

EARTH STATION PROLIFERATION creates prospect of public broadcasters marketing up to 10 satellite channels in virtually all major markets. (P. 4)

NEWSMEN SPIES FOR FBI & CIA? Stream of charges emerge, with Jaffe prime source. Sheehan, Cronkite & Chancellor issue incensed denials. International message carriers subpoenaed. (P. 5)

MICROCAM’ TO CBS for political conventions—smallest electronic camera yet, by Thomson-CSF, is claimed first lighter than film camera. (P. 5)

FORD SPEECH BACKS REFORM of regulatory agencies, Ford aides insist. Budget contains cuts for OTP & CPB, small increases for FCC & FTC. (P. 6)

FCC CONFLICT CHANGE TORPEDOED by Congress’ short election-year schedule, Watergate memories. Senate Subcommittee sets tentative agenda. (P. 7)

Consumer Electronics

TAKING LAST TUBE out of TV, inventor William Glenn developing high-brightness CCD projection TV no bigger than Carousel projector. (P. 8)

COLOR SALES UP 16% from 1974 in 1975’s final 5 weeks. But for full year, dealer buying was worst since 1971 in color, 1949 in monochrome. (P. 8)

TV MAJORS EYE PROJECTION: Zenith, Admiral & GE believed looking into systems, but entry depends on increasing brightness, reducing bulk. (P. 9)

VIDEO GAMES PRICES seen dropping rapidly as semiconductor, import firms jump into market. Lowball price could slip well below $50 this year, dip to $35 in ’77. (P. 10) New games. (P. 11)

OPTICAL VIDEODISC standards outlined by Philips, MCA & Zenith. Toshiba joins list of RCA licensees. MGM licenses 200 films to SelectaVision. (P. 12)

CB SALES BOOM attracts Wall St. interest. Some $25 million being raised through offerings by SBE, Pathcom, Hy-Gain. Offering statements demonstrate spectacular growth, intense competition. (P. 12)

RCA, GE EARNINGS up sharply in 4th quarter, although color sales were depressed. Admiral posts first-quarter loss. (P. 13)

RENEWALS & NAB ARE NAB ISSUES: After few hours of discussion over 4 days in not-so-sunny Key Biscayne, Fla. last week, NAB board decided to stick with congressional push for combined TV-radio renewal bill. Discussions centered on whether it would be prudent to push first for 5-year, radio-only bill, without any built-in stability. In end, both TV and radio boards adopted following resolution:

"The NAB reaffirms its commitment to license stability and a lengthened license term for all broadcasters. However, should the Congress decide first to direct its attention to renewal relief for the radio industry, NAB would support such appropriate legislation."

NAB staffers were happy with results, pointed out there’s widespread Hill support for joint bill although Exec. Vp Donald Zeifang admitted chances for passage this year are "50-50 at best." (House Communications Subcommittee Chmn. Macdonald [D-Mass.], in Washington, stated that different types of licenses should be treated differently by FCC & Congress, but said treatment should be based on licensee’s size, not whether radio or TV. "Quite a few small stations deserve a break over the larger stations," he said, because "it’s hard for them to hire a lawyer to file the papers," while bigger stations "have a whole stable of lawyers up here [Washington]."

Macdonald noted that ranking Republican Rep. Frey [Fla.] & other Committee members were pushing for renewal hearing, commented: "I want to do anything I can to accommodate them..."
while, Shannon Communications continues development work on new single-tube system.

Bulk of projection systems now on market, or about to be marketed, are similar to Muntz unit, using stock small-screen color TV and lens or lens-plus-mirror assembly. Some are being assembled by former Muntz dealers or distributors. Among other identifiable projection unit, being assembled by former Muntz dealers or distributors are Worldwide Entertainment Systems, Rockville, Md.; Tele-Video Enterprises, Waukesha, Wis.; Miami Projection TV, Fla. (kit); Tele-Pro-Sys (Tape Head Co.), Salt Lake City (kit), Rockville, Md.; Tandom Enterprises, Salt Lake City (kit), Rockville, Md.; Executive Games (Vol. 16:2 p11), with Sears, Penney & Woolco as major customers.

Significant number of those are expected to be simple table-tennis models with limited range of games & functions—relatively inexpensive to produce on volume basis. Chip prices run as low as $5-$6, RF assemblies below $10. Adding cost of circuitry, plastic cabinet, control knobs, wiring & tooling, game already can be put together for $20-$25. APF is understood to be quoting $35 dealer price for volume orders on its new game (Vol. 16:2 p11), with Sears, Penney & Woolco as major customers.

If demand holds up, $80-$90 suggested list price of APF unit could remain firm at retail through first part of year. "We may cut our prices by $10-$20 by Christmas," APF Mktg. Mgr. Howard Boilen told us, "but this year will be tight, so what we do with prices might not be done at retail. If [retailers] can get a good price, they'll get it."

Nonetheless, those getting into industry admit that lower manufacturing costs and intensified competition inevitably will drive prices down. In addition to entry by vertically integrated firms—Fairchild, National Semiconductor's Novus Div., possibly TI—there are predictions that a raft of low-end knock-down games from Far East will hit U.S. market soon. "I'll be damn surprised if we don't see a $39 game by the end of the year," executive of leading chip supplier told us.

Companies now in game business are seeking to keep out of pricing war, gambling that strong $70-$150 market will develop, leaving low-end battle to marginal segment of industry. "You'll see some people fighting it out at the low end," says Ronald Rutkowski, mktg. vp of Control Sales which markets Video Action III, "but this won't be the watch or calculator business." Although he sees possibility of under-$50 "Mickey Mouse" unit on market by year end, he feels most firms will concentrate on $100 level with more deluxe units featuring variety of games.

Problem is that games offered on deluxe units are only variations of basic table-tennis concept, while Mirco-Fairchild venture promises under-$100 sophisticated "shout," "chase" & "driving" games similar to those in Mirco's coin-op units.

New games will use dedicated LSI chip instead of more expensive microprocessor, which Mirco Pres. Thomas Connors say isn't necessary to reproduce complex coin-op games in
home unit. "Within a year," Connors says, "you'll be able to pick up the most complex game for pocket money."

If true, that could force Universal, First Dimension, Atari, Magnavox & others into round of price-cutting on higher-end table-tennis units, lead to repeat of situation in calculator field and trigger first of market shakeouts.

In midst of concern over price erosion, no one in industry doubts potential market is vast, limited by number of TV sets in use. But estimates of market size vary widely. Here's our guess, based on conversations with suppliers & manufacturers in field:

- 1975-250,000-500,000 units, $25-$35 million;
- 1976-2-2-1/2-million units; $175-$225 million.

NEW VIDEO GAMES: Ontario-based Weber Electronics is marketing Tele-Tainment line of 4 battery-operated games, all featuring 7 games, 2 with remote attachment. Games are available immediately, prices not known... LTA of Chatsworth, Cal. will introduce self-contained portable & cocktail-table home games March 1, both at $1,400. Portable unit comes in attach case, has 5" picture tube. Table game has 12" screen. Major tube supplier is Motorola. Games operate from programmed boards inserted into slot. Additional boards with 2-4 games will be available at $10. Firm plans to show line at June CES.

Other developments: APF plans 2nd-generation game using microprocessor in $150 range in early 1977. Executive Games is adding TV Hockey with deliveries in Aug.; retail price is $50 (price on TV Tennis has been increased $5 to $70). First Dimension will add 2nd game in April for June delivery, 3rd unit in July for Aug. delivery, 4th for Christmas delivery, will hit $70 price point by end of 1976. Magnavox hopes to add 2 new games during coming year—deluxe, multi-game color unit, followed by basic Ping-Pong at price point below existing Odyssey games. Universal Research will introduce Video Action IV in June, along with lower-priced game (FCC says Video Action III, introduced at recent CES is still being tested, hasn't been approved. Forerunner, Video Action II, was taken off market due to lack of FCC approval).

Admiral's mystery product, "Interface IV" (Vol. 15:39 p7), probably will be unveiled in prototype in late Feb. or early March, we were told by Rockwell Consumer Operations Pres. Charles Urban. Device uses TV screen, has logic circuit. "It's not a consumer device," Urban said, "but it has application to the same kind of customer who is buying projection TV today." What does it do? "Its potential is limited only by the imagination—name it and there's probably some way we can do it." Among possible uses: Electronic drawing board—it will let user draw pictures in color on TV screen (but "it's not for 11-year-olds"). Sophisticated games, such as bridge or Monopoly. Price is expected to be high for consumer product, but low for minicomputer product of this kind. Main purpose of demonstration, Urban indicated, will be to stimulate ideas on possible uses & markets.

Justice Dept. says it was informed in Dec. that Whirlpool was discussing sale of interest in Warwick to Japan's Sanyo (Vol. 15:50 p7), but was not requested to conduct business review, has had no word since.

CB Scene: Motorola & Superscope confirmed what everybody suspected—both will enter CB field. Motorola's line will include under-dash, base station units, antennas & accessories for 2nd-quarter delivery. In-dash models will be added later. CB equipment will be made by Communications Products Div., sold through Automotive Products Div... Superscope established Automotive Products Div. to market CB mobile & base station units, car stereo equipment produced in Superscope Taiwa & Marantz Tokyo facilities. FCC is shaping those filing CB license applications to await at least 13 weeks before inquiring into status, due to heavy backlog. FCC also pointed out reduction of age limit for CB operation to 16 is only proposal, that 18 remains legal operating age... Industry is getting another publication, Charlton Publications' C.B. Times, with projected initial Newsstand circulation of 150,000. NARDA continues expansion of Traffic-builder private-label program, adds Lake line of mobile CB units, available in limited quantities... FCC Chmn. Wiley asked Senate Commerce Subcommittee to extend fining authority to cover unlicensed CB operators, and Senate Communications Subcommittee is considering hearing on CB re-regulation (see p. 7).

Mergers & acquisitions: Westinghouse Canada signed letter of intent to sell appliance assets to White Consolidated, cancelling agreement to sell to Toronto-based GSW. White bought Westinghouse's U.S. appliance business last year, was blocked from acquiring Canadian arm by Foreign Investment Review Agency (FIRA) which favored idea of local ownership. New White approval request is pending with FIRA... RCA is negotiating sale of discontinued test equipment business to Philadelphia-based VIZ Mfg. VIZ has been supplier of such equipment to RCA... N. American Philips agrees to acquire Airpax Electronics, producer of industrial controls & electronic components, for shares valued at about $8 million.

Easing of ban on display of uncertified TVs, FM radios & other RF devices at trade shows is planned by FCC, which is expected to issue proposal, in form of order or rulemaking notice, in next few weeks. Staff recognizes industry needs relief from policy prohibiting exhibit of even non-working mockups, but hasn't yet decided how far to bend, we were told by Frank Rose, Technical Standards Branch chief. Main concern, he said, is that too liberal relaxation could "create an opportunity for people to use this as a means to create a market for equipment which would not be acceptable" under FCC rules.
Broadcast

FORD ON TV DEBATES: President tells us he hasn't decided whether to debate Reagan, that he won't have time in near future because of domestic & international problems; has no problem with fairness doctrine. (P. 1)

HILL CATV STUDY—BOOS & CHEERS: House Commun-

ications Subcommittee staff urges making most wraps off cable—but final action long way off. Congressmen shy on comments. Industry reaction as expected. (P. 2)

DIFFERENT PROGRAM MGRS.—BUT: Convention sessions of NAB & NCTA both feature Wiley, Hartke, Macdonald, Wallace, debates on pay cable. Van Deerlin to NAB, Moss to NCTA. (P. 4)

COMMON AM-FM-TV CALLS OK: Staff rulemaking to prohibit same calls for commonly-owned stations rejected by FCC. (P. 5)

PROMOTING PAY-CABLE FILMS: Kahn keeps control of promotion in deals with distributors on 13 AFT movies, aids system operators. (P. 5)

FCC REVOKES IDC PERMIT: After 6 years experiment, Commission tells International Digisonics it can't use TV screen any more to monitor spots. (P. 6)

FCC HUNG ON 'SPECIALITY' programming of TV stations for cable purposes. Hooks, Quello want to include black-owned UHF in Detroit, raising question of 'ethnic' definition. (P. 6)

Consumer Electronics

RADICALLY NEW picture tube, completely re-engi-

neered from glass to gun, to be introduced in new Zenith line. Changes are more far-reaching since introduction of rectangular screen. (P. 7)

COLOR TUBE PRICES crumble again, over-supply causing dip in 25" OEM price at time increases were to have gone into effect. (P. 8)

NEW SALVOS in battle against imports: Sylvania files unfair complaint with FTC against 5 Japanese color TV makers. Zenith serves notice it will take Treasury to court to fight for extra duty levies against Japanese exports. (P. 8)

ZENITH OFF HOOK on X-rays as BRH rules radia-
tion potential of 1.35 million 1975 sets doesn't pose significant health hazard. New CPSC list indicates TVs are safer now. (P. 9)

MORE CB FREQUENCIES may be allocated in time for March PC show, FCC says, but skepticism remains. Display of prototype added-channel receivers doubtful for show. (P. 10)

ANCILLARY TV SERVICES URGED: Present sets deliver only 'fraction' of services now technically feasible, according to OTP-commissioned study. Increased TV set costs seen. (P. 10)

ADMiral TO BUILD 13", 17" & 19" color sets in Taiwan starting in April, Urban says. Company re-evaluating audio. (P. 11)

PRESIDENT FORD ON TV DEBATES: "I haven't made any decision on that yet," President Ford told Television Digest Jan. 30 at White House reception for RTNDA, when we asked if he would debate Gov. Reagan or Democratic opponent in general election. "Certainly, with the serious domestic and international issues that are facing us, there wouldn't be time for me to debate in the near future," he said. As for later in campaigning, "I'll decide at the appropriate time," he added.

Less than year ago, Ford had told TV execs, in private conversation that he had always debated his congressional opponents and that he generally favored face-to-face debates "because the incumbent has the advantage."

Cabinet officials briefed RTNDA members in Exec. Office Bldg. for 4 hours Jan. 30, after which Ford spoke for 20 min., answered questions for half hour, in White House prior to reception. Only question about media at news conference concerned fairness doctrine: "We don't have any complaints," he said. "I would think generally it works all right." It was President's idea to answer questions, and he waved News Secy. Ronald Nessen off once when latter wanted to cut them off.
MUNTZ PROJECTION AT $895: Scrappy Earl Muntz is hitting back at recent projection TV competition with: (1) Threatened patent-infringement lawsuits. New set has same-size picture as Muntz single-cabinet unit which sells for $1,595-$1,695, but is 2-piece type without remote control using separate Ektalite screen which can be hung on wall or mounted on stand and walnut cabinet housing TV set & lens system, designed to be stationed 66 in. from screen.

New system uses 12" Sony or 13" Sharp color TV as picture source, is already being produced in 32,000 sq.-ft. Van Nuys, Cal. plant where Muntz stereo once was made. Muntz told us plant produced 180 projection systems week ended Jan. 24, had scheduled 250 following week, was running 10 days behind orders. He said his company has now built 6,000 TV projectors. Muntz is a national distributor for JVC U-Matic videocassette recorder and he said 50% of all projectors sold by his retail operation were accompanied by purchase of recorder or player. As to burgeoning business in projectors which appear similar to Muntz, he told us he now has patent on optical system and he would soon make representations to companies he believes are infringing.

Meanwhile, Laser Video Inc., L.A. (Vol. 15:5 p8) has completed prototype of laser-beam self-contained rear-projection color TV display with 4-x-5-ft. screen for military-industrial use. Set would sell in $35-$40,000 range, Gen. Mgr. Harold Moss said. However, planned consumer unit, with $1,200 target, has been shelved, presumably for both technological & financial reasons. Former Exec. Vp T. H. Malman, inventor of laser, now is consultant; Pres. Chet Menkes is on leave, and Moss told us "we must get over financial hurdles" before development of consumer projector can be resumed.

Video game producer Fascination Ltd., Elk Grove Village, Ill., says it's negotiating with 4 or 5 companies (including Tandem Enterprises, Waukesha, Wis.) on combination projection TV-game packages for bars & restaurants. Game would be made by Fascination (formerly National Computer Systems), employing works-in-drawer concept of removable game boards, would add $300 to price of set.

Note: Last week we quoted incorrect list price for Sony projection TV. It's $2,500. We regret the error.

India Trade Fair in N.Y. last week indicated country's developing electronics industry poses no threat to U.S. market position of current foreign & domestic suppliers. Half-dozen electronics firms were showing discrete semiconductors & tubes, plus hardware & accessory items. Product displays were limited to calculators and home & auto radios, generally of European design. Exhibit brochure stressed Indian products are eligible for duty-free import treatment under preference system announced by President last fall (Vol. 15:48 p9). Exhibit opens in Dallas Feb. 8.

Matsushita gave $1 million to MIT to establish Matsushita Professorship of Electrical Engineering in Medicine.

ADIMARL'S TAIWAN COLOR: Admiral will resume large-scale production of color TV in Taiwan beginning in April, making 13", 17" & 19" sets, in effect leaving only 25" color output in U.S.. Rockwell Consumer Electronics Pres. Charles Urban indicated to us, "is now completely staffed by Rockwell people and could eventually add circuit-board & sub-assembly production for U.S.-made sets, replacing Juarez, Mex. facility, which now is being reassessed in view of rising costs & increasing red tape.

Rockwell Pres. Robert Anderson said company's Consumer Operations (Admiral & power tools) increased sales in fiscal quarter ended Dec. 31 by 4.1% to $154 million, while loss declined 41.5% to $5.1 million. Urban declined to forecast when Admiral would be in black, but said break-even goal is fiscal year ending Sept. 30, 1977.

Other comments by Urban, in answer to questions: (1) "As a viable company, about 40% of our total [TV-appliance] sales ought to be in private label. It exceeds that now, but not by much." (2) Admiral's place in audio business is currently being re-examined. (3) Completely new color line - "equal in quality to RCA & Zenith, but priced lower" - will be introduced in May. (4) Admiral's inventories are at "bare-bones level-4-5 weeks all the way from parts to finished goods." (5) In long term, all major TV & appliance manufacturers must re-assess marketing costs to determine whether distributors have place in structure. (6) "Major" Admiral project is replacement of all mechanical tuners with electronic systems in color & monochrome TV. (7) "Interface Mark IV" interactive TV device, to be demonstrated soon (Vol. 16:4 p11), will sell for $700-$800, be programmed from standard audio cassette.

Adimarl's color TV market share? "We're doing substantially more than most people think."

Formal Japanese govt. restrictions on TV, radio & recorder exports to Belgium, Netherlands & Luxembourg halted at yearend when voluntary quota program expired. Change is result of negotiated agreement calling for Japan to monitor exports to Benelux countries, take restrictive action if shipments show signs of increasing too rapidly. Similar orderly marketing agreement reached earlier frees Japan from imposing quotas on TV exports to U.K.

CB'ers of America (UCBA) & George Bennett were turned down in appeal to 6th Circuit U.S. Court of Appeals on 11-count 1973 conviction involving CB fraud. Bennett & UCBA were convicted by Mich. District Court of counterfeiting & distributing false FCC CB licenses. Bennett received 18-month prison sentence, while UCBA was fined $5,000.

Year started well in EIA color TV sales-to-dealer figures. Sales for first 2 weeks of Jan. were up 17.1% (see State of the Industry), and EIA is expected to report 3rd-week sales of 130,500, up 26.8% of same 1975 week. For year's first 3 weeks, sales totaled about 342,700, increase of 20.6% from 1975 period.
**Trade Personals**

Gene Gold resigns as JVC America mktg. vp, post he held just 3 yrs., to become exec. vp-sales & mktg., Channel Master Consumer Products Div... & mktg., Channel Master Consumer Products Div... Jim Maynard joins Nikko Electric as national sales mgr., succeeding Allen Novic, now TEAC sales dir... mgr., succeeding Allen Novic, now TEAC sales dir... Wesley Ramsdale, ex-ICI United, appointed Quasar Sales Director, named operations vp... Dale Hoppa named Sylvana Distribution Services Div. industrial relations mgr., succeeding Edward Howie, retired.


Pierre Lesieur advanced at Motorola Semiconductor to business planning mgr., succeeding James George, now responsible for C/MOS operations at Solid State Scientific... Andrew Allison, ex-Fairchild, joins Advanced Micro Devices as microprocessor mktg. mgr. Sam McCrae appointed calculator display operations mgr. in realignment of Texas Instruments' microelectronic dept.; Gene Ricci named for watch/large clock displays; Lin Wetterau new responsible for sensors & emitters.

Bud Frye, gen. mgr., Fairchild Semiconductor Optoelectronics Div., named vp; Charles McDonald, Consumer Products Div. vp-mktg. dir., adds responsibility for watch modules... Peter Johnson, Litronix optoelectron device products worldwide sales mgr., promoted to vp-components products, assuming mktg. responsibilities formerly handled by Pres. Bruce Blakkan... Ardithe Rivel resigns as Benrus vp-solid state timepieces, duties assumed by Elliot Morrison, also in charge of analog watch business... Gerald Beckmann shifts from RCA Labs to Solid State Div. C/MOS IC product operations dir., succeeding Norman Turner, reassigned to mfg. post.

Robert Katz, ex-Tri-Tronix & Bowlmar, joins Sharp Consumer Calculator Dept. as eastern sales mgr. Harry Mirick, Time Computer operations dir., named operations vp; Arthur O'Connor advanced from technical operations dir. to vp-technology; James Sharlet, ex-controller, now vp-finance... Robert Anslow, Rockwell Microelectronic Device Div. business development dir., adds responsibility for watch module operations, replacing Gunther Diersbock, resigning as timepiece programs dir. to form module consulting firm with Rockwell as client.

Gordon Brantley advanced at GE from N.C. zone TV-appliance mds. & sales planning mgr. to ad & sales promotion mgr., succeeding R. Oliver Crawley, retired... Harry Proudman, one-time Sony Video Products, appointed national account mgr.-video products, Cramer Electronics... Milton Dixon shifts at Beckman from Helipot Div. reliability mgr. to operations mgr. of Puerto Rico plant, succeeding Charles Florence, who takes mfg. staff post at Helipot.
SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

EGER—DOMESTIC & FOREIGN POLICY: Likes 5-year renewals, less FCC involvement in programming, more station-cable cross-ownership. Presses for govt.-industry cooperation in dealing with foreign countries. (P. 1)

UNLEASH PAY CABLE, JD tells court. Says FCC restrictions unsupported by evidence. Broadcasters oppose on several fronts. NCTA elects unopposed slate. Kinley favors House staff report except in federal/state area, also pushes rate inquiry. (P. 2)

TV OF HOUSE PROCEEDINGS clears Rules Subcommittee. Albert threatens to block any legislation which doesn't give Speaker control. (P. 4)

MORE HILL QUESTIONS FOR FCC: Senate Commerce Committee wants 5-year record of all travel, cost, days out of Washington, 'transportation services or other items of value' not paid by govt. (P. 5)

TV & CHILDREN DEBATE switches to Utah as Sen. Moss plans hearing in home state. Panel of religious leaders to testify. (P. 5)

Consumer Electronics

JAN. COLOR SALES to dealers up 24% from 1975, with final week showing 31.3% gain. Monochrome figures reflect 21% increase over Jan. 1975. (P. 7)

EXPANSION OF CB to 50 channels won't sail through FCC unchallenged. Opposition at Commission staff level will push for more study and creation of new service to replace Class D. (P. 7)

COLOR IMPORTS UP 56% in 4th quarter, as Dec. shipments rose 43% to 105,000, although full-year imports slipped to 5-year low of 1.21 million. Japan's Dec. color exports to U.S. tripled, putting 1975 total at 1.22 million, up 21%. (P. 8)

PUERTO RICO, MEXICO preparing drives to attract more U.S. industry. PB study urges more tax breaks, controls on wages & fringes. Mexico cuts red tape, plans investment seminars in several U.S. cities. (P. 9)

COMMERCe DEPT. FORECASTS 1976 consumer electronics sales rising 12% to $4.35 billion, growth to $8.7 billion in 1985. Electronics industry 1976 sales seen at $28.3 billion. (P. 9)

NEW GAME CHIP will be offered in volume next Aug. by National Semiconductor, with major TV maker as possible customer. (P. 9)

ZENTH'S NEW COLOR TUBE, as gleaned from patents, features more economical shadow mask, faceplace alignment technique, phosphor coating procedure and aluminizing process. (P. 10)

EGER'S POLICIES—DOMESTIC & INTERNATIONAL: Red tape and over-regulation remain major bugaboos to John Eger, OTP acting dir. Just back from South American trip, he covered number of issues in interview last week. Among his positions:

(1) "There's no magic in 3-year renewals. It's a burden on many stations and should be shifted to 5 years."

(2) "Networks want a certain insulation from the regulatory process, and I have to agree with that. FCC is too much involved with networks and the larger stations. It's making judgments about programs. As we come into an 'abundance economy,' FCC should get out of program percentages... Family viewing is a noble but misdirected endeavor."

(3) "Cable cross-ownership ought to go to Congress for debate. There should be more cross-ownership with stations. I can't see a broadcaster trying to thwart cable in his town if he has ownership. I reject out of hand the argument that he would kill cable if he owned it. Broadcasters come to me and say they're not against cable—but ask why they must be excluded, why can they own cable only in other cities. Maybe they should be quasi-common-carriers. I think networks should own cable—but only as common carriers, and not in their o-&-o markets.

"I know that makes the Justice Dept. antitrust people unhappy—but I want Congress to get a
Japanese expect long-term continuation of boom in color export to U.S. & other countries and are expanding accordingly. Sanyo is gearing for 20% export increase to 600,000. General, selling private-label sets in U.S. to Midland and others while its Teknika-brand sets are being offered through Itoh, is modernizing 2 color plants million, boost exports to U.S. some 50% with help of increased capacity at Taiwan & Singapore.

WANTED—U.S. INDUSTRY: Both Puerto Rico & Mexico are working on new incentive programs to attract more investments by U.S. manufacturers.

In Puerto Rico, special report by island's business leaders for Economic Development Administration recommends: (1) Income & property taxes be phased in over period of years, rather than imposed all at once, after new firm's exemption expires. (2) Reduction in tax rates for exporting companies. (3) General exemption of P.R. from federal minimum wage rates. (4) Industrial loan guarantees for plant construction & modernization. To hold down costs, study suggests reduction of legislated fringe benefits, tying wages to productivity with wage subsidies for needy companies and establishment of tax-free zone where U.S. companies could locate R&D operations.

Mexico is becoming aware that rising wage rates are scaring U.S. manufacturers away from free-trade border zone; unions there are expected to push for 11% boosts this year. Recently, went. moved to cut red tape, speed up approvals for imports of raw materials, equipment & financing as well as for temporary work permits for necessary technicians. Reduction in employer contributions to Social Security is being considered. Through series of seminars in major U.S. cities later this year by private Industry Coordinating Council, went. hopes to rekindle interest in Mexico by U.S. manufacturers seeking foreign export assembly plant locations. Meetings will emphasize desirability of siting plants in Mexico's interior states where unemployment is higher, wages lower, than in more easily accessible border zone.

Foreign ventures: Unitrex forms calculator assembly venture in Brazil with Electra Radio (no relation to ERC of U.S.) as local partner. Company will produce for Latin American markets...Hitachi will be 20% partner in Finnish color tube plant with went. owning 60%, TV maker Salora Oy remaining 20%. Capitalized at $52 million, plant will have initial capacity for 300,000 tubes, most being used by Salora, rest marketed to European OEM by Hitachi.

New sets: Admiral drops in new 19" leader at $430, stepups at $450 & $470 (previous leader was $460) and 23" console at $600...Quasar introduces its first 12" color set—line leader at $330, same price as 13" before $20 increase last Nov. (Vol. 15:4 p11).

COMMERCE DEPT. FORECASTS: After 12% decline in consumer electronics shipments for 1975, industry will snap back to 1974 level in 1976; with sales rising to $4.35 billion, up from $3.9 billion in 1975, and continue to grow at annual 8.4% rate to $8.7 billion in 1985. That's Commerce Dept. forecast in 500-page "U.S. Industrial Outlook 1976."

Total electronic equipment shipments dropped 6% to $25.52 billion in 1975, Commerce estimates, but should grow 11% in 1976 to $28.3 billion, then increase at annual 7.5% rate to $52.7 billion in 1985. "There is every reason to expect that consumer electronics will resume its growth," says forecast, "though probably at a pace somewhat slower than has characterized its earlier decades. However, if videodiscs become popular, industry growth could accelerate considerably."

In 1975, Commerce estimates some 600 U.S. consumer electronics manufacturers employed 73,000. In component area, Commerce expects picture tube shipments to rise 12% to $715 million this year. It estimates 1975 calculator sales at 16-20 million made by 79 firms with 20,000 employees.

NEW VIDEO GAME CHIP: National Semiconductor is joining video game market as supplier, will begin volume production of 3-game chip at under $9 by Aug. Subsidiary Novus—which hopes to introduce game by June—will be first customer, but NS Consumer Systems Mkgt. Mgr. Steven Field says firm is talking to other companies now in game business, importers & U.S. TV manufacturers. One major TV producer reportedly is shooting for June introduction of set incorporating NS chip. LSI chip has necessary logic to play tennis, handball & hockey, all in color. Other features: Automatic ball speed increase, adjustable paddle size, automatic on-screen digital scoring (blanked out during actual play), sectioned paddles for "spin" or "English" effect. Field says firm will run check on initial production in April, begin sampling customers in May & June. Other major supplier is General Instruments, now marketing $5-$6 game chip.

Bohsei dropped plans to market video game after its supplier, LTA, decided to enter field under own name with cocktail-table & portable home units (Vol. 16:4 p11).

Erie Technological sells U.K. capacitor & resistor manufacturing subsidiary to ITT, terms undisclosed.
SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

NEW COLOR TUBE to be offered to industry next week in showings by Zenith & Corning. Television Digest reports confirmed in statements by both companies. Glass savings to be $5 in 19" size. (P. 7)

PRE-RECORDED PROGRAMMING for Betamax, including feature films, offered by Teletronics. Time-Life shipping Betamax telecourses. 'Dry run' for videodiscs? (P. 8)

MORE VIDEO GAMES hit market this week at N.Y. Toy Fair, including model which could break $30 retail price point. Magnavox in Fair for first time with Odyssey. (P. 9)

SONY CLAIMS 7.5% of U.S. 1975 color market, says share topped 10% in Jan., shies away from CB and TV game fields. Admiral claims 10% share. (P. 10)

WARWICK'S LARGER LOSS in 1975 attributed to increased Sears buying of low-cost color imports. Capehart shows 3rd-quarter profits. (P. 10)

CANADA'S TV MARKET dropped in first 9 months of 1975 as domestic output fell 46.5%, imports slipped 32.8%. (P. 11)

CB TRANSCEIVERS set growth pace for Japan's exports to U.S. last year, as units rose 80.5%, while other major audio product categories declined. (P. 11)

Broadcast

NATPE GIVES FV VISIBILITY. Defendant Wiley and plaintiff Lear appear back-to-back. SAG strikes back at Pastore. (P. 1)

HOUSE INVESTIGATES INVESTIGATOR: Schorr brings 296-115 vote for Ethics Committee hearing, is taken off intelligence beat. (P. 2)

WILEY FD EXPERIMENT LOSSES: Commissioners vote 4-3 to reject plan to suspend fairness doctrine on radio in major markets. (P. 3)

CABLE SESSION EFFECTIVE: FCC & NAB say end basic session worthwhile. Smaller-market stations make largest impact. (P. 3)

SENATE OKAYS COPYRIGHT by 97-0 vote. Hathaway change eases burden for small cable systems. (P. 4)

HOUSE HEARING AGENDA for March 2-3 FCC 'oversight' includes children's TV ads, political TV, VHF, etc. Commerce Committees okay budgets. (P. 5)

NAB INCUMBENTS RE-ELECTED: 9 more to join board for first time after Chicago convention. (P. 5)

ABC 4th-QUARTER LOSS due partly to higher TV network costs & lower unit prices. Broadcasting accounts for 72% of 1975 revenues. (P. 6)

NATPE GIVES FV HIGH VISIBILITY: By design or otherwise, controversial family viewing (FV) concept will play major role in Feb. 23-25 NATPE convention in San Francisco. Appearing back-to-back—although not together—will be a major defendant (FCC Chmn. Wiley) & plaintiff (producer Norman Lear) in antitrust & First Amendment suit to be tried April 6 in L.A.

Govt. lawyers have much concern about Wiley's appearance in Cal. (some advised him not to go)—along with Comr. Abbott Washburn, who spoke in L.A. Feb. 22 (see below), was to be at NATPE today—because of fear plaintiffs may attempt to subpoena commissioners while they're in Cal. In freeing them of personal liability 2 weeks ago (Vol. 16:7 pl), L.A. Dist. Judge Warren Ferguson said "a district court in the Central Dist. of Cal. does not yet have jurisdiction over them [govt. officials]." Some feel such jurisdiction might apply while commissioners are in Cal. (Comr. Quello added fuel to controversy last week when he referred to FV as "an example of a voluntary response to regulation by raised eyebrow"") [see p. 6].

Last week, Wiley made what many in Washington consider his strongest defense yet of FV, before high school principals. In NATPE keynote speech today, he'll just touch lightly on family viewing, stress his view that govt. doesn't belong in TV programming, tell programmers to quit seeking FCC involvement—theme he used in Nov. HRTS speech (Vol. 15:47 p5). Wiley will return to FV as theme for Feb. 24 speech in Washington before religious broadcasters.
it be a good big business? It interests us. It's our bag. If it's there and attractive, we'll be in it."

In meantime, experiments in Betamax programming will be watched closely for possible clues to public's taste in videodisc programs.

**VIDEO GAMES SWEEPING TOY FIELD:** Raft of new video games—one expected to hit retail discount price under $30—will greet visitors to American Toy Fair in N.Y. this week. At least 4 toy firms will be taking orders for spring-summer delivery, and Magnavox will come into show for first time with Odyssey 100 & 200.

At same time, Fairchild has signed 2nd game-licensing agreement, this one with Alpex Computer Corp., Danbury, Conn. for development of console capable of playing "variety of video games." Fairchild signed similar deal with Phoenix-based Micro in Jan. (Vol. 16:4 p10).

Introducing games at Toy Fair are Coleco, Entex, Cardinal Industries & Jansa and industry generally believes other major toy/game companies will enter field within year.

New low price point in game market is being quoted by Cardinal on "Backhand II," which will carry suggested list in $45-$50 range but is expected to be discounted at $29.95 by major chains. Game is basic table tennis, features variable speed & serve controls, random ball movement, lacks sound & on-screen scoring. Other Cardinal game—"Backhand I"—has sound, plays smash (1 player) or tennis (2), uses remote paddle controls set inside real tennis balls. Price is expected to be in $70 range. Vp Joel Berger says new unit using audio cassette to change games will be introduced later in year. Both games are scheduled for June delivery.

Coleco game (Vol. 16:3 p9) is called "Telstar," will retail for $70-80. Vp E.B. Hurwin said unit uses single game chip, plays tennis, hockey, one-player handball and features on-screen digital scoring, 3 different ball sounds, variable speed-control settings at "beginner," "intermediate" & "professional" levels. Deliveries begin in April; other games are planned.

Entex "Tele-Pong" is made in Japan, uses 8 chips, plays tennis, Ping Pong & squash, has variable speed control & "automatic-player" feature allowing user to play against game. Spokesman said deliveries will begin in April and game probably will be discounted at $50 retail level.

Jansa, subsidiary of Brewster Industries, will market higher-end "Futurescope" featuring 2 remote-control panels and 6 games, including "Chance" which randomly blanks out half of playing field during game. Jansa Pres. Joseph Steinberg says game uses 30 chips, is assembled in firm's Brooklyn plant, will be delivered in June. Game using custom-made chip will be introduced in next 6 months and firm plans to introduce line of 10 video "action" games at beginning of 1977. "Futurescope" carries $118 dealer price, will probably be discounted at $180 level, Steinberg said.

Magna

Magna is "looking for additional customers" at Toy Fair, according to Electronic Games Product Mgr. John Helms, won't introduce lower-priced version of Odyssey (Vol. 16:4 p11).

Toy/game industry will make dramatic shift to video and other electronic games in next few years, many in field predict. Steinberg says his firm—which now specializes in air hockey, other family games—will have totally electronic line within next 5-10 years. "Space in the home is getting short," he told us, "and there isn't enough room for big games. But the consumer wants more games, and the answer is electronics." Video game market alone will hit 4.5 million in 1977, he believes.

"We feel the future of the game business is in electronics," commented Berger of Cardinal. In addition to video games, it's using Fair to introduce "Electronic Chess," handheld calculator-sized game programmed to challenge player on 8 different levels of expertise. Microprocessor pre-programmed with chess logic accepts player's move, analyzes position, displays countermove on LED readout. Price will be in $100-$120 range.

Other firm entering electronic games is Mego, which is introducing non-TV electronic "Phaser Battle" game simulating bridge of StarTrek Enterprise space ship. Game has variable speed control, range of interactive battle responses, uses LED for automatic scoring. Game uses TI chip, will be produced at firm's new Taiwan factory. Mego is now studying video game
field and discussing possibilities with major game-chip suppliers—"we're looking for something with new price points or new features," Mktg. Mgr. Michael McEachern said.

Coming year probably will see entry of another leading toy company with game produced by Alpex. President Norman Alpert says in addition to Fairchild, licensing agreement also was signed "with a major toy company" for game which may be introduced during 1976. Alpert described Alpex as electronically-oriented R&D company engaged in development & production of "special computer terminal"—with game as one application. Under Fairchild deal, Fairchild will have exclusive marketing rights for first 4 years, will continue to market game on non-exclusive basis after that.

Note: FCC says 5 firms now have type approval under Class I TV Devices regulations, latest being Universal Research, which markets "Video Action" games. Others: Magnavox, Atari, First Dimension, Executive Games.

SONY'S OUTLOOK: Sony's U.S. color TV market share was "in excess of 10% in Jan.," should run about 8% this year, up from 7.5% in 1975, Sony America Pres. Harvey Schein told N.Y. security analyst last week. Share last year was significantly higher when only sizes where Sony competes are considered, he said, claiming company had 25-30% of 12" market, about 40% of 15". Figures indicate Sony sold about 480,000 color sets here last year, half in 12" & 15", other half, mostly assembled in San Diego plant, in 17" & 19", and that U.S. accounted for about 30% of Sony's worldwide sales of 1.65 million color sets.

Akih Morita, chmn. of Japanese parent, said Sony expected to report 9% sales gain, better than 10% profit increase in quarter to Jan. 31. Commenting on market plans, Morita said he felt CB was not Sony-type product, but indicated company may make token entry, expressed doubt "TV games will be very popular,." said company was working on videocassette in lab, but would stick with VTR until such time as software availability made disc more of mass market item.

Admiral probably will take 4-5 years to produce adequate profits, Rockwell Pres. Robert Anderson told annual meeting in Beverly Hills last week—adding that there's no deadline for profitability. He said Admiral's share of U.S. TV market rose 1/2 or 1-1/2% in 1975 to 7%, and "we'd like to get it up to 10%." Admiral has no plans to drop any lines, "but we are taking a look at small radios." It was indicated that Rockwell's calculator operation would show moderate loss for fiscal 1976, ending Sept. 30.

Prohibitive $5.37 duty rate would be imposed on imports of electronic digital watch modules from most countries ($10.75 on imports from Communist nations) under bill (HR 10176) proposed by Rep. Mills (D-Ark.), scheduled for Ways & Means Committee hearing March 2. Rate is same as that applied to 17-jewel conventional movements, would replace current 75¢ levy, force retail price increase of $15-$20. There currently is no Tariff Schedule provision for electronic movements, so they are dutiable at lowest of watch rates; duties on cases & watchbands are assessed separately so wouldn't be affected by rate change.

WARWICK'S LOSSES: Warwick attributed larger loss in 1975 to production-rate cutbacks caused by Sears' increased purchases of low-priced Japanese color portables. Warwick sales were off 45% for year and loss more than doubled that of 1974. In closing quarter, sales dropped 33%, loss was cut by 1/3 (see financial table). Company said it sold former color plant in Covington, Tenn., to non-electronics firm, was adjusting operations to lower sales levels.

Whirlpool's negotiations to sell 57% of Warwick are still in preliminary stage, Warwick noted, said it's ability to operate profitably, maintain adequate financing, will determine whether it will remain in TV business. Warwick didn't identify prospective customer, known to be Sanyo (Vol. 15:50 p7).

Capemhart showed profit in fiscal 3rd quarter on 14% sales gain. Net loss for 9 months was after $3.3-million credit stemming from debt refinancing.

Radio Shack store sales jumped 57% in Jan. to $58.3 million, parent Tandy reported.

Watch watch: Fairchild expects to produce 1 million digital (LED & LCD) watches this year, indicated plans to match Texas Instruments' $20 leader by year's end. National Semiconductor dropped prices on Exlar line; 3-function leader is now $29 list, could be rotated below $25...Elgin predicts digital market will account for only 12.5% of this year's 46-million-unit watch market...Texas Instruments says production of $20 watch has started, first deliveries May 1.

Majority of nation's retailers apparently see profitable future in video game business. Nearly 80% of retailers participating in our monthly Early Warning Report sales survey say they either handle games now or plan to add them in near future. Answers to 4 questions on video games break down this way: Already carry them, 39% plan to carry them, 39% looking at market, but probably won't carry them, 11%; won't carry them, 11%.

Low-power unlicensed walkie-talkies will be moved out of congested 27-MHz CB band to 49.82-49.90 MHz, FCC ruled. Manufacture of unlicensed 27-MHz voice transceivers must be halted by March 18, 1977—year after ruling goes into effect—marketing by same date in 1978. Existing 27-MHz units may be operated until March 18, 1983.
SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NATPE CONTINUES UPWARD MOVE at San Francisco convention. FV fails to dominate as expected. (P. 8)

SCHORR LEAK CASE—continued: Flynt Committee seeks budget and staff, as some House members state fears of 'chilling' press. Schorr suspended, defends role. (P. 3)

SPECIAL TEETH' FOR N.J.: Best. Bureau recommends annual reports by Philadelphia & N.Y.C. stations detailing news & public affairs for N.J. Programs, VHF drop-ins, rejected. (P. 4)

SPECIALTY STATION impasse resolved by FCC, which promises to be liberal with waivers for minority-owned stations. (P. 5)

POST-FV VIOLENCE: Dispute shaping up between NIMH & CBS violence indices. CBS finds post-FV violence down; Gerber won't reveal findings, but attacks CBS methodology. (P. 6)

OTC DRUG PANELS are planned by FCC & FTC to evaluate research on drug ads' effect on viewers, suggest remedies. (P. 6)

JAPAN COLOR EXPORTS to U.S. set another record, exceed 100,000 for 7th consecutive month. (P. 8)

TV SAFE ENOUGH, requiring no mandatory federal standard, advisory panel to UL safety standard group concludes. (P. 8)

NEVIN ADDS TITLE of Zenith chmn., succeeding Wright, who retires this month at 65. (P. 9)

SYLVANIA PUTS HOLD on unfair-import complaint against Japan color TV producers, asks FTC for temporary delay to expand scope of charges. (P. 9)

CRACKDOWN ON TV GAMES which aren't type-approved continued by FCC. (P. 10)

WHAT'S PORTABLE? Bureau of Standards to decide issue for FTC. (P. 10)

ADVENT REV'S UP marketing campaign as production surges ahead of sales. (P. 11)

BETTER SLOT-MASK tubes promised by new Buckbee-Mears mask-etching techniques. (P. 11)

AVERAGE PRICES decline for large-screen color & monochrome imports last year. Transceivers only bright spot for audio importers in 1975. (P. 12)

NATPE CONTINUES UPWARD MOVE: Full-scale debate over family viewing (FV) never quite came off at last week's NATPE convention in San Francisco as subject failed to dominate discussions as expected (Vol. 16:8 p1). There were plenty of other issues—shortage of syndicated programming, CATV, movies and visions of future—to satisfy interests of record 1,891 attendees, up from 1,352 in Atlanta just year ago.

Program dirs. and ever-growing numbers of gen. mgrs. got unexpected bonus when White House TV advisor Robert Mead listed President Ford's favorite TV shows—Police Woman, Cannon & Kojak, along with football. Mead also said President watched local late news each night, re-runs of network evening news next day. He said White House makes every effort not to preempt station time for Presidential appearances and that networks have never brought pressure on Administration to stay out of prime time.

"The President and I feel that government should play a lesser role in the control of what you people do or don't do," Mead said, and to that end he made these suggestions: (1) Extend license period to 5 years "and do away with all that paperwork." (2) Open Congress to live TV "to show the American people how the government system works." (3) Repeal Sec. 315 for Presidential races. (4) Give broadcast newsmen equal rights with print media. Mead also said Congress should either ban cigaret ads in print or allow them back on TV; if they remain off TV, then anti-smoking spots should be banned because "we are deferring to one group while excluding another."
FCC GAME CRACKDOWN: FCC has sent violation notices to more than 300 game marketers and retailers, including more than 250 for making products that violate FCC rules. These violations include power isolation transformers and other safety-related chassis and cabinet modifications. The notices were sent out in violation of Commission rules.

Included in the latest batch of notices was Intermec, which offered a Televideo game at $39.99 to credit card holders in a recent gift catalog. Also getting FCC notice points out that company apparently is violating rules by offering Class I TV device which hasn’t been type approved. An FCC notice was sent to Intermec, but if no company answers within 15 days, assumes reasonable attitude and gets type approval, that’s usually end of matter. FCC officials realize most or all violations are innocent result of marketers’ ignorance of Commission rules.

Spokesmen for Mobil Oil & Entex told us no games has yet been shipped either to consumers or retailers. Entex representative said company is still awaiting completion of tooling for antenna switch for Tele-Pong, which will then submit unit for type approval. FCC has been “cooperative,” he said. He said Entex has enough retail orders to cover all 1976 production, expects Japan-made game to be discounted as low as $39.95.

Although mere exhibition at trade show or even advertising game in brochure technically is violation of FCC rules, Commission field engineer didn’t attempt to force games off display at Toy Fair. Nor, presumably, did engineer from FCC labs, a ham radio operator, attending amateur radio equipment show in Vienna, Va., who saw display of Intermec game—but Intermec got violation notice. Attempts to reach Intermec officials for comment were unsuccessful.

Video game kit is being offered to electronics hobbyists by Interfab, Laguna Niguel, Calif.—including plans and any combination of parts for tennis-handball game with on-screen scoring.

Duty-free import trade preference list, designed to boost imports from less-developed countries (Vol. 15:48 p9), has been amended by President to extend such privileges to previously excluded radios from South Korea (except auto radios) and Taiwan-made tape players. However, regulations specify that duty-free entry treatment for product from given country ends if imports exceed $25 million in single year, so change isn’t expected to mean much to market here.

Interference filters on most consumer electronics would be required by bill (S-3033) introduced by Sen. Goldwater (R-Ariz.). Intended to reduce consumer complaints of interference from CB & ham radio operators, measure is companion to one by Rep. Vanik (D-O.) in House (Vol. 15:23 p13).

WHAT’S PORTABLE? Days when “anything with a handle is portable” will come to an end this year when National Bureau of Standards completes study to determine maximum weight & bulk a product can have without being designated as “handy" model.

Study being conducted for FTC which will use data in setting guidelines under Warranty Act; Commission also could use it to control advertising. While manufacturers are free to limit warranty coverage as long as terms are clearly spelled out, portability definition will be guide to which models of TV, microwave ovens, air conditioners & other large appliances should get in-home warranty service and which should be repaired on carry-in basis.

Upcoming standard could create problem for TV producers. While most provide in-home service on all 19"-&-over models, sets are increasing in weight as manufacturers add power isolation transformers and make other safety-related chassis & cabinet modifications. If NBS adopts anything significantly lower than generally-accepted 60-lb. portability cutoff point, 16" & 17" color models would move out of carry-in service classification.

NBS also is working with Federal Energy Administration on TV energy efficiency & related testing standards. Proposals for mandatory reduction of average TV energy use and for measuring electrical consumption are expected to be essentially same as those NBS recommended before passage of energy bill which assigned regulatory authority to FEA (Vol. 15:51 p9). NBS spokesman told us that TV effort is virtually complete, but finalization is being delayed to permit concentration on standards for other products ranking higher on FEA’s priority list.

Zenith introduced new monochrome line at distributor meeting last week—with approximately same number of models (16) at same price points as predecessor. Only new category is 9" AC open-list set, which, retailing below $110, becomes company’s lowest-priced TV. AC-DC 9" sets are $130 & open (battery $50 extra); two 12" AC sets are $120 & $140, latter with swivel base; 2 AC-DC 12" are open, presumably in $130-$140 range. Two 16" & two 19" open-list sets were introduced early (Vol. 16:8 p11), prices unchanged from predecessors, which would mean starting price of about $160 for 19". New 19" models are $170 & $180. Table-model 22" is open, console $250, with open-list step-up. Two four-channel stereo consoles are $625, open-list 2-channel console, step-ups at $340 & $350.

Distribution notes: Telecor’s contract to distribute Panasonic professional video equipment in Western states was revised & extended to 1980... Zenith Chicago advances Richard Behrens from vp-sales mgr. to sales vp, Earl Clark from mdse. mgr. to ad vp, Donald Mitchell from mtg. services mgr. to mdsg. vp... Handwerk Distributing (Quasar), names S.L. Winn, former Quasar region mgr., as vp responsible for 20 Fla. counties.

Color tube & glass plant will be built for Polish govt. by RCA & Corning, pending approval of loan to Poland from Export-Import Bank.
Bernard Herman resigns as Capehart national sales mgr. to join B&G, N.Y.; rep for Capehart, Unirex & Sonic... Mark Shepherd, Texas Instruments chief exec., elected chmn., succeeding Patrick Brophy, retiring; J. Fred Bucy, chief operating officer, advanced from exec. vp to pres., replacing Shepherd... Keith Meyers promoted at TRW Electronics Components Div. from mgmt. dir. to mgmt. vp... Sidney Davidson, U. of Chicago, named to Zenith board, succeeding late E.N. Rauland.

R. E. Quinn, former Rockwell Consumer Operations controller, shifts to corporate controller's office as operations analyst for Consumer Operations & Microelectronic Product Div.; D. J. Ruggles & J. A. McLuckey appointed analysts for Aerospace & Electronics Operations... E. Denis Colbourne advanced at Bowmar Canada from chief engineer to mgmt. & engineering vp; Michael Hollis, former mgmt. operations mgr., named mgmt. vp... Amanda Chism appointed Clarion America national sales coordinator... Peter Bennett, ex-RCX, named staff associate, EIA Communications Div.

James Andrews advanced at Conrac Turner Div. (CB microphones) to gen. mgr.; Leon Goodell promoted from distributor sales mgr. to mgmt., succeeding Andrews... Leonard Landellus promoted at Gold Line Connector (CB parts) from gen. mgr. to vp, with responsibility for firm's 3 U.S. plants... Guy Forney, ex-Bourns, named gen. mgr. of Puerto Rico plant of Allen Group's Antenna Specialists Div... Peter Dusinberre, ex-ITT & Westinghouse, joins Audio Magnetics as senior vp-mgmt. operations.

Purchase of 4,000 GE b&w monitors could put closed-circuit TV specialist GBC into video games business. GBC is now offering 19" & 22" units to game suppliers as monitors for coin-op games but Pres. Harry Lefkowitz said he 'might make them into complete games myself.' Lefkowitz says firm bought 3,500 22" & 500 19" monitors, is selling them at $59-$79. Monitors lack RF & tuning circuits, but game could be direct-wired into video circuit. GE spokesman said monitors were made for unidentified game producer who apparently went broke. GBC has sold 4,000 of 10,000 security systems purchased from Magnavox for $1.25 million. Firm is quoting dealer price of $30 & $35 on 2 security systems which had original list prices of $150 & $170, is selling fire-smoke detector at $30 (Vol. 15:42 p10).

Kodak is developing in-house IC manufacturing capability. Company said it has installed production equipment, is still in debugging stage, indicated it plans to make only portion of requirements. Kodak uses electronics for exposure control in cameras, for sound in cameras & projectors, as well as in VP-1 film videoplayer, professional equipment.

Bowmar is asking bankruptcy court for permission to sell TIC microwave oven business to Frymaster. Under preliminary agreement, Frymaster would pay $100,000 plus approximate 3% royalty on certain TIC products.

Audio notes: Arista Records adopts CD-4 system for 4-channel releases... Schwan 4-channel record guide lists about 1,400 titles, up 30% from year ago... Morse will use Morse logo on upcoming stereo component line, abandoning planned Monte Carlo brand... Uber America offers own-brand blank reel tape, sourced from Japan's Maxell... Warner records were best sellers last year, accounting for 37.8% of top 100 singles & albums listed by Billboard. Top individual label was Columbia with 6.9% market share... Sony's first microcassette recorder is set for introduction in Japan next month. Quality Optical, now standard in Japan, rather than slightly larger cassette offered by Philips... Hi-fi industry factory sales rose about 3% last year to $759.6 million, according to Audio Times estimate. Breakdown: Receivers, tuners & amplifiers, $257.5 million, up 11%; magnetic pickups, $37.1 million, up 10%; tape decks, $125 million, up 5%. With volume unchanged last year: Record players, $120 million; branded speakers, $190 million; headphones, $30 million. Totals exclude private-label. Sales gain of 15% to $877 million is forecast for 1976.

U.K. color TV sales at factory level dropped 9% to 1.59 million last year, while b&w sales increased 15% to 938,000, BREMA reports. Assn. says domestic-made color sales were off 25% to 1.3 million, while imports dropped 39% to 264,000. In b&w, U.K.-made sales slipped 12% to 505,000, while imports shot up 80% to 433,000. As result, U.K. factories increased share of color market from 80% in 1974 to 83%, but lost ground in b&w, taking 54% share, down from 71%. Color figures, however, do not indicate that traditional U.K. color producers are winning consumers away from foreign-brand sets. Domestic-made sales totals include those of Sony & Matsushita, whose factories there went on stream last year, reducing those companies' import requirements. B&W situation is expected to deteriorate further this year as set manufacturers become totally reliant on imports for b&w tubes. Results for 1975 for other consumer electronics: Audio systems, 733,000, down 12%; phonos, 270,000, down 19%; radio-phonos, 111,000, down 37%; radios, 4,255,000, down 11%.

FCC commissioners are learning problems of CB first hand. All have been loaned transceivers by Radio Shack, and Chmn. Wiley & Comr. Robert Lee have used them in their homes. "As far as I'm concerned," said Wiley, "little KFP2242 is going to be off the air because I've had enough." Comr. Quello's transceiver was installed in car of his engineering ass't., William Harris, with whom he often rides to work—and was promptly stolen.

Electronics repair businesses & locations dropped 9% last year to 66,000, though number of employed technicians rose 7% to 196,300, NESA estimates. Assn. says about 26,000 are now in formal or on-job training, up 11%, indicates some 889 million TV, radios, phonos, recorders, etc. are now in use, or about 4,500 for each full-time technician.
TV VIOLENCE STUDIES: Two major research projects sponsored by ABC, on effects of TV violence on children, concluded that while TV violence doesn't cause violent behavior in child viewers, it does teach already-violent youths techniques of violence and "is capable of producing increased inclination toward aggression in children." (Surgeon General's Committee found in March 1972 that "the causal relationship between televised violence and antisocial behavior is sufficient to warrant appropriate & immediate remedial action.")

Conducted over last 5 years, studies were financed by ABC with grants totaling $1 million. One project, conducted by social research psychologist Seymour Lieberman of Lieberman Research, studied 9,838 "normal" children aged 7-14 in N.Y., N.J. & Conn., while 2nd project, by Temple U.'s Dr. Melvin Heller, clinical prof. of psychiatry & late Samuel Polsky, prof. of legal medicine, studied smaller groups of children who were emotionally troubled and learning-disordered, homeless & neglected, or imprisoned for violent crimes.

Both studies are firm on finding that TV violence doesn't cause "normal," emotionally-disturbed or even criminally-violent children to become violent. Heller & Polsky state that watching TV violence produces "no meaningful changes" in children's "assaultive or violent behavior,"
FCC GETS TOUGHER ON GAMES: Five more video

game firms have received violation notices from FCC,

and its spokesmen say it's making them play its rules to control growing

interference from games not covered under Class I

TV regulations. One strong possibility: Coleco, a strong,

Sales & Jansa got notices for showing non-type-ap

proved games at recent Toy Fair (Vol. 16:8 p9).

Visulex of Mt. View, Cal. for promoting game kit,

by Alpex apparently for mentioning joint game deal with

Entex, Mobil Oil & M-Tech Ent-

gineering received violation notices earlier (Vol. 19:

9 p10).

Coleco notice is potentially most serious, since

brochure handed out at Toy Fair incorrectly described

"Telstar" game as "FCC approved," claim which could

be taken as "willful false statement," according to

FCC spokesman. But Coleco Pres. Arnold Green-

berg said that mention of FCC approval on brochure

was only meant to indicate "it won't be manufactured,

sold or shipped without FCC approval." Coleco has

filed application with FCC, Greenberg said, and won't

contribute brochure until approval is granted.

Cardinal, Visulex & Jansa spokesmen were un-

available for comment. Alpex Pres. Norman Alpert

told us FCC notice was mistake, that toy company

identified by Greenberg as Coleco), and not Alpex,

would be marketer of game, "we're aware of the

FCC rules & regulations and we're working with our

client on them. We don't expect any problems."

M-Tech Pres. Chris Sidener said FCC notice to

his firm stemmed from M-Tech plan to market Visu-

lex kit. Kit for game offering tennis & bumper pool

will come in various forms priced from $27.50 for

unpopulated circuit board & plans to $160 for com-

plete package. It's designed for wiring directly into

TV, doesn't have RF oscillator, making it exempt

from FCC Class I rules, according to Sidener.

But FCC letter to Sidener said such non-Class I

games are causing growing interference, particularly

with land-mobile radios, and that agency is consid-

ering tougher regulations. FCC's concern, mainly was

interference from coin-operated games, was reported

here last year (Vol. 15:4 p9), and worry now is spread to home games. Sidener, says firm probably

will drop plan to market Visulex kit through network

of amateur radio stores, introduce own game using

General Instrument game chip in near future, FCC

says other kit firm, Interfax (Vol. 19:6 p10), prob-

ably will get notice this week. Game kit also is being

offered by Nexus of San Leandro, Cal. for $18, and

build-it-yourself videogame features will appear in

upcoming issues of Radio-Electronics & Popular

Electronics.

Three new game applications have been filed with

FCC, but spokesman declined to reveal names. List

of approved games remains at 5 (Vol. 18:8 p9), latest

being Universal Research's "Video Action III," with

first units shipped to Bloomingdale's in N.Y. this

week. Ronald Rutkowski, mkg. vp of Control

Sales, which markets $199 game, told us his firm will

"sell all we can make this year," despite imminent

appearance of games in $40 range. Companies now

planning to enter market with low-priced games are

"finding out what we found out last Oct...," Rutkowski

said. "It just isn't that easy to get a game cleared

by the FCC."

RCA is becoming peripherally involved in mar-

ket through introduction of CMOS microprocessor

designed for use in home video games, other con-

sumer & industrial products. Processor will cost

$23.50 in lots of 100.

Antitrust damage suits brought against Japanese

consumer electronics manufacturers by Zenith &

National Union Electric will be tried in Philadelphia,

but separately, Federal Judge Higginbotham ruled.

He said refusal of some Japanese defendants to waive

jury trial rights in Zenith action prevents consoli-

dation of cases. Excluded, for present, from trans-

fer from Newark court to Philadelphia is that portion

of NUE case involving Sanyo, which claims it didn't

conduct business in Pa. before 1970, when suit was

brought. Both public & confidential filings in suits

are being sought by International Trade Commission

staff handling Sylvania's complaint that some Japanese

tv producers engage in unfair import competition

(Vol. 16:5 p8). ICC spokesman indicated investigation

is proceeding despite Sylvania's request that things

be held up while it prepared a more comprehensive

filing. Also last week, Treasury formally acknowl-

dged, with Federal Register notice, receipt of

Zenith's notice of intention to contest legally, deci-

dion not to impose countervailing duty levies on

Japanese consumer electronics imports. Zenith

now has until April 9 to start action in Customs

Court.

EIA 1976 membership directory is now available

from PR Dept. at $7.50. Also out is new list of

publications & prices: EIA, 2001 Eye St. NW,

Washington, D.C. 20006.
SUMMARY-INDEX OF WEEK'S NEWS

VOL. 16, NO. 14

APRIL 5, 1976

Consumer Electronics

CB INDUSTRY SAYS 10-4 to PC-76, Las Vegas show overcoming obstacles to establish self as hit, with attendance of nearly 9,000. (P. 8)

ITC WIDENS PROBE of possible unfair practices by Japan TV producers, launching formal inquiry into Sylvania charges, studies need for 2nd investigation to cover other companies & actions. (P. 9)

RECORD COLOR IMPORTS reported in Feb. as shipments from Japan leaped 5.5 times level of same 1975 month. (P. 9)

30" COLOR TUBE announced by Sony for fall marketing in Japan in TV set at $5,000, monitor at $3,300. GE explores consumer Lightvalve projection TV. Advent offers kit for 6-x-8-ft. picture. (P. 10)

NEW CB CHANNELS at PC-76 but interference going, spokesmen insist FCC 'erred in judgment'. (P. 11) New CBs (P. 12)

NARDA TO OFFER dealers 3-year extension on picture tube warranties, private-label audio component line. Speakers attack domestic manufacturers. (P. 12)

IMPORT IMPACT AID cleared by Labor for Sylvania receiving tube workers. New probes opened for employees at RCA, Sylvania, Magnavox. (P. 13)

Broadcast

PAY CABLE ANIMATES NCTA convention in Dallas: upbeat mode aided by FCC action, rapid expansion via satellites. Registration 'strongest in years.' Schmidt proposing 'olive branch' to broadcasters but won't yield to 'scare tactics.' (P. 1)

FCC HAS ALTERNATIVES TO FV: Documents sub­poenaed for L.A. trial disclose proposed inquiry & rulemaking orders had been drafted. Policy statement would have FCC reach 'outer constitutional limits' with 'more active role in program content.' (P. 2)

TV VIOLENCE LEVELS are found unchanged over-all in 7th annual violence profile, though FV violence is down. CBS calls profile 'fallacious.' (P. 3)

CABLE IMPACT ON TV is detailed for FCC by NAB. Small-market station loses average 46% of audience, medium-size market stations 17-21%; UHF is hardest hit. (P. 4)

CATV REBUILD, RATES, STANDARDS: FCC grants 10-year delay in channel & access requirements, excepts under-3,500 systems altogether. Rate inquiry called pure 'fact gathering.' Several technical-standard changes proposed. (P. 5)

PRESIDENT FORD MEETS with regulatory agency heads April 8 to survey progress on cutting govt. red tape. (P. 6)

PAY CABLE ANIMATES NCTA CONVENTION: Silver Anniversary of NCTA, as it meets in Dallas this week, finds industry in upbeat mode again after several years of over-optimism and frustration. Pay cable is the prime stimulus, of course accelerated by mushrooming earth terminals—but several successes at Washington regulatory level have contributed strongly to picture. These include FCC actions late last week—easing '77 rebuild, proposing some less stringent technical requirements, starting rate inquiry, fighting N.Y. state efforts to regulate pay cable (see p. 5).

NCTA hq staff was tickled by advance registration and exhibitor participation. Convention income was budgeted at $413,000, and that was more than covered by "the strongest advance registration in years" plus payments for 40,000 sq. ft. by 130 exhibitors.

Motorola agreed to sell its transistor line to Lansdale Transistor Div., closed cash sum ... Workman & 110-

International Rectifier's CPD line, rectifiers & capacitors, CPD parts & bobby markets ... Continential 

Sylvania Seneca Falls, N.Y. (picture tubes).

Another stockholder suit has been filed against Sears alleging wasting of assets of partially owned supplier—this one by Mary Ward Gans, former wife of late James Ward III, former owner of Ward Furniture Co., sold to DeSoto Inc. in 1968. Suit filed in Ark. federal court charges that Sears, 32% owner of DeSoto, attempted to purchase furniture from DeSoto below market prices, restrained DeSoto from trading with other customers, sold DeSoto assets at less than fair market value. Suit mentions Sidney Boyer, who was vp of both Sears & Warwick and a dir. of DeSoto and alleges that Warwick bought TV & stereo cabinets below fair value. Suit seeks $1.3 million damages and triple punitive damages. It's similar to one filed by Warwick stockholder Joe Benaron charging Whirlpool & Sears milked company's assets (Vol. 15:5 p11, 15:18 p11, 15:51 p11).

Mergers & acquisitions: Motorola agreed to sell germanium power transistor line to Lansdale Transistor for undisclosed cash sum ... Workman Electronics acquires International Rectifier's CPD line of transistors, rectifiers & capacitors. CPD parts are for replacement & hobby markets ... Continental Testing Labs purchases Siemens' Scottsdale, Ariz. microelectronics operation, forms subsidiary, Custom Devices, to produce & market ICs. White Consolidated Industries' bid to acquire consumer appliance assets of Westinghouse Canada was again rejected by Foreign Investment Review Agency, apparently clearing way for sale to Canadian appliance producer GSW Ltd. WCI says it acquired Canadian rights to Westinghouse brand name when it bought Westinghouse's U.S. appliance business (Vol. 15:1 p9, et seq.) and will market line there anyway.

Panasonic is preparing to re-enter U.S. appliance market, which it virtually abandoned last year. It has been learning company is studying feasibility of plant at Pontiac, Ill. for small home manufacture, and could assemble appliances there from parts imported from Japan. Also available is Quasar's being leased to Motorola under contract expiring later this year. Panasonic had extensive small appliance line in early 1970s, importing some items from Japan, buying others from U.S. suppliers. In 1974, it opened negotiations to acquire substantial interest in U.S. producer, but dropped out in wake of unfavorable publicity generated by Quasar acquisition. Subsequently, Panasonic closed down Appliance Div., now is active only in microwave oven segment of market.

Montgomery Ward is cutting back on microwave oven purchases from Tappan, said it will buy majority of units from other suppliers, starting in 3rd quarter. Admiral, a major supplier of Ward's color TV, developed in-house microwave oven manufacturing capability last year and is considered a leading contender.

BSR's Accutrac programmable record player, in changer configuration (Vol. 16:10 p11), will be available to OEMs for inclusion in console & compact systems before year's end, possibly in time for Jan. model introductions, "certainly in time for June," BSR Pres. John Hollands told group of manufacturers at Blauvelt, N.Y. plant April 1 for introduction in L.A. & N.Y. Accutrac is true multinational product, uses circuit boards assembled in Scotland, Japan-made direct-drive turntable & arm, Hong Kong-made handheld remote, U.S.-produced cartridge & other components. ADC is expected to have cheaper, non-remote Accutrac's on market in 3rd quarter. Changer also due from ADC this year will allow user to program disc selections and order in which they're played for up to 6 different records.

Novus was No. 1 in calculator unit sales (4.1 million) but Hewlett-Packard made most money in field ($121 million) during 1975, according to Consumer Electronics magazine market survey. Total factory sales during year were 27.6 million units, valued at $552 million, bringing average unit sale price to $20. Following is unit & dollar breakdown by company (in millions) plus average unit price in parentheses:

Novus, 4.1, $55 ($13.40); TI, 3.4, $90 ($26.40); Unisonic, 3.3, $60 ($18.30); Casio, 2.6, $42 ($16.10); APF, 2.4, $92.9 ($12); Rockwell, 1.8, $28 ($15.50); Litonix, 1.2, $19 ($15.50); Omron, 1.1, $11 ($10); H-P, 0.9, $121 ($1340).
SUMMARY-INDEX OF WEEK'S NEWS

CASTLE

MACDONALD OUT, VAN DEERLIN IN, as Communications Subcommittee chmn. announces he'll retire from Congress at end of year, from Communications post April 26. Cable hearing gets boost. Moss schedules May 3 FCC hearing. (P. 1)

NCTA THEMES—PAY CABLE, MARKETPLACE: Wiley urges industry to get out and sell. Harris sees station-cable compatibility. Bradley hits CATA. Industry pleased with eased restrictions, tries to keep trend going. (P. 2)

EEO IN NCTA FUTURE: Board forms committee, reaffirms 'commitment' to equal employment. Schmidt promises in-house affirmative action plan for minorities. (P. 4)

CABLE ISN'T 'ANCILLARY,' must be given legislative standing, Moss tells NCTA govt. panel. Rose sees competition as main Justice concern. Copyright bill pushed. (P. 5)

PAY CABLE GROWING PAINS: Growing interdependence between producers and cable— as former seek more revenue from fewer pictures, latter strain to fill channels and keep subscribers. (P. 6)

ARCHER TAYLOR ON TECHNOLOGY: Comments on satellite, taps, security, distribution hardware, fiber optics, caliber of engineers. (P. 7)

MACDONALD OUT, VAN DEERLIN IN: Way was cleared for Rep. Van Deerlin (D-Cal.) to assume chairmanship of House Communications Subcommittee last week, as Chmn. Macdonald (D-Mass.) announced he'll retire from Congress at end of current session, resign as Subcommittee chmn. April 26. In letter to Commerce Committee Chmn. Staggers (D-W. Va.), Macdonald requested that caucus of full Committee's Democrats be convened as soon as possible to name new Subcommittee chmn., said he supports Van Deerlin.

Most immediate effect of Macdonald's resignation will be in cable. Investigations Subcommittee Chmn. Moss (D-Cal.) announced early last week that he'd consulted with Macdonald, would expand scheduled March 3 FCC "oversight" hearing "to the fullest extent...if necessary" to cover cable, seeking "definitive report" and draft legislation "for early consideration next year."

However, following Macdonald announcement, Moss stressed his hearing would take place only if Communications Subcommittee didn't act first—and latter now is expected to hold own hearing before May 3.

Caucus to choose new Communications chmn. comes after Easter recess April 14-26, and Van Deerlin is odds-on favorite. Subcommittee's Ranking Majority Rep. Murphy (D-N.Y.) told us he thought Van Deerlin's higher seniority would preclude contest. Murphy added he's "undecided" on whether to seek chairmanship of Consumer Protection & Finance Subcommittee—
Multi-million-dollar Safety Center recently hosted CPSC Chmn. Simpson, who called it "model for industry." As for recommendation by UL consumer-industry advisory committee against mandatory TV safety standard (Vol. 16:9 p8), Pollack indicated it was immaterial because feels RCA can meet any reasonable standards now or in future.

"We're delighted to do the job," he told us, "but we'll hold no umbrella over the industry. We've already seen results we wouldn't normally have seen for 2 years after the product was sold. You can't draw a line between quality, safety and reliability. The public will perceive our conscientiousness and it will mean added market share. The results will be more & more evident. In the case of safety & reliability, the inverse of our legal system is true—we assume guilt until proven innocent. This is management policy. Our dedication in these areas will mean increasing business and bottom-line dollars in the years ahead. We're already beginning to see results. It's simply good business."

UL & Consumer Product Safety Commission officials meet in Washington April 15 to see if they can agree on method of analyzing TV accident data CPSC collected from manufacturers & others. In Feb., UL group developing TV safety standard for CPSC said, based on preliminary study, that TV doesn't present unreasonable risk to consumers, so no mandatory federal safety standard is needed. Last month, EIA Consumer Electronics Group, in response to UL request, voted up to $25,000 to fund study, provided CPSC agreed it was good idea. CPSC spokesman said it could be beneficial but emphasized that it wasn't about to make advance commitment that results would be enough to reverse position that hazard exists.

FCC OKAYS GAME DISPLAY: Video games & other products not approved by FCC may be shown at trade shows, but only if they can eventually be approved under existing regulations, spokesman said. Interpreting recent ruling allowing display, Plans & Coordination Staff Chief Edwin Schaefer said any product falling under FCC regulations may legally be shown if it's designed to meet type-acceptance, type-approval or certification requirements of FCC, is not turned on and carries disclaimer using this exact wording: "This device has not been approved by the Federal Communications Commission. This device is not, and may not, be offered for sale or lease, or sold or leased." Non-approved products may also be featured in promotional literature if accompanied by disclaimer, Schaefer said.

Prototype 40-50-channel CBs shown at Las Vegas PC Show (Vol. 16:14 p12) were displayed illegally, according to Schaefer, since current CB allocation covers only 23 channels. FCC probably will send representative to May 4-6 Newcom Show in New Orleans to police displays, he added. More serious violation at PC Show was display by at least 4 firms of linear amplifiers, which can boost CB output from allowable 6 watts to 50. Although linear amps can be used legally in amateur bands, FCC believes those shown at PC Show were aimed clearly at CB market, and Schaefer said firms will be sent violation notices.

Related problem is anticipated flood of remote-control toys next Christmas. Electronic toys must be approved by FCC, but Schaefer said many companies either are unaware of rules or ignore them. Re said toys can cause serious interference to TV.

Appraisal withholding on imports of AC adaptors from Japan was ordered by Treasury, which issued preliminary finding that such products are being exported to U.S. at dumping (less than fair-value) prices. Notice said inspection of shipments of one Japanese producer, DC-Pack of Tokyo, showed dumping margins up to 18%, averaging 7%. Treasury indicated DC-Pack was sole Japanese AC-adaptor exporter shipping significant quantities to unrelated companies here. Treasury launched dumping probe last Oct. at request of Power Conversion Products Council International, association of U.S. producers (Vol. 15:42 p11). Any actual assessment of dumping duties will depend on results of more complete Treasury investigation and requires determination by International Trade Commission that practice has injured domestic industry.

Hy-Gain secondary million-share offering was sold out at $19.25. Half of sale was from corporate holders, who still retain 45.5%. Prospectus notes H-G imports most components for U.S.-assembled CB line from Japan's Cybernet Sales. Same firm also supplies H-G's marine radios. In year to Aug. 31, radios provided 43.6% of $34.6-million sales, 45.6% of $3.4-million net, while antennas accounted for respective 50.8% & 51.9%. But in 3 months to Nov. 30, after firm's Puerto Rico CB plant went on stream, radios accounted for 57.7% of $13.6-million sales, 57.6% of $5.1-million net, and share for antennas dropped to 39.6% & 41.6%.

Assorted Music Inc., was fined $40,000 for payola by Dist. Judge William Ditter in Philadelphia, ending 3-year investigation. Judge also fined 4 officials—Kenneth Gamble, Harry Coombs, Earl Shelton, Edward Richardson—total of $5,000; they had pleaded "no contest."
MAGNAVOX RESULTS: Magnavox consumer electronics sales totaled $257.1 million in 1975, up from $253.1 million in 1974. A loss was cut to $10.3 million from $42.1 million with profit in 4th quarter, parent North American Philips says in annual report. Magnavox, it's claimed, increased color market share last year, especially in consoles, retained position as holder of largest share of stereo console market. Report also says initial steps toward mass production of Philips videodisc players in U.S. were taken last year.

Wells-Gardner reported sales down 50% for year, nearly 60% in last quarter, cited loss of W. T. Grant as customer, end to assembly contract with Philco-Ford and economic conditions as prime causes. Annual report says company is looking into merger & diversification, seeking new customers. W-G plans to introduce new 19" & 25" color chassis this year. Last year, W-G trimmed expenses sharply, cut employment from 926 average of 1974 to 446, says as result it has lowered break-even sales volume by 30%.

GE reported first-quarter earnings leaped 82% from "abnormally low" level of same year-earlier period, as sales gained 9.6%, both setting records for period (see financial table). GE said consumer products were significant contributors to improvement, noted component sales to other consumer-goods producers were also up.

Sprague annual report says customers apparently have worked off excess parts inventories, are again ordering to support current production. Company says it could return to profitability this year, notes last year's results included special $1.4 million credit resulting from Customs reduction of penalties for underpayment of duties to $358,000 from already mitigated penalty of $1.8 million.

Corning cited pickup in TV bulb and other consumer-oriented business in reporting 5-fold jump in first-quarter earnings on 7% sales gain.

Blind ad in Wall St. Journal seeks "senior development EE/physicists & managerial-level personnel for all phases of color TV tube development (masks, guns, processing, etc.) and the development of automated equipment for producing the tubes" for "a top company in the color TV tube business." Jobs are in Chicago area. Zenith is only color tube maker in Chicago area and although company had no comment, it's obviously hiring personnel for production of new tube.

Omega digital tuner (Vol. 15:25 p9) will be included in some U.S. TV sets to be introduced this spring, it's indicated by General Instrument's F. W. Sickles Div. Device is described in detail in April 1 Electronics magazine. In West Germany, Telefunken is introducing programmable TV designed to remember & tune up to 16 programs.

Strike has closed 2 of Pemcor Rola Div.'s 3 speaker plants, resulting in 70% production cutback. With CTS speaker plant still on strike, Rola shutdown could create shortage of speakers for compact stereo.

NEW VIDEO GAMES: Add 2 more names—Allied Leisure Corp. & Lloyd's—to list of firms entering lively home video game market. Allied, considered leader in coin-op game field along with Atari, will take booth at June CES to introduce 2 games—$80 5-game & $70 3-game units. Five-game model (tennis, squash, hockey, soccer & "wallboard") can be played by 1, 2 or 4 players, features optional cart for 2 built-in shooting games. Three-game model features hockey, tennis & soccer. National Mgr. Arnold Fisher said firm will use CES to establish new distribution lines, make contact with department store & other chain buyers. Allied will also show games at National Hotel-Restaurant Show in May in effort to introduce game concept into hotel-model field. Fisher said game would be installed permanently in hotel room and guest would call switchboard to have it turned on for specified period. Charge for playing game would be added to bill.

"Monte Verde" is name Lloyd's will use for new game to be sold through 2-step distribution network. Models sold direct will carry Lloyd's name. Model will play 6 games, retail for $100, be introduced at CES. Other new games: Microelectronics Systems will show "Mike" multi-game unit at National Premium Show in N.Y. in May and at CES. Pricing hasn't been set.

Magnavox will launch TV ad campaign in 21 major markets late this month promoting "Odyssey 200." Commercial was shown to NARDA dealers on local TV during Las Vegas Convention (Vol. 16:14 p12). Electronic Games Mktg. Mgr. John Helm says firm will introduce new game some time this year. FCC spokesman says it now has 8 applications for game approval, but serious CB interference problems (Vol. 16:14 p11) forced diversion of lab personnel from game testing, causing 2-week delay. Testing has been resumed.

Another projection-TV system, Magna-Vision, has been introduced by Video-1 Inc., 1401 Brickell Ave., Miami (Leigh Rothschild & Martin Escoffier). Scheduled to go on sale in South this month, it uses modified Toshiba TV as picture source, with "sophisticated lens" capable of projecting image to 7-ft. diagonal screen. New screen, same size as Advent's is claimed to be more durable. With 7-ft. screen, price is $2,900; with 50" Ekaltite screen, it's $2,500. Power consumption of 30" TV set is 220 watts.

Sony will produce 1,000-2,000 30" receivers & monitors a year, depending on economic conditions (Vol. 16:14 p10). Introduction in U.S. is tentatively scheduled early next year. Pres. Kazuo Iwama said resolution in giant tube has been improved by "image-modulated sweep" of electron beams and reduction of beam spot to 1/2 size of smallest in conventional over-19" picture tubes. Power consumption of 30" TV set is 220 watts.

World's TV sets outnumber telephones & cars, according to RCA, which uses our Television Factbook estimate of 364 million TV sets to compare with 360 million telephones, 300 million cars & trucks. In U.S., there are about 120 million TVs, 144 million telephones, 130 million vehicles.
SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

RAND'S VIEW OF UHF IN 1990: Cable will have "only a slight negative impact" on growth of UHF stations through 1990. There'll be substantial UHF growth through 1980, slower after that. Based on several variables, UHF stations should grow from 124 in 1974 to as many as 280 in 1990. Impact of VHF drop-ins—57 would be "viable"—would be 14-21% on UHF growth. Loss of audience to new services (videodiscs, pay TV, etc.) will have "relatively small impact" on UHF; even 30% loss of audience would reduce growth in stations by only 14%.

These are among major conclusions of $220,000 Rand Corp. study for FCC, on which commissioners received first report last week. Full study is expected to be released this week by FCC's Office of Plans & Policy, whose Dir. Dale Hatfield emphasized (to commissioners) that it's "only one facet of a much broader research program designed to ascertain & evaluate methods of managing the spectrum more efficiently." Contract to Rand was let in June 1973.

Rand finds that even if most optimistic projections for UHF growth are reached, "substantial number" of UHF channels will remain unused and recommends that FCC consider reallocating UHF space to other services. Hatfield told commissioners that Rand study will be "important and potentially controversial" in several proceedings—VHF drop-ins, UHF taboos—and should have impact on cable legislation.

Study's projections are based on analysis of 197 markets, using 1974 data and factoring in many variables. Using "base case"—only changes assumed are population & income growth and 100% UHF set penetration—Rand says UHF stations will grow to 194 by 1990. "Cable TV appears to have little effect... one way or the other. Under our most extreme assumptions about detrimen-
### STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 9 (14th week of 1976):

<table>
<thead>
<tr>
<th>Product</th>
<th>April 3-9</th>
<th>1975 week</th>
<th>% change</th>
<th>March 27-April 2</th>
<th>1976 to date</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TV</td>
<td>187,269</td>
<td>200,311</td>
<td>-6.5</td>
<td>197,909</td>
<td>2,950,043</td>
<td>2,619,371 +12.6</td>
</tr>
<tr>
<td>color</td>
<td>104,110</td>
<td>104,211</td>
<td>-0.1</td>
<td>110,961</td>
<td>1,715,678</td>
<td>1,462,477 +17.3</td>
</tr>
<tr>
<td>monochrome</td>
<td>83,159</td>
<td>96,100</td>
<td>-13.5</td>
<td>86,948</td>
<td>1,234,365</td>
<td>1,156,894 +6.7</td>
</tr>
<tr>
<td>Total radio, AM</td>
<td>497,367</td>
<td>612,660</td>
<td>-18.8</td>
<td>516,035</td>
<td>8,565,369</td>
<td>6,450,864 +32.8</td>
</tr>
<tr>
<td>home, portable</td>
<td>278,731</td>
<td>427,631</td>
<td>-34.8</td>
<td>334,362</td>
<td>5,305,984</td>
<td>4,332,467 +22.5</td>
</tr>
<tr>
<td>auto</td>
<td>59,955</td>
<td>100,823</td>
<td>-40.5</td>
<td>148,063</td>
<td>1,143,197</td>
<td>1,347,692 -15.2</td>
</tr>
<tr>
<td>Port. comp. phono</td>
<td>35,008</td>
<td>73,017</td>
<td>-52.1</td>
<td>62,039</td>
<td>601,492</td>
<td>745,612 -19.3</td>
</tr>
</tbody>
</table>

#### Color TV 5-week moving average:
- 1976—114,318; 1975—109,726 (up 4.2%).

### FCC MOVES ON INTERFERENCE:
In an effort to stem growing interference problem, FCC is proposing broad new rulemaking aimed at formation of stiffer RF technical standards and extension of certification requirements to range of products currently exempt. Such products as calculators, electronic watches & tape recorders could eventually be added to list of products requiring certification.

Along with recent proposal to extend receiver-certification rules to CB (Vol. 16:14 p11), move is seen as first step of major FCC effort to deal with troublesome interference problem. Rulemaking proposes certification now for following RF devices: (1) Electronic games using RF energy (primarily aimed at coin-op video and non-TV electronic games, since home versions which couple to standard receiver require type approval as Class I TV devices). (2) RF-switching power supplies. (3) Wireless intercoms. (4) Restricted radiation devices using RF energy for communication.

Technical standards covering products not subject to certification (including calculators, watches, recorders) will be tightened under proposal, and FCC spokesman said if any is found to be generating "harmful interference" in future, it may require certification. Comments on rulemaking are due June 23, replies July 7.

### JAPAN COLOR EXPORTS SET NEW RECORDS:
U.S.-bound shipments of Japan's color exporters continued at strong pace in March, setting new monthly record for 7th consecutive month, according to Finance Ministry totals. Color shipments also hit these milestones: (1) Second highest monthly total ever. (2) New first-quarter record. (3) Ninth consecutive month of shipments in excess of 100,000.

Japan's total March TV exports to U.S. jumped 165.3% to 263,200, as color rose 107.4% to 163,600, b&w soared 389.4% to 99,650. In first quarter, Japanese exported 658,100 sets, up 232.2%, including 406,800 color (up 181.8%) & 251,300 b&w (up 367.2%).

Value of Japan's first-quarter TV shipments climbed 184.5% for year-earlier to $88.8 million, with color value rising 166.1% to $73.7 million, b&w soaring 329.3% to $15.1 million. Average price of Japanese color set exported in period was $181.10, down from year-earlier $191.83 average, while b&w average dropped to $60.10 from $65.39. But bulk of apparent price drop is attributable to decrease in value of yen against dollar. After adjustments for exchange
'IDEAL TV' CONTRACT: FCC's ground rules for bids to build prototype high-performance TV receiver (Vol. 16:3 p7, 16:16 p10) exclude current TV manufacturers from consideration, as forecast here last year (Vol. 15:45 p13). One provision in solicitation specifies that contractor have 'no conflict of interest...which could be construed as affecting his ability to render an objective, unbiased analysis...'. Chief Engineer Raymond Spence told us this would be set makers, who have vested interest in current designs. He indicated he expected principal bidders to be electronics labs and that contract may be shared by 2 or more firms. One of qualifications on which Commission will base award is applicant's 'past corporate experience in TV receiver design.'

Basic purpose of program, funded at estimated $200,000, is to reduce interference susceptibility, particularly in UHF, and increase sensitivity—thus only front end of set will be involved, between antenna input & detector stages. 'We're not interested in things like picture tubes,' said Spence. 'The marketplace can take care of that.'

Principal requirement is better reception at mass-market price. In its proposal, FCC is concentrating on eliminating completely or partially the 'UHF taboo' which govern minimum distances between stations on specific channels. Commission measured 47 receivers last year, concluded that it appeared 'little attention has been given in the design of these sets to the reduction of interference and the ability to receive very weak signals...The marketplace had not been as effective as would seem desirable in this area.'

Other requirements include use of varactor tuner with shielded 75-ohm input. Commission specifies that maximum additional cost to manufacturer in mass production must not exceed $7.50 per set. FCC figures 'reasonable cost' of TV set (screen size not specified) to be $300, with improvements not to add more than 10%, or $30, which is figured to represent manufacturing cost of $7.50.

Under specified procedure, FCC will acquire 3 commercial TV sets with contiguous serial numbers, keeping one in lab as reference, giving other 2 to contractor. First will serve as contractor's standard and not modified. Second may be used or modified, but circuitry following detector stages is to be incorporated in prototype set intact.

Bids for contract will be opened May 14, job to be finished in 12 months, copies of solicitation package available on written request to FCC.

Aiwa name reappeared in U.S. market on 8-model audio line introduced by Meriton which will market Aiwa products in U.S. Meriton also showed own new compact, portable cassette & clock-radio lines. Aiwa line ranges from $230 cassette deck to $570 receiver with built-in front-loading cassette deck. Meriton Pres. S. Inagaki said other products in Aiwa line will be marketed in U.S. in future. New in Meriton line are 2 compact systems ($260 & $330), 2 portable cassette recorders ($50 & $80), digital clock-radio ($80) and range of compact speaker systems expanded in size from previous speaker line. Aiwa & Meriton are Sony subsidiaries.

NEW GAMES, NEW PROBLEMS: Another batch of new video games came into open last week, but prospects of IC chip shortage and failure of some companies to seek FCC approval is causing speculation that many won't make it to market this year, possibly ever. 'You're going to see shakeouts because there's an industry,' executive of firm already in home game market said. 'I don't think 90% of the stuff you hear about will come true this fall. Very few have FCC approval, and very few have tied down a chip source.'

That isn't stopping compact, calculator & other companies from moving ahead with plans to show new games at June CES, and here's latest batch:

Morse—Four-player, 6-game model carrying Electrophonic name will be shown at CES. Game will sell in $99 range, feature optional rifle for built-in shooting games, use GI chip. Firm also hopes to offer multi-game color unit in fall.

Enterprex—Two-player, 3-game (tennis, hockey, handball) unit will be introduced at CES under Apollo name, price not set.

Fantasia—Game selling in $60 range will be shown at CES, type & price not available.

Radofin—Six-game unit produced at firm's Hong Kong calculator plant will be shown at CES, to retail in $50 range.

Montgomery Ward—Four-player game carrying Ward name will be featured in Christmas catalog and Fall-Winter book will carry games "with several different brand names," according to spokesman.

Atari—New line of multi-game & multi-player games will be shown at CES, but firm won't discuss specifics. Original "Pong" game will be kept.

FCC, meanwhile, says it now has 7 applications awaiting approval under Class I standards in addition to those already approved (Vol. 16:15 p13), and spokesman warns those hoping to introduce games at CES that applications should be filed soon. Although non-approved game can now be displayed at trade show (Vol. 16:15 p11), it can't be turned on and, as one game supplier said, "that's like showing someone a cardboard box." FCC says it will take about 4 weeks to complete testing on units submitted for approval, and period will lengthen as more applications come in.

CB scene: Japanese CB exporters will soar to 8 million units in 1976, EIA-J says, up 120% from 1975. Total exports, including knockdown units shipped to Puerto Rico, should hit 9.7 million... Channel Master will enter CB field with 16 model line of mobile antennas, and company will mount consumer education program on role of antenna in receiving, transmitting...Midland will award quarterly "Good Buddy" plaque to CBer doing good deed... Browning Labs will begin shipping new Sabre PLL mobile unit, featuring meter dimmer switch in summer...'The Official CB Language Language Dictionary" by Lanie Dills has sold over 300,000 copies, made most paperback best-seller lists, is now in 3rd printing...Cornell-Dubiller, component supplier, will market CB units carrying C-D-E name.
I
Growth in imports far outpaced increase in domestic output, leaving imports with record 44.3% share of over-all U.S. TV market at production level, up from 37% in same 1975 quarter. In color, imports nearly doubled market share, rising to 24.6% from 12.6% year ago, while b&w share reached record 70.5% from 66.8%. Last year, imports took 19.5% of color market, 67.3% of b&w for full year.

Imports share of color peaked in 4th quarter at 26%.

Output of portable-table models, which lost ground to consoles for first time last year, resumed market-share growth, as production-plus-imports for period rose 45% to 1,217,000, accounting for 70.3% of new supply, up from 67.3%. Consoles & combinations also gained, rising 25.7% to 513,000. Allowing that virtually all imports are portables, domestic factories captured apparent 31% of 771,500 sets made.

Picture of domestic production increases in table below isn't quite as bright for traditional U.S. factories as it might appear. In b&w, increase probably is represented by output for subsidiary Qasar at Matsushita's P.R. plant and is expected to show downturn in 2nd quarter as Sylvania completes transfer of b&w to Taiwan plant. In addition, Magnavox is expected to switch from domestic production to imports for small-screen AC-powered b&w portables later this year. Domestic color production figures include output by U.S. plants of Sony & Qasar.

Here's our analysis of domestic & import TV situation for first quarter:

<table>
<thead>
<tr>
<th>U.S. TV SUPPLY—FIRST QUARTER 1976 VS. 1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Produced</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Total TV</td>
</tr>
<tr>
<td>1976... 1,689,000</td>
</tr>
<tr>
<td>1975... 1,430,000</td>
</tr>
<tr>
<td>Color</td>
</tr>
<tr>
<td>1976... 1,304,000</td>
</tr>
<tr>
<td>1975... 1,090,000</td>
</tr>
<tr>
<td>Monochrome</td>
</tr>
<tr>
<td>1976... 385,000</td>
</tr>
<tr>
<td>1975... 340,000</td>
</tr>
</tbody>
</table>

MAGNAVOX ADDS 'SON OF STAR' FOR '77: Magnavox will sharply increase number of color offerings with electronic keyboard-addressed tuning this year, adding 11 sets with new non-remote system featuring LED digital channel readout. Number of models with remote STAR tuning is being cut by one to 12—so 23, or 53% of Magnavox 1977 color sets, will have electronic tuning (58% if only 19" & 25", where feature is available, are counted), 2nd only to Zenith, which went 70% electronic tuning last year and should go higher in 1977 line.

Also upcoming from Magnavox, as revealed at press preview in Chicago last week: (1) Addition of on-screen time display capability to all STAR models (which also have on-screen channel display). (2) Dealer-installed remote option on 25" color with new electronic tuner. (3) Battery portable 9" & 12" b&w portables, company's first since 1974. (4) Three new Odyssey TV games, all with on-screen digital scoring & sound and with color & stick-figure players at high-end model. (5) New 45" stereo console series. (6) Tape hardware option for all stereo consoles, giving consumer choice of 8-track play, 8-track record, cassette or none. (7) New 4-model component-compact stereo series at $160-$250. Except for latter, Magnavox declined pricing specifics pending start of regional sales meetings next month, though it indicated there would be some moderate selective price boosts.

New tuner is 20 channel, comes with 12 VHF's pre-set at factory, and, like STAR, uses digit addressing—0-5 for Ch. 5, 4-4 for 44. We were told it was developed in-house by Magnavox. Unlike STAR, new tuner is voltage—not frequency—dependent, so consumers hook up CATV or MATV systems which shift stations to new channels can program tuner accordingly. For example, if CATV converts channel 46 to channel 3, set can be adjusted so that press 5 & 6 on keyboard causes display to show "46" and tuner to bring in Ch. 3.
SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

ZENITH-CORNING TUBE format rejected by Sylvania, which says conventional design is price-competitive, less bulky. RCA expected to do same. Price seen key to Zenith success. (P. 7)

'APRIL TV SLUMP'—is it really another market collapse? Most signs indicate recovery actually is continuing. Inventories up 6.7% from March, but down 9% from year earlier. (P. 8)

NEW LINE UNVEILINGS by RCA, Zenith, Sylvania, Philco & Toshiba show expansion in color, more full-feature sets, moderate price changes. RCA to launch trade-in campaign. (Pp. 8 & 10)

NEW FCC LABELING calls for coded marking, with manufacturer & marketer identification. Industry to object. (P. 9)

TWO TV GAMES fail FCC tests, others in trouble. Two Coleco models approved. (P. 11)

SYLVANIA ESTABLISHES worldwide Consumer Electronics Business Group with Konkol pres., pulling GE & components from GTE International. (P. 11)

TV ENERGY conservation target set by FEA at 50%-80% for color, 92%-94% for b&w. Hearing set for May 28. (P. 11)

Broadcast

MOVE 'FAMILY' TO FV TIME: In 'unprecedented' move, L.A. Dist. judge proposes settlement in FV suit which would include airing 'All in the Family' in earlier period. He also suggests 'declaration of principles.' Parties back in court May 18. (P. 1)

HOUSE INVESTIGATIONS HEARING covers familiar territory: FV, political access, N.J. TV coverage, consumer participation, cable. (P. 2)

CABLE HEARING EXPANDED by Van Deerlin following meeting with NAB. Congressman says he's unsure whether legislation is needed, asserts FCC to far better equipped to deal with the issues. (P. 4)

NAB 'FACT FINDERS' REPORT: Ad hoc group gets earlier budget consideration, 6-month reports. In- house affirmative action approved. (P. 4)

COPYRIGHT MARKUP BEGINS in House Subcommittee, no vote yet. Ringer & House staff draft based on NCTA-MPAA pact. Broadcaster-cable-producer parity sought. (P. 5)

RURAL CABLE PUSHED by OTA in report seeking 'systems' approach to make sophisticated communication system economically feasible in low-population areas. Agriculture Committee mulls legislation providing demonstration grants. (P. 5)

MOVE 'FAMILY' TO FV—JUDGE: In a move that parties to family viewing (FV) suit called "absolutely unprecedented," L.A. Dist. Judge Warren Ferguson proposed to defendant networks that "CBS give serious consideration to moving 'All in the Family' back into the family viewing period and that ABC & NBC endorse that move." Judge's suggestion—a long with 10-page "declaration of principles"—was sent to parties May 10, shortly after he abruptly suspended trial and told parties to reach settlement (Vol. 16:9 p2).

None of defendants (FCC, NAB, TV networks) would comment on-the-record on Ferguson's surprise move, but most agreed privately he had overstepped court's authority. "If the judge thinks the FCC violated the First Amendment [in Wiley's meetings with networks on FV], he should read his own proposal," we were told. Parties are due back in court May 18 and Florence Kate, deputy clerk to Ferguson, said that if no agreement has been reached with plaintiffs (Writers Guild of America, West & Tandem Production), testimony be defendants' witnesses would be resumed. Kate also refused to comment on judge's proposal.

Ferguson said moving "Family" into FV time—it was shifted from 8 to 9 p.m., last fall when concept became effective under TV Code—"should not only settle the antitrust portion of the litigation but should provide concrete evidence that in the future the networks' commitment to the minimization of violence and gratuitously offensive material need not compromise the interests
GAME SPECS—FCC GETS TOUGH: Two video games—including new First Dimension model—were rejected by FCC labs last week, and spokesman indicated others waiting to be tested under Class I rules could be in trouble. "We're finding that many just aren't doing their homework. There is a test procedure set down by us, and they aren't following it,” primary goal of FCC tests is keeping game signal from being fed to TV antenna and creating interference. FCC wouldn't comment specifically on deficiencies in games rejected (name of 2nd game will be withheld until firm can be notified), but problem in general involves RF output of game at isolation switch box. Mean values of game output measured at TV antenna input are compared, and difference should be 60 db or greater. We're getting some as low as 48 db," spokesman said, "and we can't approve that under Class I.” FCC hasn't yet approved any game on first submission. he said, adding that initial filing fee is $1,500, $1,125 for subsequent filings.

Some games are making it through tests. Latest is Coleco, which received FCC clearance for 2 Telstar 3-game models ($70 leader, $80 step-up with AC adapter, wood cabinet). Others on FCC test list: Phoenix International ("Video Sports," 4 games, $80 through U.S. subsidiary, Tokyo Phoenix), IEA (Weber Electronics, Canada, "Teletainment," 7 games, $80 in Canada), Microelectronics ("Ricochet," 4 games, $100), Radio Shack (2 models, 4 games, under $100), Electronic Resources (Hong Kong), APF, Atari, Entex, Video Master (through U.S. agent American Consumer Electronics), Telegasus, Unisonic.

Applications from Lloyds, Enterprex & Phone-Matic have been submitted to FCC, haven't reached labs yet. National Semiconductor says new color 3-game "Adversary" will be submitted in mid-June, retail at $99. Gran Prix says plans to enter market (Vol. 16:2 p11) were dropped because of production problems.

Sears instigated talks which led to Sanyo's agreement to acquire Whirlpool's 57% interest in Warwick's TV business (Vol. 16:18 p8), according to Japan Economic Journal, which says Sanyo's first proposal was to provide technological assistance to troubled Warwick. Both Warwick & Sanyo supply Sears with color TV. Sanyo's decision to buy Warwick stemmed from fear that International Trade Commission's wide-ranging probe into U.S. business practices of Japanese TV firms could lead to import controls, jeopardize Sanyo's plan to sell nearly million color sets here this year, double 1975 volume, JEJ says. Warwick's dwindling TV fortunes are shown in 10-K filing with SEC, reporting 1975 TV sales to Sears of $68 million, vs. $142.1 million in 1974, $148.7 million in 1973, $135.8 million in 1972, $124.9 million in 1971. Filing confirms our report Warwick has lost all color portable business, it says it expects no significant production in 2nd half this year.

CBS Records adopts single inventory policy for future Masterwork disc releases. CBS will issue records either in stereo or SQ 4-channel, but not both. Last year, EMI & Angel Records made similar move.

SYLVANIA WORLDWIDE: Sylvania last week confirmed our report of 2 weeks ago that it's establishing worldwide Consumer Electronics Business Group, uniting all CE & component activity, pulling foreign enterprises out of GTE International (GTEI) (Vol. 16:18 pl4). Title of group pres. goes to George Konkol. Successor to Konkol in Entertainment Group hasn't yet been picked, but probably will be named from outside Sylvania. Hermann Moessner continues as managing dir. of European Consumer Electronics Group, reporting to Konkol.

Former GTEI properties which go into new group include TV manufacturers Fleetwood of Canada & Saba of Germany. TV & audio products are also made in Latin America, Caribbean & Far East. Sylvania's Taiwan TV plant has been under Entertainment Products Group since its purchase from Ford, was never part of GTEI. Picture tubes are made in Europe & Latin America.

Sylvania hopes to realize advantages of closer contacts among its consumer electronics & component operations, including pooling of engineering, greater leverage in purchasing, general interchange of ideas. Not mentioned in release is fact that new arrangement eliminates layer of telephone-company bureaucracy from communication among manufacturing segments of company.

Consumer electronics & components were weakest segments of Sylvania's $1.22-billion domestic business and GTEI's $1.04-billion business in 1975. In case such adversity continues, new setup would make it easy to spin off these operations—although Sylvania spokesman told us that certainly was not consideration in the change.

FBE ENERGY GOAL: Federal Energy Administration proposal that efficiency of TV be improved by as much as 94% by 1983 over 1972 had industry members shaking heads in disbelief over weekend. Proposal in May 14 Federal Register said goal is to improve efficiency of b&w 92%—94%, color 50%—80%. Industry had expected FBE would follow targets of 46% for b&w, 42% for color, set by Bureau of Standards last year, before FBE was given authority.

Goals for TV are highest of any in appliance list released by FBE. Maximum improvement sought for other key items: Refrigerators & freezers 40%, dishwashers 40%, dryers 20%, water heaters 35%, air-conditioners 40%, ranges & ovens 50%, washers 50%. FEA says it expects TV industry can meet target through solid-state design and eliminating instant-on. FEA said it will hold hearing on TV May 28, set May 18 deadline for appearance requests.

Sony received its 2nd Emmy—this time for development of U-matic videocassette system. Sony's first, in 1973, was for Trinitron tube.

ITA moves HQ June 1 from Tucson to 10 W. 66th St., N.Y. 10023. ITA's 7th Annual Audio-Video Seminar is April 3-6, Hilton Head, S.C.
SUMMARY-INDEX OF WEEK’S NEWS

Broadcast

Agreement Fails, FV Trial concludes with broadcasters' testimony. Plaintiffs seeking $300,000 each, plus expenses, from networks, NAB. Judge says he won't 'overturn' FV. (P. 1)

Cable Hearing—No Consensus: Repetition of well-known views, as Van Deerlin begins long hearing. This week: 'Midnight Blue,' Taylor, Erlick, Land, Newman, Lindow, Jones. (P. 2)

3 Min. Not 'Reasonable' access for presidential candidates, FCC tells KGW-TV in 'precedent-setting' decision. Station sells Church, Brown 30 min., Carter two 5-min. segments. (P. 4)

View Renewed as JD loses anti-competitive plea on newspaper ownership. Action portends FCC action on similar petitions. (P. 4)

Copyright Nears Finale: NAB wins point on economic impact as Subcommittee completes Sec. 111 markup. Rate increased from 0.6% to 0.675% in 2 provisions. Limitations on Mexican & Canadian imports. (P. 5)

Blackout Compromise Reached by deadlock Senate conference. Staggers & Van Deerlin apologize to Pastore. NFL data show no adverse impact on football in 1975. (P. 6)

FCC-PTC Panels on TV drug ads produce sharp disagreements. Most feel more research needed. Smith says 'jury still out.' (P. 6)

Agreement Fails, FV Testimony Ends: Despite prodding by federal judge—who had suggested his own solution (Vol. 16:20 pl)—plaintiffs (WGAW & Tandem Productions) & defendants (networks, NAB, FCC) failed to reach settlement May 18 in family viewing (FV) suit. Appearances by 3 broadcasters next 2 days completed testimony.

Any hopes for agreement fell apart when WGAW & Tandem demanded $300,000 each, plus expenses, plus abolishment of TV Code. Judge Warren Ferguson told plaintiffs that, under any agreement with broadcasters, suit against FCC must be dismissed even though Commission hasn't participated in discussions among other defendants. Judge reportedly also said several times during talks in his chambers that he wasn't going to "overturn" FV.

Before meeting with plaintiffs, broadcasters had hammered out tentative agreement—although not all agreed with all points. They were concerned particularly with section on informal communications between industry & commissioners, expressing fear it could stop "the normal day-to-day way of doing business with the FCC." There also were sections on future broadcaster consultation with special interest groups & public, licensee programming responsi-
Returning to line after 2-year absence is U.S.-assembled battery portable (12", $125)—making GE only producer without an import. In color, GE's 36-set line is up 12 models from last year, while b&w line (through replacement of 7 hybrids with solid-state models) remains at 14.

Tone of RCA & Sylvania meetings was upbeat. RCA hosted distributor principals & salesmen, some of whom brought retail customers to special showings at Lake Tahoe, for total of 2,500 attendees, largest RCA convention ever at single location. Consumer Electronics VP Gen. Mgr. Roy Pollack set mood in contrasting 1973 & 1976, noting RCA experienced 8% color-market-share increase in interim at distributor-to-dealer level, indicating it was ready to capitalize on improving economic climate (for new distribution policies, see p. 8).

RCA Pres. Anthony Conrad promised new developments from labs to "combine lower set costs with higher performance, to decrease power consumption, to provide greater picture resolution and more options on remote control." He forecast industry sales of 8-10 million color sets a year within next few years. Touching briefly on videodisc system, he pledged that RCA independent distributors will be "basic to our marketing plans" and "you will be the first to know when the curtain is going up."

Sylvania used big Las Vegas convention to announce virtual top-to-bottom sweep of GT-Mark line through its color line, starting with previously undisclosed reduction of 13" automatic set by $10 to $330, and made it clear that its taking aim at ColorTrak with theme "first true self-adjusting color set." RCA unveiled first products under Leo Burnett ad agency, featuring TV appearances by John Huston & Samantha Eggar and simplified explanation of how ColorTrak works ("Before you see the color, the ColorTrak system grabs it, aligns it, defines it, sharpens it, tones it and locks the color on track"). RCA is dropping "XL-100" designation from ColorTrak models, with only for non-automatic leader models. Other convention highlights:

**Replacement market**: RCA, Sylvania & GE all indicated they're going strongly after replacement sales, estimated at 30-50% of color TV market. RCA's "Trades Fantastic" national wide Aug.-Sept. trade-in campaign will offer "$50, $75, $100 & more" for used color sets trade in ColorTrak consoles in "most comprehensive national trade-in ever on the part of a manufacturer," said Sauter. "We're involved, so is the distributor—it's a 3-way proposition." Plan was tested successfully in Atlanta & Wichita. In cases where dealer doesn't want to handle used sets, distributor arranges to sell them to local TV reconditioning firms.

**Import competition**: Domestic manufacturers are more aggressive this year in attacking Japanese competition. In departure from past practice, top 3 RCA speakers—Conrad, Pollack, Mktg. Vp Jack Sauter—specifically cited imports as major competitive force. GE TV Mktg. Mgr. Norman Schnell warned: "Some of our offshore competitors continue to price their products very aggressively and give little if any selling support. I would urge dealers to look at the total package...before deciding on price alone." In same vein, Sylvania Video Products Vp Robert McCarthy cautioned: "Dealers cannot exist on those profit margins...The legacy of imported sets is degeneration of the dealer structure."

**Audio**: Sylvania gave preview of plans for audio introductions in Aug., when it will debut GTE brand of high-end components, reduce prices of Sylvania compacts & consoles. "We have no intention to abandon any segments of our current business," said Audio Product Mgr. Horst Heisrath. New products will be produced in joint effort between Sylvania's U.S. & Hong Kong facilities, with complete new line of compacts down $40-$60 from past levels, compacts about $50 below comparable predecessors. Most of current merchandise has been repriced accordingly (see p. 13).

Present Sylvania component line will continue through 1976, but Sylvania brandname in future will be on 5-10-watt-per-channel equipment, while premium GTE label will be on 20-30-watt receivers. Component line has switched from distributors to reps in major markets. Philco will re-enter compact business later this year in $150-$250 range.

**FCC PUTTING CRIMP IN GAME PLANS**: FCC rejection of 4 more video games last week is forcing some producers to re-examine not only plans for June CES but marketing strategies for fall/Christmas season. Failure of games to pass stiff type-approval tests means they go to ent
FCC labs won't release names of games which flunked—or of one game which won approval during week—until firms have been notified formally. Previous week, games submitted by First Dimension & APF failed tests (Vol. 16:20 p11). Basic problem, according to FCC spokesman, is failure of suppliers—and independent testing labs used by many of them—to understand differences between Commission rules governing products which must be certified & type-accepted and those (such as games) which must be type-approved.

Type-acceptance & certification are essentially paper-work procedures, with test data based on standardized tests submitted by company, while FCC labs generate own data on products requiring type approval. Details of type-approval testing procedure are contained in bulletin available from Chief Engineer. Tests are rigorous, spokesman said, involving measurements of output signal, switch isolation, output-terminal conducted interference, field strength & line conductance in variety of configurations. So far, he said, biggest problem has been radiation of RF signals from cable & chassis. "We're looking for the maximum reading in every configuration. It's the toughest test of any the FCC conducts, and these companies don't realize what a toughie it is."

Producer whose game flunked test, however, charged that tests have been made tougher due to mounting controversy over interference from CB, that FCC is cracking down on them for no real reason—contention disputed by FCC. Producer said his game passed all but one FCC test, and that FCC makes no allowances for fact they are testing prototypes which are subject to misadjustment in transit. Tests require lab equipment costing thousands of dollars, he said, are unrealistic for $50-$100 product aimed at mass market. "The retesting cost isn't peanuts," he added, "but it's nothing compared with the hundreds of thousands of dollars tied up in parts, molds, letters of credit and everything else connected with this. The FCC doesn't appear to understand that."

Despite grief at FCC level, other firms—including RCA & Heath—are preparing to enter market, and firms already in field are readying new models for CES. At same time, Magnavox outlined basic patent licensing agreement covering games (see p. 12).

Japanese tantalum capacitors may be being dumped in U.S., said Treasury in notice ordering withholding of final appraisement on all future imports. Notice means that all such imports after April 20, official notice date, will be subject to any dumping duties which may be levied. Agency said preliminary investigation, which was limited to capacitors from Matsuo Electric & Nippon Electric Co., showed that some 26% of their sales to U.S. were at less than home market price. Treasury said possible dumping margins ranging from less than 1% to 140% were found. Average margin was 45%.

Matsuo & NEC account for some 75% of such imports from Japan, Treasury indicated. Treasury also amended appraisement withholding notices on possibly dumped AC adaptors from Japan to include units that are either built into or at least packaged with finished products, provided no separate charge is made for adaptor.

FCC Chmn. Wiley and Safety & Special Radio Services Chief Charles Higginbotham address CB conference at Consumer Electronics Show June 13. Other program highlights of June 13-16 event at Chicago's McCormick Place: Govt. & Consumer Affairs Conference, Chris White, FTC; Audio Retailer Conference sponsored by EIA, ERA, IHF & NARDA on formation of national organization for radio retailers; panel sessions on CB, TV & video systems, video games, calculators, watches.

RCA Tube Div. told set makers last week it doesn't plan to use Corning Mark IV glass developed for new Zenith color tube, as forecast here last week (Vol. 16:20 p7). Sylvania made formal announcement last week, with public statement from RCA expected this week. While Sylvania said it was working on tri-potential gun similar to Zenith's to reduce spot size in slot-mask tube, RCA indicated it may be able to achieve same effect with standard bi-potential gun. RCA also said it preferred 90° deflection but will go to 100° (using standard glass) if customers prefer. Westinghouse spokesman told us company is still studying new glass but tends to agree with Sylvania's position. GE TV Mktg. Mgr. Norman Schnell said that company is looking at tube but is concerned whether potential savings to GE would be same as those to Zenith.

CB Radio Advisory Committee task coordinators appointed by FCC: Richard Horner, E. F. Johnson, local interface; Lawrence LeKashman, Lafayette Electronics, user rule compliance; Clark Turner, publisher, disseminating information; David Garner, importer, operator training; Lee Bergren, Midland Engineering Sales, technical standards; John Sodolski, EIA, electromagnetic compatibility; T.A. Andros, Hy-Gain, personal use communications needs; Rep. Paul Findley (R-III.), public safety uses; P. Randall Knowles, North Shore (III.) Emergency Assn., Part 95 readability; Manny Hoffman, equipment theft.
RCA INTO GAMES: While it won’t be through Consumer Electronics Div. (CED), RCA is expected to enter video game market by year’s end. In response to comment from CED that it won’t join field, spokesman for Distributor & Special Products Div. said entry is being “seriously considered.” It’s understood game will use RCA chip, be on market by Christmas. Move is indicative of growing activity by Distributor Div. in new-product areas, including CB, with 40-person purchasing team in Japan. Other new games: Heath reportedly will introduce kit in $50 range by end of year, and I.C. Instruments of Hong Kong will show game at CES.

Universal Research will add 3 games to line at CES, including $300 Video Action Fact which provides games, quizzes, information storage & retrieval, uses program cartridges. Game price will include some cartridges, and firm is negotiating with publishers & software suppliers for complete cartridge library. Universal also will introduce Video Action IV, 4-player unit offering 2 conventional table-tennis games plus road racing at $100, and Video Action Game Table, $500 cocktail table with built-in monitor, inlays for chess, checkers & backgammon. Fairchild will use CES to take wraps off Video Entertainment System, cartridge system which will also play 2 conventional games. Cartridges will contain additional games, entertainment & educational programs—prices not set. Dyn will introduce Paddle-Four & Paddle-Six, 4- & 6-game models using GI chip priced $100 & $125 at CES.

Magnavox suit against Midway & parent Bally, charging infringement of Magnavox game patents, has been settled with Midway taking license. Suit involved coin-op game; action against Atari & Sears involving home game remains alive. Magnavox spokesman said case could get to court in early June, decision by fall. Toy producer Coleco is first to sign licensing agreement covering home game with Magnavox, and terms indicate stake Magnavox has in patent rights—especially if game business turns into multi-million-dollar industry many are predicting. We’ve learned Coleco will pay Magnavox initial $100,000 in staggered installments, with final $50,000 due next Jan. More important, however, are royalty terms—5.5% of net selling price on first 100,000 units, moving downward to base of 3% over 350,000 units. Using $50 as rough average wholesale price, licensed sales of million units would generate more than $2 million for Magnavox. Magnavox spokesman confirmed details and emphasized that terms may differ with other firms.

RCA is getting favorable results from its Consumer Acceptance Lab (Vol. 16:15 p10), Consumer Electronics Vp-Gen. Mgr. Roy Pollack told distributor meeting. Since establishment of lab “DOA incidence has dropped 80%, general out-of-carton quality problems decreased over 70%, failure rate over 90 days was reduced by 50%,” he said.

More manufacturer forecasts of 1976 TV sales to dealers: GE—Color 7.8 million, bw 5.4 million. RCA—7.5-8 million color. Sylvania—7.8 million color, 5.3 million bw; 1977—9 million & 5.5 million.

CB PLAN IRS Hobbyists: Hobbyists operating remote-control model planes & related devices are flooding FCC with mail protesting portion of CB channel expansion proposal calling for incorporation of 5 Class C remote-control channels into CB band. Though Class C frequencies exist in other parts of spectrum, plan to drop them from 27-MHz band has prompted “deluge of mail,” Amateur & CB Radio Assn. Chief Richard Everett told us. Responsible Commission to move comment & reply from now back 2 weeks (now June 9 & 24).

Frantic pace of applications may have leveled off, Everett says. After peak of 600,990 last year, number dipped to about 515,000 in April. He said “April is the first month we haven’t seen an increase, and my feeling is it will now settle at the 400,000-500,000-a-month rate.” Chmn. Wiley told Senate Appropriations Subcommittee last week FCC expects to receive 4.8 million applications during current fiscal year and 6,800 in next, average of 560,000 a month. Processing time has been reduced to less than 30 days, Wiley said, adding that process will hit 10-20 days “at minimum cost to the govt.”

Field offices across country “are besieged with complaints” about CB interference with other products, Wiley said, adding that annual complaint rate has jumped from 30,000-40,000 level of past years to current 100,000—“and we are not receiving all complaints.” As example, Wiley cited one-day phone company survey of Dallas field office which showed that more than 2,000 calls went unanswered after callers received busy signals. Despite efforts of FCC, Wiley said he expects interference problem to continue due to growing use of CB in residential areas.

Ad notes: Sharp appoints Isadore Leftowitz Elgort for Consumer Electronics Div., replacing Cunningham & Walsh on $2-million account. CE retains some Sharp PR, Wissler-Sanchez keep Industrial Div. C&W held account just one year. Regency appoints Clinton E. Frank for CB scanners, radio-telephones & weather radios. Account, billing about $1 million, was formerly in house. Pathcom launches $4-million campaign for Pace CB gear under theme: “You’ve got the word by the ears.” Electra budgets over $2 million for Bearcat scanners which company believes holds 2% of $170 million market... RCA will promote 2-mode CB in hobby magazines. Intel will use TV spots to stress LED in Microma watches.

Japan Electronics Show, originally slated for mid-Sept., has been moved to Oct. 22-27. Tokyo event is being combined with Japan Audio Fair. In last 5 years, JES has increasingly become consumer event, and it’s believed later dates will help spur Christmas buying interest. Taiwan will hold electronics & appliance exhibit at Taipei Sept. 12-15.

Work resumed at Perecro’s 2 Roll Div. steel plants last week as employees ended 9-week strike. Terms not announced.

Ray-O-Vac plans 50,000-sq.-ft. plant in Racine, Wis. for batteries used in watches, heartbeats & cameras, starting operations in early 1977.
**New Sets & Prices:** GE color line opens with two 19" hybrids at $260 (up $10), step-ups at $265 & $270. 13" are up $10 to $360, $370, $380; 17" leader is up $20 to $420, step-up is $430. In 19", new portable series opens down $50 at $420, with electronic channel readout (4) are $490, up $20 from model with wood case (5-6). In consoles, 5-model T-wall set (20" or 25") opens at $1,230, down $120 from comparable 1976 models. In WIR color, 19" is $540, four 25" consoles are $780 & $800. In bw, 12" opens at $105 with wood case & $5 from $85 at $125. In 15", leader is unchanged at $120, with steps at $125, $130 changed from $230 to $155, steps at $160, $185 & $175, latter with stand.

**RCA XL-100 models, now used as low-end units from $30 to $50, all are up, providing maximum flexibility, but prices appear to be lower than a year ago, some reflecting competitors' moves since last May. RCA XL-100 starting prices: Leader 15" can be sold at about $350, virtually unchanged from recent past but down $40-$50 from year ago; 17" leader can retail for about $380 this year (was $425); 19" starts at about $400, continuation of drop-in introduced after May, when starting price was $490; 21" table continues at $570; 25" leg console leader can sell at $600-$630. All 19" ColorTraks officially begin at $480 list, but introduced in April at $500 is still available in limited quantity and could sell in $460-$470 range.

**Sylvania** color TV line (Vol. 16:20 p10) was sweetened at convention by summer specials & outlets held by some dealers. The 13" series, missing from display list, is still available in 2 sets at $300, GT-Matic at $330 (all down $20). Last year's 19" leader, now a summer special, is $379 (down $21), while new summer special 19" electronic-tuned remote is $550, and series of 5 GT-Matic II 25" consoles from last year is being cleared at $600 (down $80).

In stereo, Sylvania compacts at $200, $250 & $300 and consoles at $380-$630 are about $50 below predecessors, holders down comparably at $300-

**RCA was top** consumer electronics marketer in TVR's list of 513 largest network TV advertisers in 1975. RCA placed 52nd with $11.15 million, followed by GE (55th) at $10.5 million. Among others, Toshiba (106) $4,950; Zenith (143) $3,107; GTE (146) $2,165; Texas Instruments (147) $2,900; Rockwell (160) $2,160; Sony (177) $1,978; Memorex (362) $346; Superscope (405) $2,030; Motorola (419) $1,711; GE (44) $1,105; Lafayette (453) $92; Koss (470) $80; Matsushita (483) $33.5.

**Watch Market Shares:** Worldwide shipments of complete digital watches totaled about 3.8 million, according to new study by William D. Witter Inc., released at company's First International Conference on Digital Watches in N.Y.

Rankings of watch & module companies in order of sales of complete watches plus modules sold to others (number of modules in parentheses): Hughes 1,080,000 (1,080,000), National Semiconductor 875,000 (600,000), Litronix 800,000 (200,000), Frontier 600,000 (900,000), Fairchild 400,000 (125,000), Armin 300,000 (0), Optel 250,000 (5,000), Uranus 250,000 (0), American Microsystems 245,000 (45,000), Intel (Micronix) 200,000 (20,000), Timex 150,000 (0), Mostek 150,000 (175,000), Pulsar 140,000 (20,000), TI 108,000 (8,000), Micro Display Systems 75,000 (0), Integrated Display Systems 70,000 (5,000), Electronic Arrays 35,000 (35,000). Japanese firms shipped 475,000, other Asian 300,000 (1,000), others 100,000 (0), others European 150,000. No module shipments were given for Japanese or other European categories.

**Realignment in market shares is seen for 1976, with these forecast ranges for cased watch plus module shipments (in millions):** National Semiconductor 4-5, Hughes 3-3.5, Fairchild 2.7-3.3, Timex 2.2-2.5, Litronix 1.5-1.8, TI 1.3-1.8, Frontiers 1.2-1.5, American Microsystems 0.8-1.2, Armin 0.6-0.8, Integrated Display 0.75-0.8, Uranus 0.6-0.7, Optel 0.5-0.75, Electronic Arrays 0.5-0.7, Commodore 0.5-0.7, Intel 0.4-0.6, Micro Display 0.4-0.6, Pulsar 0.15-0.155, Japan & other Asian 1.5-2 each, Swiss 0.3-0.6, others Europe, 0.7-0.9.

Another estimate indicates Litronix & Pulsar enjoyed greatest dollar sales of finished digital watches last year, at $22 million each, followed by Armin at $17 million, Benrus $15 million, and Fairchild, National & Optel $11 million each. Average factory selling price ranged from about $40 for National to $183 for Pulsar.

**Tape topics:** Sony will start marketing Elcast decks & cassettes in Japan in June, advancing planned introduction of system by 3 months. System uses cassettes about twice size of standard Philips cassettes, operates at double speed for better fidelity (Vol. 16:16 p10). Sony's first deck will be about $660, with $430 version due in July, both with Dolby circuitry. Remote control option will be $33. Cassettes, 60-min., will be $5 for low noise, $4.85 for high-energy ferrichrome. Matsushita & TEAC, other partners in Elcast development, haven't announced marketing plans...*Ampex* will announce product & promotion plans for drive to reestablish itself as tape marketer at CES.
SUMMARY-INDEX OF WEEK'S NEWS

RECORD-SHATTERING Japanese color TV exports to U.S. totaled 221,500 sets in April; b&w up 151%. Japanese move to halt ITC probe of business practices. (P. 8)

CPSC REJECTS UL counter-proposal for joint study of TV accident data, calls project off, insists UL meet June 22 deadline for submission of TV safety standard proposal. (P. 8)

ADMIRAL'S ROCKWELL ERA launched with space-age color chassis at space-age prices. Line includes digital tuning, do-it-yourself optional remote, new color portable & b&w chassis. (Pp. 8 & 11)

MCA READY TO START production of discs in anticipation of optical player introduction. Torrance, Cal. plant equipped to turn out million discs annually; more capacity could be added quickly if needed, company says. (P. 9)

GE AUDIO THRUST is in 'personal communications'-CB, portable tape products, radio. Compact systems, car stereo dropped from line, now placed on 'back burner.' (P. 11)

FCC APPROVES 2 more video games, expects to reject 2. New games coming from RCA, Interstate Industries. TT's game plans stirs speculation. (P. 11)

THE MOMENTUM IS OURS—ABC TV: "In all the years [23] of attending these annual affiliate conventions, I have never experienced as much enthusiasm as is current now," ABC Chmn. Leonard Goldenson told TV affiliates convention in L.A. last week. "The momentum is ours," added TV Pres. Frederick Pierce. These comments accurately describe attitude of affiliates & network alike, who no longer are just talking about 'parity" but about being No. 1 in all areas—with stress by network on news.

As expected, expanded news (Vol. 16:19 p3) played a major role—with overwhelming majority of affiliates expressing disapproval. It was prime topic at closed affiliates-only meeting May 24, at closed session with network officials May 26 and at network-affiliate board meeting (which ran 2 hours beyond scheduled time) next day. After latter meeting, this joint statement was issued: "The ABC TV Network and its affiliates seek to achieve leadership in network news. The expansion of network news as a factor in that leadership has been discussed and will continue to be discussed between the network and its affiliates."

Network officials stressed that they never sought commitment to longer news from affiliates, although both groups conceded it's coming. "We want it to be later, not sooner," affiliate told us. Outgoing Affiliates' Chmn. Thomas Goodgame, KTUL-TV Tulsa, told press conference that "this whole thing of expanded news, as far as the affiliates are concerned, started as a rumor" (Vol. 15:17 p5), that network has yet to make proposal. Pierce said that "based on the evolution
**FCC GAME APPROVALS:**

Entex won approval from FCC last week to market video games, but spokesman said 2 more probably (CT 180) in 4-player, 4-game units to join $99 Pong as Atari game was rejected recently. Entex game (Tele-Feb. American Toy Fair (Vol. 16:8 p9). FCC lab approval, wouldn't identify firm's submitting 4 models rejection this week. One will be allowed on market if it is sold. Additional applications are beginning to doctor's office," spokesman said.

RCA unit (Vol. 16:21 p12) will offer 7 games—table tennis, bowling, "exotic games"—source who saw lab version told us. Game allows user to draw pictures on display screen, is played by pressing 5 touch buttons. Source described game as well-designed using programming cards. First Dimension, already entrenched in game field, will add 4 new units: Two 2-player, 4-game units under name "Video Sports" at $70 & $79 (both pending at FCC); Video Sports IV color, 2-player 4-game model, $79; unnamed 6-game, 2-player unit, price not available.

Tele-Match, new Interstate Industries subsidiary, will show 2 games at CES—Tele-Match 4400 ($70 & 7700 ($80), both 2-player, 4-game models using GI chip. Games have been submitted to FCC. Interstate is private-label supplier to Sears, Radio Shack, other retailers, recently purchased tooling for phonos phased out by GE.

Industry has been humming with rumors over position Texas Instruments will take in game market, but hum turned to buzz last week with frequent reports of game carrying $45 wholesale, $70 retail tag. TI is known to have talked FCC several months ago asking for information on application forms, testing, etc. TI says it's "looking into it," won't comment further. Source within TI says it's unlikely game will be shown at CES, but giant semiconductor maker has history of dramatically taking wraps off top-secret projects at trade shows—"including $19.95 digital watch unveiled at Jan. CES (Vol. 16:2 p7)."

National Semiconductor will join GI as chip supplier in July. TV & Games IC Mktg. Mgr. Steven Fields says samples of new 3-game chip will go out in week or two, that deliveries in quantity will begin end of July. Firm will be producing at capacity by Sept., will introduce new game chip in Feb.

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**Consent agreements** are in works to settle year-old FTC ad-claim complaints against GE & Panasonic (Vol. 15:33 p7, 15:39 p11). FTC spokesman told us administrative law judge has certified staff agreement with GE for presentation to full Commission. Panasonic agreement with FTC staff also is awaiting action. Both complaints are based on serviceability & reliability claims—Panasonic's on NEA tests, GE's on Trendex survey.
SUMMARY-INDEX OF WEEK'S NEWS

VIDEO GAMES: hot CES product, with at least 24 exhibitors. FCC approves 3 more games. More than 37 companies, over 50 games listed in Television Digest Directory. (P. 7 & White Paper)

RECORD COLOR IMPORTS reported for April. Sanyo says new Warwick will make $100 million worth of color sets for Sears in first year. (P. 7)

ADVENT HOME TV projector is all new, avoids pitfalls of first units, has 8-8” damage-resistant screen, new 3-tube system, at $2,495. (P. 8)

IMPORT ADJUSTMENT aid approved for BCA-receiving tube workers, denied for Sylvania color workers, by Labor Dept. (P. 9)

BIGGEST CES YET to have more than 600 exhibitors, registration expected to exceed 45,000. Close to 200 will show CB. (P. 10)

CANADA'S COLOR market dropped 22 1/2% last year to 764,200. Domestic producers recaptured some color share from importers, held own in CB. (P. 10)

JERRY FORD IN CB FUTURE Administration makes clear after 3-hour meeting. OTP to develop licensing & channel recommendations. (P. 12)

OBSCenity LEGISLATION: would put criminal liability in Communications Act, cover cable, give FCC sanction power. Cable welcomes clarification. (P. 1)

PLAINTIFFS SEEK 'DRAW': New proposal substituted to networks & NAB, seeking settlement. Plans change in judge's proposal. Defendants will reject. (P. 2)

TRAINED BmJS TV'S CRITICS for 'daily cascade of obscenities.' defends CBS & Chmn. Paley, fears fragmentation will lead to 'anarchy.' (P. 3)

CCTA BOARD AGENDA: Copyright heads list, particularly Saltbeck amendment. Among other subjects: utilities, political action, translators, 1977 deadlocks, franchise poaching, rate regulation, obscenity. (P. 4)

STREAM IN NEW HANDS: Long battle ends as Minneapolis Bcast. takes over from Star Stations. Some other's lose licenses. (P. 5)

ADVOCACY JOURNALISM is 'dangerous trend,' Landes tells AP Bcstrs. Wiley renews pitch for anti-journalism doctrine experiment. (P. 5)

COMMISSION'S PROPOSED OBSCenity LEGISLATION: FCC sent its proposed obscenity legislation to White House (OMB) last week, as expected (Vol. 16:22 p5), stating it's needed because of numerous substantive differences between radio communication and cable TV, and other forms of communication.

Commission asks that it be made criminal offense to disseminate obscene or indecent material by any radio or cable communication, giving FCC power to impose administrative sanctions—putting provisions directly in Communications Act. Amendment would give Commission power, more direct, control over offenses.

Commission used U.S. Supreme Court's definition of obscenity: "Patently offensive representation or verbal description of various acts of sexual intercourse, masturbation or lewd depiction of a human genital or excretory organ, which appeals to the prurient interest of the average person applying contemporary community standards and which lacks serious literary, artistic, political or scientific value." "Indecent" is defined as "representation or verbal description of a human sexual organ or function that is patently offensive under contemporary community standards."

If a communicator is charged with disseminating indecent material, FCC said, it would be
STATE OF THE INDUSTRY

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Color TV 5-week moving average: 1976—109,105; 1975—106,838 (up 2.1%).

VIDEO GAMES TO GET BIG CES PLAY: Though CB will occupy more exhibit space at McCormick Place (see p. 10), video games are stealing spotlight as hottest new growth area, with number of firms scheduled to show at CES mushrooming from 3 last summer and less than 10 at winter event to at least 24. Many entering field won’t be at CES; details on more than 50 games from 37 firms are included in our Directory of Video Games, included as special White Paper with this issue.

Several firms decided to ready games for CES at last minute and couldn’t provide details in time for listing in Directory, which is up-to-date as of June 3. Here’s rundown on those: Electronic Displays Inc. (Pro-Am Electronic Tennis, 4 game tables at $695, 4 portable units at $495, all with built-in 19-in. b&w monitors); Fried Trading (Granada, 4 games, 2 players, GI chip, July delivery, $79); International Mdg. Assoc. (Hanimex, 4 games, 2 players, no price); Kendale Technology (Ken-Tech, 3 games, 2 players, $100, Aug. delivery); Shark Electronics (Mecca, 6 games, 2 players, GI chip, $89-$99, summer delivery); Colt Div., Directional International; Quadtronics.

Unisonic Tournament 2000 (Vol. 16:3 p9) has been added to list of approved games, as indicated in Directory. Late in week, FCC also approved Atari C120 (only approved game not listed in Directory), bringing total number of approved games to 13—Atari 3, First Dimension 1, Coleco 2, Entex 1, Executive Games 1, Magnavox 2, Unisonic 1, Universal Research 2. Kendale, Quadtronics & National Semiconductor have filed applications for type approval and are now on test list.

Mirco Pres. Thomas Connors told us 3 home versions of coin-op Challenge games will be shown to trade privately during 3rd quarter, marketed in 4th. They’ll be ball- &-paddle type at under $100. Systek, Japanese OEM calculator producer, is scheduling June-Nov. production of 600,000 units in 6-model game line for OEM export to U.S. at approximately $30 FOB.

COLOR IMPORTS SET APRIL RECORD: Color import surge continued in April, setting new record for month, topping 100,000 for 11th straight month, passing old record of 10 consecutive 100,000 months set in Feb.-Nov. 1973. B&w imports also posted impressive gain, Commerce Dept. figures show.

Total of 463,700 TVs were imported in April, up 50.7% from 1975, as color jumped 116.4%
Advent itself makes screens. Receiver has wireless remote control, direct video inputs & outputs for VTR. Marketing will begin regionally after CES through dept. stores and traditional TV-electronics dealers, with national distribution by mid-1977.

Advent's Henry Kloss is gratified that major TV manufacturers—as indicated by recent statements of Admiral, Magnavox & GE—are looking seriously into projection, since he feels their entry & promotion of TV assemblers, there are no TV makers among them except Sony, which is building only handful of 30-x-40-in.-screen projectors, claiming production is seriously limited by cabinet availability.

At least 5 projection TV systems had been scheduled for exhibition at CES—but at least one backed out because of hostile environment of McCormick Place. Bright mercury-vapor lamps there don't permit proper exhibition of projection set, we were told by George Simpson, pres. of General Equipment Corp., Anaheim, Cal. (for details and CES preview, see p. 10).

**IMPORT AID:** Labor Dept. (LD) approved import adjustment assistance for former RCA receiving tube workers, turned down request by Sylvania color picture tube employers, opened 3 new cases.

Clearance for aid went to former workers of RCA receiving tube operations in Cherry Hill & Deford, N.J., Des Plaines, Ill., Atlanta & L.A. LD reported that RCA's tube output was cut 11% in 1974, 36% in 1975, 34% in first quarter this year, coming to halt in April when RCA ended production, closed facilities. Agency found imported tubes accounted for 48.5% of U.S. consumption last year, up from 38.6% in 1974.

Bid by Sylvania workers was rejected on grounds that economic slump—not import competition—was responsible for declines in employment at Seneca Falls plant of 20.9% in each of last 2 years. LD said plant's tube sales in 1975, all to OEMs, fell 42.1% in units, 39.9% in value, while production declined 43.5%. LD noted that imports held only 2% of market last year, said there were no significat sales to U.S. OEMs.

New assistance eligibility probes cover workers at Fisher Radio, L.I. City, N.Y. (hi-fi equipment); Arvin, Princeton, Ky. (radios, phonos & components); Galerton Production, Galleton, Pa. (receiving tubes).

**Hong Kong conglomerate** Stekulu Mfg. got base in U.S. watch market through acquisition of Gulf & Western's 26.8% interest in Bulova. Stekulu is supplier of electronic watches & cases to Bulova, owns Colfe Calculator, which makes Corvus calculators under rights acquired last year from Mostek, from which it purchases most of its calculator & watch components. Deal signals Bulova's entry into low-priced digital watch business. Stelxun Managing Dir. C.P. Wong & Mostek Chmn. L.J. Sevin join Bulova board.

**New video game chip** will be introduced by MOS Technology in summer. Standard version of chip will be programmed for 8 variations of 4 basic table-tennis & rifle games, but Engineering VP Donald McLaughlin says chip can be reprogrammed for customers placing volume orders to play obstacle or "minor strategy" games (tic-tac-toe, etc.). Firm will sample chip in July, hit full production in 4th quarter. In future, MOS will offer line of computer microprocessor chips for video game use.

**Matsushita enters** "limited" manufacture & distribution of new version of its home VTR in Japan. "National Home Video," which was market-tested in Shikoku (Vol. 15:38 p10), has been revamped and playing time per cassette increased to 100 min. from 60. New model VX-2000 will sell at Matsushita stores this month in Osaka-Kyoto area at $700, and late next month in other districts. Deck will be manufactured at 5,000 monthly rate by Matsushita Kojabuki Electronics in Shikoku. It's designed to compete with Sony's Betamax deck (it's incompatible), which lists in Japan at $1,000, Matsushita's 100-min. cassette will sell in Japan for $25, one-hour at $16.65 vs. Sony's $15 for 60-min. Betamax cassette. Meanwhile, Toei Video announced it will sell recorded Betamax software in Japan, starting with 30-min. "Tokyo Olympic Highlights" at about $59.

**Magnavox was winner** in suit against it by 2 former executives in DeKalb County, Ind. court (Vol. 14:21 p11 et seq.). Plaintiffs Keith Nieman & Gerald Martin sued Magnavox ex-Dir. Robert Platt & Consumer Electronics Pres. Alfred di Scipio for $2 million damages charging they were fired in 1974 for calling attention to "misconduct." Judge Harold Stump, in summary judgment favoring Magnavox, indicated defendants hadn't made case, on basis that company was free to discharge employees. It was indicated that Nieman & Martin would appeal, and in addition, file slander suits against at least some of defendants. Nieman is currently mktg. vp of Sansonite Luggage Div.; Martin, formerly pres. of Utah American, joined Sansonite Luggage last week as dir. of new business ventures.

**National Semiconductor** may enter CB field, decision to come after test-market program beginning in summer. Mobile 23-channel CB will have retail price of about $150, carry National name. Spokesman said CBs will be assembled in Japan from National components and will be shown at CES. "We're doing it to see if National belongs in the communications field," he said. Meanwhile, Cybernet confirmed it is supplying CM's Delco Div. with CB units for factory installation in 1976 & 1977 Buicks (Vol. 16:18 p7). Cybernet is shipping 40,000 units monthly to Delco, also has CB deal with Fujitsu. Cybernet will make transceivers & Fujitsu FM-AM radios for combination in-dash CBs which will be exported to U.S.
SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

STATION 1975 PROFITS: Only NBC shows overall up 11.3% to $73.5 million. ABC down 0.8% to $29 million. CBS drops 3.6% to $106 million. Revenues also broken out by network. (P. 1)

ADS HURT BY VIOLENCE? J. Walter Thompson reports 40% avoiding violent programs, 8% shunning commercials. Gerber reports spring violence levels lower for CBS, slightly up for ABC & NBC. Wiley finds CES 'commitment.' (P. 2)

N.C. PHONE CO. PULLS PLUG on CATV, after ATC orders refusal to pay increase. Service resumed pending court decision. NCTA asks FCC to take over. (P. 2)

NAB BOARD meetings expected in Washington this week, in controversy over effectiveness of Assn., board & staff. Radio vice chmn. sole contested election. (P. 3)

TEAS VIOLATES DOCTRINE because radio station carried no local programming on strip mining, FCC orders. (P. 4)

NCTA RAILS AGAINST RAILSBACK: Will fight proposed broadcaster copyright amendment. Board acts on petitions, franchise renewals, franchise raiding, ventilation, engineering issues. (P. 5)

Consumer Electronics

QUASAR HOME VTR, sourced from Matsushita, due for introduction at under-$1,000 late this year. Panasonic still mulling plans. (P. 7)

DUAL-BAND CB SERVICE, with 45 channels in 27 MHz, opening of channels in 50-450-MHz range, proposed by EIA Communications Div. EIA CEG, ABC, AMST & NAB file views on eliminating interference to TV. (P. 7)

SYLVANIA'S ANSWER to Zenith tube-25" self-converging slot-mask with 1000 deflection, tri-potential gun, conventional glass—due in late 1977. (P. 9)

OUR MARKET-SHARE SURVEY shows Sony moving to 4th place from 7th in color, 2nd biggest increase by RCA. Biggest monochrome gainers are Panasonic, Admiral & Zenith. (P. 9)

MAY SEES SURGE in color sales to dealers at annual rate of 8.1 million, 3rd best May in history, 7.3% ahead of 1975. B&w sales down 9%. (P. 10)

QUASAR—NEW SETS, NEW PLANS: Hopes for profitability by end of 3 years of Matsushita ownership. Large screen color overhauled. (Pp. 11 & 13)

TV GAME APPROVAL drive by FCC results in two more clearances in time for CES; many fail. GI predicts 5 million games market this year, 10 million in 1977. (P. 12)

TED MOVES TO JAPAN, General announcing plans to produce videodisc player at $500 retail. Discs $3.30 each. Magnavox gives 'latter 1977' target for regional player sales. (P. 13)

ONLY NBC-TV SHOWS 1975 PROFIT INCREASE: After steady upward march in annual profits since 1972—when ABC broke into black for first time in decade—only NBC of the 3 TV networks had increased profits in 1975 over 1974. Trend for this year, however, is much better than expected, and all 3 networks now predict record 1976 profits. CBS, for example, had budgeted after-tax profit of $72 million, now estimates figure will be over $80 million, we're told. (Figures cover TV network operations only, don't include performance of network-owned TV stations.)

According to figures confirmed by Television Digest, here's how networks did in 1975 (profits are before federal income taxes, revenues after payment of compensation to affiliates and agency commissions): ABC—profits took huge 40.8% drop to $29 million, from $49 million in 1974, on revenues of $510 million. CBS—$106 million in profits, down 3.63% from $110 mil-
significant & forward-looking activity.' (3) There should be no interleaving or exclusive SSB channel because 25-Hz stability is beyond state-of-art for average $200-$300 SSB transceiver. (4) To handle flood of type-acceptance applications, first filing date should be 6 months before effective date of new regulations. (5) Industry shouldn't be forced to stamp serial number on CB channel date of new regulations. (6) Add-on channel expansion to prevent thefts; problem should be controlled at local level. (7) Add-on channel expansion devices for current 23-channel CBs should be prohibited.

Comments on CB-TV interference came from several directions, including CRS & CEG of EIA, ABC & NAB. CRS recommends 60-dB harmonic suppression on 2nd harmonic & higher. CRS also recommended use of external lowpass filters which would meet FCC's proposed 70-dB value. CRS also recommended external lowpass filters, said additional attenuation resulting from cross-polarization in base station antenna installation, said additional attenuation resulting from cross-polarization in base station antenna installation, "can provide a system radiated harmonic suppression in excess of 120 dB.'"

"Significantly more attenuation of harmonics from CB transmitters is necessary than that proposed," CEG said, recommending that harmonics at antenna terminals be at least 112 dB below 20-dB or better harmonic suppression from typical base station antennas. CRS said this plus 20-dB or better harmonic suppression from typical base station antennas. CRS also recommended use of external lowpass filters, which would meet FCC's proposed 70-dB value. CRS also recommended use of external lowpass filters, said additional attenuation resulting from cross-polarization in base station antenna installation, "can provide a system radiated harmonic suppression in excess of 120 dB.'"

ABC said that suppression should be on order of 85 dB—not 70 recommended by FCC—that interference is particularly bad on channels 2 & 5, and that 12 ABC affiliates using 2 & 5 serve about 10% of all U.S. households. Network said it's "especially concerned" over existing problem, fearful of new interference if FCC channel-expansion "is not carefully implemented." 

Interference was described as bordering on "catastrophic" by NAB, which said it "could destroy vast portions of TV service enjoyed by public" if unchecked. NAB said FCC should move on channel expansion until new Personal Use Radio Advisory Committee completes studies on interference, enforcement of CB rules. AMST said all CB should be shifted to 900 MHz, while E. F. Johnson filed in support of CRS.

Interference isn't only problem facing industry as CES gets underway. Supply is clearly approaching demand and major producers say over-inventory could see prices at low end of CB market. Leading distributors are already cutting back on number of lines carried, and NARDA Exec. Vp Jules Steinberg says for first time since CB boom exploded, trade group last received single request from member asking help in locating CB merchandise in past month. He said NARDA would hold off on reorders of X-tal CBs it has been offering to dealers through Traffic Builders Div. "until we see if this trend we detect is in fact true."

CB import statistics indicate volume of CB merchandise flooding into country. April import of 1.54 million transceivers shot an incredible 437% above the April 1975 total, bringing 4-month total to just under 5.3 million, up 301.4%. Growth was led by auto CB units, 936,400 in month, just over 3 million for Jan.-April, both up 10-fold from 1975.

NOTE: FCC Chmn. Richard Wiley plans major speech on CB at CES in Chicago this week. Commission has minor fight going with White House and OTP over what Wiley and others consider interference with agency's jurisdiction over CB (Vol. 16:23 p12).

MAGNAVOX, TI VIDEO GAME PLANS: In major developments at high & low ends of frantic video-game market: (1) Magnavox unveils 19" color set with built-in Odyssey on opening day of CES. (2) Texas Instruments reveals plans to market $4 game chip it says will make possible under-$30 game.

Magnavox TV-game combination will go on market in Sept., priced about $500, contain circuitry of 3-game Odyssey 300, introduced to trade in May. (Prices on new Odyssey games released last week—300, $70; 400, $100; 500, $130.) Controls for games are contained in wired remote handheld modules which plug into back of set. Spokesman said 19" set used with game is new, pointed out that game can be played with set tuned to any channel simply by push-
Basic TI chip is byw, plays 2 games, has 3-segment paddles, 3-speed ball, doesn’t have sound or on-screen scoring. Firm demonstrated game at Chicago Spring Conference, will sample customers with chip in 4th quarter, says such options as scoring will be available in add-on circuitry. Magnavox is showing new TV-game unit at CES, but FCC lowered boom on long list of other game firms hoping to display approved products at Show (see p. 12).

SYLVANIA SHOWS ANSWER TO ZENITH TUBE: Sylvania lost no time in putting together what it thinks are the good parts of Zenith’s “Able” tube and leaving out what it believes are the bad.

Good parts are tri-potential gun, 100° deflection, narrow (29-mm) neck, in-line gun, slot mask, self-converging hybrid yoke. Bad part, as reflected in Sylvania statements (Vol. 16:20 p7), is Mark IV glass developed by Corning & Zenith for Zenith’s automated production facilities. Early prototype of new Sylvania tube, shown in 25” size at last week’s IEEE Chicago Spring Conference on Consumer Electronics, is claimed to have improved center focus, with spot size 30% smaller than comparable delta tube, outside focus about same as delta. Glass is conventional design, except for 100° deflection.

As demonstrated in Sylvania suite, alongside conventional 25” delta type, center focus indeed was much improved. Sylvania spokesmen said new tube was part of “family of types we hope to develop.” Also demonstrated was improved-focus 19” slot-mask tube with 90° deflection, high-voltage bi-potential gun, narrow-neck self-converging design. Both new tubes are tentatively scheduled to be available in late 1977.

While Sylvania hopes to compete with Zenith, using conventional glass, it was obvious from technical papers at conference that Zenith believes unique mechanical configuration of new tube is really name of game, much more than are greater deflection angle and high-resolution gun.

Two other 25” in-line tubes were shown at conference: (1) Hitachi 110° slot-mask, narrow neck, bi-potential gun, self-converging, hybrid yoke, which can operate on voltages as low as 25 KV. Hitachi said it plans to introduce family of 110° tubes & components with power consumption competitive with 90° tubes. (2) GE showed pictures of 25” in-line delta-mask wide-neck 90° tube (Vol. 16:13 p13), offering it to OEMs.

Sylvania also displayed experimental picture tube with internal resistive coating to limit arcing. Demonstrations indicated arc was reduced from 200 to 15 amps, which would sharply cut or eliminate damage to components from tube arcing. No production plans were given.

SONY, RCA LEAD COLOR MARKET-SHARE GAINS: Our annual Share-of-Market Survey of TV manufacturers shows few major surprises, but some shifts in rankings of middle-echelon firms—Sony jumping from 7th to 4th in color and Quasar dropping from 5th to 7th place in monochrome.

Survey is based on balloting by domestic & foreign-owned TV manufacturers, who are asked to estimate all major competitors’ U.S. market shares for model year just closing. We tally medians and put together share-of-market consensus. Neither rankings nor shares can be taken as gospel—they’re merely collection of informed guesstimates by industry’s market researchers. Shares & rank are based on brand-name sales, not total production or sales—so companies with private-label business come out with lower numbers than they would on total-sales basis.

In color tally, Sony showed biggest increase in market share—1.2 percentage points, to leapfrog Magnavox, GE & Quasar for 4th place with 7% of market. Next biggest increase was by RCA, which went up one percentage point while Zenith dropped by one, narrowing gap between No. 1 & No. 2 to 3 points—23% to 20%. Less significant increase was half-point rise by Admiral to 3.5%, while Quasar & GE dropped by 0.9 & 0.7 of a percentage point and Philco lost half point. If all 3 Matsushita brands in U.S.—Quasar, Panasonic, JVC—were lumped together, they’d rank 4th, between Sears & Sony, with about 8% of market. Sylvania plus Philco would have about 6%, between Magnavox & GE.

In monochrome, gainers for 1976 model year were Panasonic (up 1.8 points), Admiral (up 1.7), Zenith (up 1), RCA (0.8). With Quasar losing 2.1 points, Panasonic replaced it in 5th
plant is for sale. Total employment is about 2,000, same as year ago.

In reversal of earlier plans, Quasar now says it has no current intention to offer audio in U.S., but still has small team to handle export & licensee audio business. Stone said Quasar increased market share in first half, that more than half of distributors reported 25-100% increases in Jan.-May business. Now with facilities & product, Quasar officials set as realistic near-future goal "sustained moderate growth."

FCC OKs 2 MORE GAMES: FCC drive to approve majority of games on test list in time for CES failed, but labs did give go-ahead to APF (TV Fun Game) & Microelectronics (Ricchocet) late in week, and spokesman said several others might squeak through for Show. Delay in approving games presumably was caused by failure of many to pass rigorous type-approval test program. FCC won't talk about rejected games since previous comments to press on flunked units sparked angry debate between firms involved and FCC Lab engineers. "We're taking a hard-nosed approach now," said harried spokesman, citing barrage of phone calls & visits from firms pleased for approval. "We have to do it just to survive. No one will get special treatment."

Earlier in week, FCC approved Tele-Match 4400 (Tele-Match Inc.), but others on test list were left without legal right to display turned-on games or offer them for sale. At week's end, several firms were planning to side-step rules on display of non-approved products (Vol. 16:15 p11) by wiring games to video output of Advent projectors. FCC requires approval of games which generate RF signal, connect to antenna terminals of TV set. Spokesman said members of Chicago field office will police CES for violations.

Games market could hit 5 million units this year, 10 million in 1977, GI Vp Edward Sack, Microelectronics Group gen. mgr. said at press briefing & tour of chip maker's Hicksville, L.I. facility. Sack based forecast on belief "volume will be dominated by single-chip market and we plan to make 5 million chips this year." GI is only producer currently offering standard single chip to games industry. Sack also said: (1) Growth of game market will be similar to that of watches & calculators, and new firms planning to enter chip market will bring prices down quickly. (2) GI is actively developing new chips and Sack "will be disappointed if we don't have some new offerings by the winter CES." (3) Single chip offers 50% reduction in manufacturing costs over multiple-chip approach, translates into $25-$30 difference at retail. (Magnavox found way to cut price on multiple-chip Odyssey 100. Firm apparently is closing game out, and N.Y. stores are offering it for $50, half original suggested price.)

Matsushita retained position as top color marketer in Japan last year, accounting for 32% of 7.47 million sets sold, up from 31% of 8.76 million in 1974 (totals exclude exports). Ranked 2nd was Toshiba with 17%, up from 16%; Hitachi 3rd at 15%, up from 14%, according to Japan Economic Journal survey. Pioneer took 22% of 1.9-million unit stereo market in 1975, up from 20% of about same size market in 1974. Matsushita placed 2nd with unchanged 16% share, followed by Sony with 10%, down from 15%.

Pemcor is quitting TV parts business, shuttering Mexican operations of Videoquest Div., converting Laredo, Tex. plant to produce Jensen speakers. Videoquest, producer of deflection components, was casualty of "decrease in the number of houses TV manufacturers, increased imports of components from the Far East, more in-house manufacture of parts by TV set makers and rising costs in Mexico," Pres. Edward Anixter said. Pemcor said it sold $5.8 million in TV parts in year to March 31, down from $6.4 million, and it indicated Zenith, which bought its Mexican yoke plant in 1974 (Vol. 14:26 p11), was its major parts customer. Pemcor said it lost $827,400 (including $484,300 reserve for plant disposal) on TV business last year, $1.97 million in fiscal 1975.

Technological advances for matrix 4-channel stereo continue despite increasing disinterest at manufacturer & consumer levels. Deltek, Bloomingington, Ind. producer of parts & subassemblies, has formed OEM Div. to market parametric decoders developed by Peter Scheiber, holder of basic matrix patent. Slated for summer production, unit is said to provide 35-dB separation for all channels. National Semiconductor has agreed to produce ICs for enhancement system developed by UK's TALE decoder, first shown here 2 years ago, which promises separation equal to that of Deltek unit.

Masco sold $30-million worth of personal communications products (Royce CB & Electro Beard scanners) in first quarter, up 200% from same 1974 period, company says in prospectus for $75-million bond issue. Masco said 1975 sales of those products plus other specialty items were $102.3 million, up from $51.6 million in 1974, while net rose to $21.1 million from $.9 million. Company claims it's largest U.S. producer of scanners, says bulk of its CB gear is made by single (unnamed) Japanese supplier 10% owned by Masco.

Taiwan showed $301-million favorable balance in international electronics trade last year, down 23% from $390-million surplus of 1974, Economic Affairs Ministry reports. Taiwan's exports, mainly consumer electronics, were down 24% to $692 million; imports, primarily components, dropped 23% to $391 million. Govt. also reported that average monthly pay for factory worker rose 31.3% last year to $144.95. Highest paid are those in metal & machinery equipment production, including electronics, who averaged $174.26.

Korea & Taiwan electronic show dates have been moved back month. Korea: Oct. 16-23; Taiwan: Oct. 24-31. Postponements follow Ela-Japan's shift of Japan Electronic Show from mid-Sept. to Oct. 22-27.
Television Digest

Consumer Electronics...

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Trade Personal

James Proud advanced at Sylvania to audio prod-\ts national sales mgr., succeeding Jerry Henricks, who shifts to Hitachi as national hi-fi sales mgr., new post; H. Andrew Fay replaces Proud as Sylvania mktg. manpower development & sales training mgr. ... Morris Wilson, former D.C. zone dealer sales planning mg... advanced at GE Major Appliance Group to TV mdsgr. mg... succeeding Dale Sutton, now Hotpoint N.Y. retail sales mgr... Allaire Karson, ex-Aladdin Industries, appointed RCA staff vp & counsel... Mike Staub, former strategic planning mg... now Magnavox videocassette product mgr.

Michael Shea joins Atari as consumer products mktg. dir... Bernard Marren resigns as American Microsystems pres. & chief exec., duties assumed on interim basis by Valentine Peterson, a company founder & a dir... Samuel Bordony, ex-Litronix eastern sales mgr., joins Unisys as special mkt... dir.; Edward Prokop, ex-Texas Instruments, named national sales mgr. for National Accounts Div., both new posts.

Steve Gillespie advanced at Benjamin Electronics from West Coast m... to national sales mgr., new post... Sanford Berlin retires as Harmon Industries exec. vp Aug. 31, continuing as consultant... Charles Condike, ex-British Industries, named Distributor sales mgr., Robins Industries Consumer Products Div... Ed Carrier, ex-Magnavox, joins Epicure Products as eastern sales mgr.; Tom McLoughlin advanced to western mgr.

C. P. Wong, managing dir. of Hong Kong-based Stelux, appointed chief exec. & exec. committee chmn. of 26.8%-owned affiliate Bulova, succeeding Harry Hensel, who continues as chmn.; R. Mark Bourquin named pres., replacing Kenneth Yarbrough, resigned; George Sheinberg advanced from vp-treas. to exec. vp, succeeding Bourquin... Fred Weisel appointed watch product mktg. dir., Hughes Solid State Products Div.; Victor Gill, ex-Colins Radio, appointed Microelectronic Products Div. communications products mgr., replacing Weisel... Robert DePalma named Rockwell financial analyst vp; Controller Charles Ryker appointed vp; William Neely advanced from gen. asst. treas. to treat, succeeding DePalma... James Ambrose, ex-GE, named International Importers capacitors mktg. mgr.; Dean Cochran appointed CB mktg. mgr.

John Douglas advanced at GTE from exec. vp to chmn., succeeding Leslie Warner, retired; William Harrison upped from vp-controller to senior vp-finance, replacing Douglas... Rand Araokog, ITT group exec. responsible for electronics, components, energy & aerospace operations, advanced from vp to exec. vp, and along with Exec. vp L carrier, and along with Exec. vp Lyman Hamilton, named to office of pres. for operations; Maurice Valente, ITT Europe pres., promoted from senior vp to exec. vp; Vp John Pflann moves up from deputy treas. to treas., replacing Hamilton.

Lee Barton, Buckeye-Mears vp, named gen. m... of new In-Line Products Div. (shadow mask) in restructuring of Industrial Group; H. Douglas Smith appointed Micro Products Div. gen. m... J. Lawrence Scalise, ex-CTS, named Wabash Transformer Div. sales mgr... Charles Steinberg, Ampex Audio-Video Systems Div. vp-gen. m... adds responsibility for data products... Jane Aisbrook promoted at ABC Records from west coast publicity mgr. to national press & PR dir.

RCA won $3.5-million contract to build & train personnel for C/MOS wafer plant from Taiwan's Industrial Technology & Research Institute.
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**Broadcast**

**HEALTHY THINGS TO HAPPEN:** Fact-finding group’s recommendations accepted by NAB board, which forms task force to follow through. ‘Activists’Thornton & Jones elected to Exec. Committee. NAB condemns FCC fairness ruling. (P. 1)

**LEGAL GOVT. INFLUENCE ON FV:** Plaintiffs in suit want TV Code provisions called illegal, unenforceable; charge FCC acted illegally, created atmosphere of urgency. (P. 2)

**SMALL EARTH STATIONS** continue to attract attention from cablemen. Greenstad terms tests ‘wildly encouraging.’ FCC skeptical. (P. 3)

**FY ‘NOT ENOUGH’ TO STOP** public outcry over violence. Humphrey tells BPA seminar. Wiley sees public thirst for ‘decent, wholesome’ programming. Chasman says networks try to ‘self destruct.’ (P. 4)

**DEBATE OVER MORE NEWS:** NBC claims affiliates have fared better than networks in sales & profits. CBS denies decision made on expanded news. (P. 4)

**HOUSE RETURNS TO RENEWALS:** Van Deerlin sets Sept. 14-16 hearing; though chances for successful legislation are slim. Staggers introduces 4-year bill with protection for incumbent. (P. 5)

**Consumer Electronics**

**GULF & WESTERN ENTERS** consumer electronics through purchase of assets of Muntz Home Theatre by subsidiary Sega, plans electronic games, other home electronics. Muntz establishes new projection-TV firm. (P. 9) CES projection highlights. (P. 14)

**BUSINESS LIKE CES** sets records for attendance & exhibitors but not for excitement. Sales atmosphere good. Audio revolt dampened. (P. 10)

**FCC EYES VIDEO GAMES** for interference, talks of banning attachments to antenna terminals. Industry buoyant over 1976. (P. 10) New games star at CES, highlighted by Fairchild cartridge system. (P. 13)

**CB MIXED REVIEWS AT CES:** Govt. gets tough on type acceptance, says it will reveal new channels in July. Industry suffering from too many shows. (P. 11)

**CPSC REJECTS UL** request for 150-day delay in deadline for TV safety standard. (P. 12)

**TV PLANT CLOSINGS** by major manufacturers restricted to 2 weeks this year. (P. 12)

**NEW REGROUPING BY GTE** drops Sylvania name from worldwide electronics & lighting businesses. Kremer in new post. Lann heads domestic Home Entertainment Group. (P. 14)

**CB PROFITS SOARING** this year for Hy-Gain, Dyna-scan. Regency, Conrac boost dividends, APF splits stock. (P. 15)

**MORSE BUYS PILOT** brand name, inventories from Mitsubishi. Harman International takes over Ortofon, buys RCA plant complex in L.A. (P. 15)

**NAB—HEALTHY THINGS ARE GOING TO HAPPEN:** Accepting report of “fact-finding” committee “with enthusiasm” last week, NAB board immediately established task force to implement recommendations. “I’ve got a feeling that some pretty healthy things are going to happen” as result, according to new Radio Vice Chmn. Donald Jones, who also was chmn. of fact-finders. "That’s one reason I ran for vice chairman—to make sure that the work that’s already been done doesn’t just die out…The board this time asserted its responsibilities, which in the past it’s tended to let slide or pass on to other people.”

First order of business for task force (which meets July 29-30) will be to establish qualifications for new senior exec. (Vol. 16:23 p3) and to write job definitions for existing NAB depts. and staffers. Chmn. Wilson Wearn said there’s no timetable on hiring new man.

Board adopted resolution praising fact-finding group’s work and “reaffirmed its confidence” in Wearn and Pres. Vincent Wasilewski after 2-hour closed meeting (without staff)—described...
STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 4 (22nd week of 1976):

<table>
<thead>
<tr>
<th></th>
<th>May 29- June 4</th>
<th>1975 week</th>
<th>% change</th>
<th>May 22-28</th>
<th>1976 to date</th>
<th>1975 to date</th>
<th>% change</th>
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<tr>
<td>Total TV</td>
<td>172,693</td>
<td>172,868</td>
<td>-0.1</td>
<td>270,342</td>
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<td>4,139,976</td>
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<td>100,324</td>
<td>+1.7</td>
<td>150,583</td>
<td>2,605,636</td>
<td>2,320,901</td>
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<td>-2.6</td>
<td>119,759</td>
<td>1,832,092</td>
<td>1,819,075</td>
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<td>801,866</td>
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<td>-90.4</td>
<td>127,825</td>
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GULF & WESTERN ENTERS HOME ELECTRONICS: With projection TV & video games as base, huge international conglomerate Gulf & Western Industries is staking out new claim in consumer electronics. How large a claim isn't known, but company is establishing new division for "TV & home entertainment products," based in L.A. area.

One of first steps in new operation was G&W's surprising acquisition of all assets of Muntz Home Theatre projection TV. Although it became known at CES last week that Muntz had been sold, it wasn't generally realized that G&W was ultimate buyer. Earl Muntz sold business to partner Sy Weintraub, who in turn sold it to Sega Enterprises, Redondo Beach-based firm which is 95% G&W subsidiary.

Sega is manufacturer, distributor & operator of coin-operated games, operating principally in Japan, which recently established manufacturing & distribution operation in U.S., is moving heavily into coin-op video game business. Finance Vp Malcolm Kaufman told us Sega plans to enter home video game business and other aspects of consumer electronics, but definite plans won't be in place for 60 days or so. To underscore its seriousness, G&W advertised last week in Wall St. Journal for "Dir. of Mktg., TV & Home Entertainment Products" for "newly established div." in L.A.

Reached at his home, Earl Muntz told us he was going right back into projection-TV business through newly formed Muntz Electronics, has already signed lease on building across street from his former plant in Van Nuys, Cal., would offer Earl Muntz Signature Projection TV in both self-contained & 2-piece models as well as re-entering auto stereo business which he pioneered, adding CB, other products. G&W also will use Muntz brand name "at least for the time being," Kaufman told us.

G&W sales in year ended July 31 totaled $2.6 billion. Company is collection of about 140 businesses, is in electric musical instruments, amplifiers & speakers through Unicord, Westbury, N.Y. (Univox brand), makes consumer electronic components through Elco, Willow Grove, Pa. Major leisure holdings include Paramount Pictures, Simon & Schuster.

Muntz brand has been foremost & best-selling of single-tube projection-TV systems which use modified small-screen home color sets as projection source, magnifying picture through lens and throwing it onto high-gain Kodak Ektalite screen. With purchase of Muntz, G&W becomes first major U.S. company to see potential in this type of system. (For report on projection TV at CES, see p. 14.)
A QUIET DOWN-TO-BUSINESS CES:  The tenth annual Consumer Electronics Show last week performed its function admirably—displaying latest wares, getting buyers & sellers together. Those seeking real excitement might have found more last Sun. in Peoria. For 4 days, Chicago's McCormick Place was community of 45,000, supporting 4 daily newspapers which couldn't even agree on a lead story.

Closest to single new gee-whiz product was the video game, but this had been anticipated. CB makers were out in force, but they'd shot their wad at PC-76. Gone was the 4-channel of yesteryear. Calculators & watches were old hat. Prediction of $9.95 digital watch within year by Microelectronic Systems' Jerry Allen was ho-hummed by seminar-goers, and calculators on display at $6.95 retail levitated few eyebrows.

Yet it was good show. Dealers were in serious buying mood, anticipating good business. Official registration (not necessarily attendance) was record 45,280, up 17% from last year's 38,775, with record 660 exhibitors showing, despite some unexplained last-minute cancellations.

Aside from CB, biggest action was in audio, where high-end components & compacts moved briskly. There was softness at low price levels and almost unanimous complaints about slowness of foreign sources in filling orders. Show saw U.S. debut of one potentially important new audio product—1/4-in. Elcaset, designed for cassette convenience, open-reel fidelity (Vol. 16:10 p11, 16:19 p10)—displayed by Superscope, Panasonic & JVC for delivery next year.

Virtually only discordant note was move by rump group to pull IHF out of CES next year and into IHF-sponsored show (see p. 13). By show's end, drive seemed to have lost whatever steam it had started with, and CEG offer to turn over nearby McCormick Inn to audio next year probably killed it.

It was last CES managed by Snitow Organization. EIA Consumer Electronics Group has set up own show organization in Chicago, headed by William Glasgow, former McCormick Place Greyhound food mgr., associated with that exhibition hall for 15 years, with Judy Dorini, ex-Greyhound sales & catering mgr., as asst. As CES ended, Show Committee voted to ask EIA to consider enlarging winter show from 3 days to 4 (Jan. 13-16), add exhibit space in Blackstone Hotel to areas already reserved in Hilton. Other show highlights will be found elsewhere in this issue.

VIDEO GAMES—TROUBLE IN PARADISE?  Otherwise buoyant mood of video game industry at CES was dealt disturbing setback when FCC warned that only solution to growing TV interference problem may be ban on sale of TV RF devices. Move not only would be catastrophic for games, but also would seriously hinder development of emerging home VTR & videodisc businesses.

As part of presentation on CB interference problems (see p. 11), FCC Chief Engineer Raymond Spence said games are also beginning to cause trouble and "problem is going to get worse." If game market gets too large, he said, rules may have to be modified to eliminate RF games, have them feed signal into sets through video input jack.

FCC has already had game interference complaints, Spence later told us. If sales boom as anticipated, he said, Commission will either be forced to tighten rules or end RF output. Any drastic changes would be made over several-year transition period to give set & game makers chance to adapt.

Elimination of RF output authorization, even after 2- or 3-year period, would leave game suppliers selling to universe of at most 20-30 million sets equipped with video jacks, opposed to well over 100 million today. Before FCC acts, situation will be reviewed after Christmas to see if interference has increased significantly.

Installation of video input jacks on new sets shouldn't be much problem or expense for manufacturers of sets containing power transformers, but there's potential for shock hazard on hot-chassis or AC-DC sets, which would mean extra costs for isolation transformers, Spence said.

Though set makers at show didn't address comments by Spence directly, sales Vp Ken Thomson said Sylvania had discovered by testing 4 different games (none approved by FCC) that many wouldn't work with GT-Matic color system, due to its use of automatic horizontal & ver-
tical circuits. "We'd like some kind of EIA feeling that all games should be compatible with what we are building," Thomson said at TV seminar. "The trend is toward automatic tuning, and some of these circuits can override games."

Those were just about only sour notes for games, which replaced CB as talk of CES. Favorite game among producers at show was pooh-poohing competitors' production forecasts—many of which were obviously inflated—but most agreed that total market in 1976 will be a healthy 2-million-plus units (see p. 13) and primary concern was supplying market demand through Christmas season.

Tight supply—if market in fact takes off—also will serve to hold prices at profitable levels through year's end, with low end of basic ball-&-paddle units holding at $60-$70, step-up full-featured models at $80-$120. Some pressure on price points will come toward year's end, as more sophisticated "action" & cartridge-based games premiered at CES (see p. 13) hit market in $100-$150 range during fall.

Debut of more complex games brought market into sharper relief, and split of games industry into 2 categories—table-tennis games & multi-function cartridge systems—was clearly evident. Behind that split is message that once supply catches demand after Christmas, price crunch will set in—a fact conventional suppliers don't discuss but which delights toy firms getting into field.

Said one dealer on show floor: "I'm scared of all these games. There are too many, and eventually you'll see dumps. It's just like anything else. The first year, you can sell all you can get but you can't get any. The 2nd year you can get all you want but you can't sell any."

Note: Magnavox & Atari reached out-of-court settlement in game patent suit brought by Magnavox, signed cross-licensing agreement. Sears, also named by Magnavox because it markets Atari game, was dismissed from suit. Firms involved wouldn't discuss terms.

CB AT CES—GOOD NEWS & BAD: Bloom isn't off CB boom, but there were signs at CES that industry is facing variety of problems—including bad case of overexposure—and FCC showed up with its own good & bad news.

First the good news: Both FCC Chmn. Wiley & Chief Engineer Raymond Spence said long-awaited expansion of 27-MHz CB band is likely to be announced next month, before Aug. adjournment. CB allocation will go from current 23 channels to 40 or 50, depending on whether 5 Class C channels now used by remote-control hobbyists are dumped into Class D CB service (Vol. 16:24 p7 et seq.).

Bad news was tough stance taken by Spence during CB seminar on FCC's new policy of sampling all CB units submitted for type acceptance (Vol. 16:22 p10), rather than approving CBs on basis of test data & specs submitted by manufacturers. Spence said 100% sampling policy stemmed from fact that 25 units tested by FCC labs failed to meet type-acceptance requirements. Remark drew angry comments from some in industry—now faced with long delays in getting new products on market—and EIA Communications Div. Staff Vp John Sodolski told us CB Engineering Committee hopes to meet with FCC officials this week to clarify situation, decide on appropriate response.

"I would be less than candid if I didn't stress the seriousness of this problem," Spence said, urging producers to evaluate test procedures and consider installation of in-house testing capabilities. Report on tests will be issued; Spence said he doesn't know if names involved will be released. Some type-acceptance applications were dismissed, others got 60 days to make corrections and re-submit. Problems included high spurious harmonics and overmodulation; both U.S.-made & import CBs were involved.

"This could be a good move by the FCC," industry official told us. "There's a lot of garbage coming in from the Far East, and this could flush some of it out. I don't think that's their intention, but it could serve that purpose."

Standards themselves probably will be tougher once FCC acts on channel expansion. Docket dealing with expansion also covers interference problems, and final report undoubtedly will in-
include stiffer specs. Spence said that current rules were based on low interference probability at time they were drawn up and that if all equipment now on market compiled with present rules, interference would remain serious problem.

On show floor itself, CB booths were well-attended, but much of initial excitement seemed gone, with dearth of new products and general feeling that industry will be forced to cut back on number of annual shows. With PC show dates moved closer to Winter CES (Feb. 15-17), there was speculation CB producers may concentrate attention on summer CES & winter PC show in future.

Indication of "it's-being-talked-to-death" attitude of many was attendance at CB seminar on 2nd day of show—600-800 in room with 1,400 seating capacity. Asked during seminar about reports of heavy inventories, price-cutting—even dumping—industry executives were in general agreement it isn't happening, at least not yet. Royce Pres. Jack Loss said there has been some price erosion, but no significant pressure on basic price points. Hy-Gain Vp Ted Andros said $-million-a-month rate of imports may cause temporary inventory pileup at distributor level which could have momentary effect on pricing. There also was feeling that prices may drop as 23-channel merchandise is cleared through pipelines once expanded-channel merchandise comes to market.

Retailers at seminar and on floor said supply at most price points remains tight, with exception of some lowball off-brand goods from Far East. Buyer for major catalog house told us he's not getting as many CBs as he needs, doesn't see supply meeting demand this year. "The chaotic condition of CB traffic is more likely to kill CB than any over-supply."

**CPSC REJECTS DELAY IN TV STANDARD:** Sticking to position that TV accident data compiled from set manufacturers and other sources has yielded about all necessary safety-related information, Consumer Product Safety Commission last week turned down UL's request for 150-day extension of June 22 deadline for submission of recommended TV safety standard. CPSC did grant 2-week postponement "to make up for any time that may have been lost waiting" for decision.

UL's TV standards development committee had asked for extra time to allow additional study of data "as a joint effort of CPSC & UL, but if this is not possible, by UL alone," to see if new information on TV hazard patterns could be developed. Letter said this "may result in further revisions to the proposed standard," the 3rd and supposedly final draft of which was put out for comments last month.

Earlier this year, CPSC tentatively agreed to join with UL in data analysis project, with most of financing to come from EIA Consumer Electronics Group, but in May backed out, stating organizations were too far apart on study objective and methodology. In refusing time extension, CPSC noted that UL was given permission to develop standard on May 19, 1975, and that UL had already had one 150-day extension from original Oct. 16, 1975 deadline. CPSC said "further analysis of available TV-related accident data is unlikely to lead to substantially improved recommended standard." However, decision does leave UL free to conduct data study, submit results to CPSC later.

**PLANT SHUTDOWNS:** Color sales pickup is reflected in plant vacation schedule of major manufacturers. In contrast to last year, when some opted for extended closings to work off excess inventories, this year all are sticking to traditional 2-week shutdown, though some will add extra day off for July 4. One company, Warwick, has completed 2-week closing, reopening June 21. Most manufacturers convert production lines for new models during vacation period. Here's rundown with starting dates:

- **Admiral**. June 21
- **GE**. July 26
- **Magnavox** July 2
- **Quasar** July 19
- **RCA** July 19
- **Sony**. August 2
- **Sylvania** July 19
- **Warwick** July 7
- **Wells-Gardner** July 5
- **Zenith** July 2

**Imports of RF devices**—TV, FM radios, receivers, etc.—will have to be documented for compliance with FCC rules starting Nov. 1. Amendment to FCC & Customs regulations requires each shipment be accompanied by new FCC Form 470 filled out to show product, manufacturer, importer, FCC identifier, and containing declaration of compliance. FCC says forms will be available about Oct. 1. Rule is modification of original proposal which would have required attaching copy of actual FCC equipment authorization to entry papers (Vol. 14:9 p10).

**RCA is expected** to eliminate 2 factory branches in next few weeks, probably adding their territories to those of nearby independent distributors.
GAMES—NEW CES STAR: Video game was clearly CES glamour product, and show gave visitors look at array of available ball- &-paddle games plus glimpse of 2nd-generation cartridge-based systems, complex "action" games. With exception of troubles at FCC level (see p. 10), only real problem emerging at CES was possibility of tight supply during fall-Christmas, with total sales during 1976 limited by production capacity.

Sales projections for year ranged from 2-5 million units, and Fairchild forecast 1976 worldwide games market of 20 million units at $40 average price. Market was probably 800,000 ($130) in 1975, will hit 5 million in 1977 ($80), 10 million in 1978 ($245), and 15 million ($40) in 1979, Fairchild said. Atari Pres. Nolan Bushnell said at video game conference that 1976 sales would be less than half 5 million units forecast by chip supplier GI, since industry now has "no significant inventory," less than 80 production days left before deadline on Christmas delivery schedules. Magnavox Product Mgr. John Helms said industry will experience some "technical problems" in delivering this year, put total at 3-4 million.

Though majority of video game booths were heavily attended, Fairchild cartridge Video Entertainment System (VES) (Vol. 16:21 p 12) drew biggest crowds with impressive demonstrations of sophisticated drawing, game-playing, question-answering capabilities. Firm said pricing program, shipping dates would be set after system is approved by FCC, but booth personnel privately quoted $100-$150 price on hardware, $20 on cartridges, said delivery goal is fall. In beginning, system will include five 2-4 game cartridges, total of 16 games. In future, cartridge-of-month program-possibly including Star Trek game—will be started. Firm said VES uses 4 standard Fairchild F8 microprocessors, cartridges contain ROM (read-only memory) devices. Control console allows players to set time limits, select skill levels, freeze game action.

A look at home computer of future was provided in Admiral's hotel suite, where it previewed Video-pond, which it described as "not a product—a concept," but which company officials have stated could sell for less than $1,000 in quantity. System is programmed by standard audio cassette, has typewriter keyboard, 2 joystick controls, separate changeable keyboard for games, calculations, etc. Digitally programmed cassette is used for record, playback & storage of information as well as for programming of microprocessor. System even can provide rudimentary full-color animation and audio commentary. Four functions were demonstrated: (1) Interactive programmed learning. (2) Information storage & retrieval—single cassette can store 600 "pages" of data. (3) "Prompting calculation"—example shown was computation of diet & exercise regimens tailored for individual overweight members of audience to reach ideal weight. (4) Entertainment—sophisticated action & "thought" games, as well as "Etch-a-Sketch," which permits participants to draw color pictures on screen, store them in cassette for later viewing.

Other CES developments: Magnavox said 19" color set with built-in Odyssey (Vol. 16:24 p8) will be joined by other combination models next year, eventually will include remote unit. First Dimension will add 4+4 8-game color unit with segmented paddles, automatic volley increase, to line for Oct. delivery, intends to produce 85,000 games this year. Tele-Tainment (Weber Electronics, Canada) will submit 2 new games ($90 & $110) to FCC in next 60 days. Unisonic will introduce 14-game model using own chip at Jan. CES (Pres. Maurice Lowinger insisted firm will produce 1-2 million units in 1976 of 6-game model shown at CES). National Semiconductor showed $100 3-game Adversary (Vol. 16:20 p11)—color, 3 paddle sizes—said low-end & programmable markets are being studied. Universal Research showed first road-racing game, $100 Indy 500 which also plays conventional hockey, tennis.

New game producers: Quadratronics (Electronic TV Game, 4 games, $60-$80, GI chip, made in Far East, assembled in Salinas, Cal.), Olympo Electronics, Korea (Gyomatic, 4 games, GI chip, $60-$70, Sept. delivery), Gem's Enterprises (TVG-1,000, 3 games). Several firms, including Shark, Colt & Radofin, changed plans at last minute, didn't show games. Radofin cancelled plans after entire production run planned at Hong Kong factory was sold to Morse, which apparently ran into problems with original supplier of Super Pro game. Radofin spokesman said firm will be shipping 20,000 units monthly to Morse by Nov.

Atari showed only ball- &-paddle Pong ($70) & Super Pong ($90) in home versions, but elaborate display of working coin-op games (including 8-man tank & car-racing units) was strong indication of direction it eventually will take in home market. Firm won't discuss future games, but spokesman said arcade-type models will be added to home line next year.

Dyn got last-minute approval from FCC to show Paddle-Four game at CES, but half-dozen other firms were forced to display disclaimers saying game didn't have FCC approval and to use monitor or projection system with video input jacks for demonstration. FCC spokesman at show said several game firms violated rules by connecting unapproved games to antenna terminals of TV sets, would be sent violation notices.

Revolt against CES by some high-end audio manufacturers (see p. 10) appeared quelled by end of show through efforts of EIA/CEG Senior Vp Jack Wayman and compromise proposal by Sansui. At June 15 audio conference, co-sponsored by IHF, Harman International's Irving Stern made motion that IHF sponsor own trade show at different time & place, pulling audio exhibitors out of CES. IHF members at show moved to another room, 12 voting to stay in CES, 12 (including proxies) to pull out, with IHF officers opposed to secession. Since there wasn't quorum of IHF's 57 members, Pres. Bernie Mitchell agreed to call special meeting later to consider matter. By show's end, Wayman offered to turn over all McCormick Inn suites to high-end audio component manufacturers next year, in effect providing separate-but-nearby audio show. There's been talk that Snitow Organization hopes to manage own audio show; it's not known whether this had any connection with Stern's proposal.
Trade Personals


LeRoy Zider, ex-Iowa Beef Processors, joins National Semiconductor as vp & Consumer Products Div. gen. mgr., post handled on interim basis by Pres. Charles Sporeck since resignation of Gene Landrum last Sept... John Ready resigns as American Microsystems Consumer Products Group product development dir., plans unannounced; Richard Konrad quits as mkkt. dir. to join Mostek Consumer & Industrial Group as national sales mgr.; AM is closing CPG... Robert McHenry advanced at Rockwell Microelectronic Device Div. from consumer products systems & customer service dir. to controller.

Ernest Pappas, ex-Novus & one-time Bowmar sales vp, now sales vp of Cyclops Products, newly formed marketer of CPI-brand consumer electronics... Ian McCrae, ex-TI calculator display operations mgr., joins International Horizons as managing dir. of new Kosmos International Div. (calculators)... Bud Frye resigns as Fairchild Optoelectronic Div. vp-gen. mgr. to join investment banking group.

Carl Insel, ex-Motorola Communications Div., joins E.F. Johnson as vp & Personal Communications Div. gen. mgr... Greg Cornelson & Joe Purtell resign respective Koss posts as export sales vp & regional sales mgr., will enter rep business... Peter Untersander, Pickering European rep, named vp... Bernie Mitchell, U.S. Pioneer, elected ifH pres., succeeding George DeRado (TEAC), named vp; Walter Stanton (Pickering) treas., Richard Ekstract (CES Publishing) secy.

Cathy Ciccioletta, ex-Consumer Electronics Monthly editor, appointed Dealerscope exec. editor, succeeding late Al Bernsohn; Ciccioletta is succeeded by ex-Managing Editor Lois Whitman... Ron Marin, former Audio News managing editor, now on Hi-Fi Trade News staff... Richard Taylor advanced at Ampex Magnetic Tape Div. from ad & sales promotion mgr. to mdsg. mgr.; Pete Cain, ex-Clorox, joins as sales development mgr... Jay Taylor, ex-Burndy, joins GI's C. P. Clare subsidiary as business development vp, new post.

Richard Anton, GTE human resources vp, & George Shertzer, vp-gen. counsel, named senior vps... L. Randall Brophy advanced at Sylvania Electronic Components Group to product mgr. for ECG Semiconductors (replacements), succeeding Gerald Quint, resigned... John Jackson, ex-BASF, joins Audio Magnetics as member of global technical support group... Edward Mackay promoted to Buckbee-Mears domestic corp. controller.

Financial Reports of TV-Electronics Companies

These are financial reports as of March 31, 1976, and indicate Treasurers report. Parentheses denote loss.

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<td>1976-year to May 31</td>
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Notes: aRestated. bFrom continuing operations. cIncludes special credit. dAfter special charge. eRevised by comp. Adjusted.

Sharp is expanding multi-national activities through joint ventures. Company plans operations in Greece, with Thermo Psikiti Technik, to produce 7,500 b&w TVs & 2,500 stereo systems mid-year starting next April. In Spain, Sharp expects to turn out 1,500 b&w TVs & 10,000 audio recorders from Oct. in partnership with Lavis. Debuts in Mexican microwave oven venture, slated to produce 1,500 units yearly starting next spring.

Obituary

Greggare Sletland, 58, Zenith asst. gen. counsel, died of heart attack while boating June 13. He had been with Zenith 22 years. Wife, daughter, sons survive.
SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

2 RECORD WEEKS in color sales to dealers—2nd & 3rd weeks of June—indicate good reaction to new lines, could be start of anticipated upsurge. (P. 7)

STOP-JAPAN TV drive gains momentum as EIA Tube Div. & joint industry-labor group launch new offensive to stem feared takeover of U.S. market. (P. 7)

COLOR EXPORT RECORD set by Japan with May shipments to U.S. of 243,656 sets. (P. 8)

FIRST QUARTER IMPORTS show audio equipment joined TV in recovery from low 1975 period levels. Radios, changers, CB post strong gains. (P. 9)

MAGNAVOX CUTS some leader prices in color lines, increases selected 25" consoles. Fall prices from Penney, Ward. (P. 10)

MAGNAVOX WORKERS' BID for import impact aid rejected by Labor Dept. Report indicates Magnavox increased color & b&w market shares last year. LD turns down Sylvania workers. (P. 10)

'NATIONAL HOME VIDEO' reviewed by our Tokyo bureau, found impressive only in price. (P. 11)

SONY REPORTS RECORD SALES & earnings for fiscal quarter & half, with foreign growth setting pace. Corning has record quarter. CTS expects new sales highs. (P. 11)

Broadcast

NBC GETS 'GALA' FOR 50th: Network fails to convince many affiliates it has made no decision on change news. News & future presentations well received but program presentation gets low rating. Many affiliates don't like new promotion. (P. 1)

WHITE, FOOGARTY TO FCC: Nominations expected soon, though White House hasn't said who'll get 7-year term. Stevens gets CPB post. Houser hearing rescheduled. (P. 3)

COPYRIGHT REVISION BILL continues to advance. Tribal altered; TV archive established. Kastenmeier says Rallsback amendment changes are inadvisable. (P. 4)

FCC MODIFIES EEO RULES: New requirements as proposed, exempt stations with less than 10 full-time employes; job analysis required for licensees with more than 50. (P. 5)

SMAIi EARTH STATIONS pushed by CATA, HBO. Wiley calls 9-meter standard 'equitable compromise.' CATA to display 4.5-meter home-built dish costing $1,500-$3,000. (P. 5)

NBC GETS 'GALA' FOR 50th: NBC pulled out all the stops last week in celebrating its 50th anniversary with 1,200 people—including many notables—from 190 TV and 125 radio affiliates. Festivities opened with huge Rockefeller Plaza "block party" and Mayor Abraham Beame declaring June 20-26 "NBC Week" in N. Y. C., closed with huge banquet and "gala" featuring 4-tiered dais. Among those paying homage to NBC at banquet were ABC Chmn. Leonard Goldenson and CBS Chmn. William Paley.

"It was everything that we had hoped our 50th anniversary observance would be," NBC Chmn. Julian Goodman told us. "From a purely business standpoint, the fact that we had such a good position in the [May sweeps] made it a happy convention for the affiliates... We hope we answered the expected questions about expanded news. We will consult fully with the affiliates before we do anything."

However, NBC failed in attempting to convince affiliates that no decisions have been made on longer news. Practically all questions at closed meeting with network officials were devoted to subject. One affiliate called NBC line "the big lie," while others expressed opinion after meeting that network has made decision, and that it's just matter of "when." Goodman said "that's just not true... that's totally wrong." NBC Pres. Herbert Schlosser, asked what NBC's reaction would be if another network moves first to expand news, replied: "We're still going to
MAGNAVOX TV PRICES: Latest Magnavox price sheet shows $10-$70 reductions in some leader prices, selected price cuts on 19" color portable & table models, along with $30-$70 hikes in 25" console line. New 13" leader price is $340, down $10 from Sept. 1975, step-up ($350) & top-of-line ($370) are new, replace $360 & $370 sets dropped. Only 15" set is unchanged at $390; hybrid $370 leader is gone from 19" portable line; new solid-state leader is $400, down $50; top-of-line 19" is $650, up $70; 19" table models leader & step-up are unchanged at $550, top-of-line same at $800; 19" STAR-tuner leader ($750) & step-up ($800) unchanged, top-of-line $1,000 set dropped.

In non-STAR 25" console line, $600 leader is dropped, with new leader at $630; 3 models are up $30, 2 up $70, one up $50. Nine new Touch-Tone models compatible with optional remote system are priced $750-$950 (remote kit is $40); new STAR console leader is $830, down $70; top-of-line is $1,395, up $100; non-STARK home entertainment center is up $100 to $995; STAR leader and step-up leader are both $1,995. New armoire-styled top-of-line model is $2,695, up $400.

Two 12" b&w sets are $100 & $110, both down $10; two 16" models were dropped; new 19" leader ($160) and top-of-line set ($180) are down $20. Prices, from N.Y. Div., are roughly comparable to 9 other regional divs. with scattered variations.

Penney jumped leader price on 19" color line from $10 to $360 in fall-winter book, compared with spring catalog, dropped price on step-up $10 to $390 (store spokesman said chain is offering 19" set at $300, and 17" at $410, not shown in new book); 15" & 13" same at $370 & $320; new 12" is $300; new 9" is $245; 10" at $220 is dropped. Catalog says 19" at $480 features automatic "tracking" circuitry, "thinks in color." Two b&w 19" sets are up $5 to $145 & $165; lone 16" is down $5 to $135; two 12" are up $5 to $105 & $115, 2 others up $10 to $155 & $175; 9" is down $3 to $92.

Montgomery Ward dropped modernistic swivel-based 25" color console from new book, added new top-of-line with LED channel readout at same $690 price; 25" leader is up $25 to $520; new 19" console is $440; 19" portable leader is up $22 to $320; 17" at $368 was dropped; new 15" is $370; 13" is down $8 to $340. B&w 12" set at $78 was dropped, leader is now $110, step-up $130; 16" is up $2 to $140; leader 19" up $12 to $130.

Video games get bigger play in chain catalogs. Ward features Odyssey 200 at $100, TV Tennis by Executive Games at $70. Penney is offering Odyssey 200 ($100) & 100 ($80). Store spokesman said own-brand $70 game will be sold once Odysseys are closed out.

Distribution notes: Sony broke ground for 200,000-sq.-ft. distribution & testing center in Kansas City. Facility is Sony's 4th, with others in N.Y., Chicago & L.A. Valor appoints Inland Export for overseas sales of CB accessory line.

"Program Production Guide" for Philips & MCA Videodisc System is available from MCA Disco-Vision, Universal City, Cal. 91608.

IMPORT IMPACT AID: Labor Dept. rejected import adjustment assistance bid by group of Magnavox workers, stating layoffs in firm's Entertainment Div. at Ft. Wayne plant last year stemmed from overall market decline rather than import competition. Said staff used in design & development of color electronics was cut 9% in 1974, additional 10% in '75. Labor added that while Magnavox continues to sell electronics 2.5% in value last year, 32 product lines posted unit gains, with color TV up 2.5% and Odyssey games rising 13%. For some products, LD said Magnavox sales of radio-teenage combinations dropped 48.3%, radios fell 34.3% and b&w TV slipped 13%. Comparison of Magnavox performance with EIA distributor sales figures indicates company increased both color & b&w TV market shares, lost ground in phonos & radios.

Dept. followed similar reasoning in turning down aid for workers producing automated equipment & picture tube yokes at Sylvan's Emmyson, Pa. plant. Job losses were blamed on economic conditions which, LD said, resulted in Sylvan's picture tube sales decline of 18.4% in 1974, 38.3 last year.

New import adjustment assistance investigation opened for workers at: (1) Zenith's now-shuttered Lansdale, Pa. color tube plant. (2) Gibbs Mfg. & Research electronic organ & component plant at Janesville, Wis. (3) General Instrument Chippac Mass. facility, but limited to workers who were producing push-button channel selector for GE radios.

TV safety standard is of questionable economic sense, according to cost-vs.-benefit study conducted for UL's TV standard development committee by consultant J.H. Engel. Study concludes that cost of having b&w TV conform to mandatory federal safety standard would exceed probable value of damage & repair costs of sets involved in fire, shock, implosion or mechanical accident incidents. For color, Engel said, standard might pay if all such incidents could be eliminated. Standard restricted to preventing TV fires would be most cost-effective course because 83% of reported incidents involved fire, and 66% of production cost increases stem from fire-prevention section of proposed standard. UL's proposal for mandatory standard, along with committee recommendation that no such standard be adopted, is slated to be delivered to Consumer Product Safety Commission July 6.

Philco of Mexico was sold earlier this year by Ford to Grupo Industria Alfa S.A., Mexican conglomerate, for undisclosed cash sum. Previously unannounced transaction includes 3 buildings in Mexico City, all equipment for manufacture of color & b&w TV and stereo systems, new Philco brand rights. It's understood company had sales of about $50 million last year, employed 2,000, operated at profit. Ford still has Philco operations in Brazil & Argentina. Dorman Israel, retired Emerson exec., vp, will help GIA modernize facilities.

FCC approved Executive Games' Face-Off, 2-player $70 hockey game last week; approved game now total 16.
**RECORDING NATIONAL** VTR: One of first producers of National Home Video VZ-2000, or X-2000, has been announced by SONY of Tokyo bureau with unimpressive features. The unit which presumably will be offered by SONY for around $1,000.

‘Preliminary tests of VZ-2000 correspondents to eight people‘ indicates that price (800 in Japan) was only one criterion. Thus-VTR, he said, simply cannot be compared with Sony’s Betamax or any other home video product such as V-Cord—at least introduced in U.S. in 1977, mainly for technical reasons.

From VZ-2000, notes of size & design, both the VX-2000 and its built-in cassette have been found wanting.

At beginning and end of 90-minute recording, there is constant horizontal wriggling of the picture (prematurely fl鸦pering from time—some errors)... Cassette is grotesque in size, bulky in size & weight, making it appears to be too muscular to play in cassette into recorders... thereby enabling for contact or mechanical drag of tape on head...

The quality of the picture is not constant (and) picture is very frequent. Though VX-2000 is larger than Betamax or V-Cord, plastic—key controls & control unit, however, is not the type for frequent use by consumer. Long horizontal stripe control must be made sure tape in correct loading position following initial step of loading cassette into recorders and closing the lid. Apart from bulky lid, top plate of VX-2000 in flimsy.

“The VTR is in my office right now and it’s working fine,” countered a Quasar engineer v.p. contacted by phone. He said time-base & vertical problems could be encountered using any consumer video deck or receiver without proper time constant, and said proper wires had been cut in Quasar receiver, eliminating all time-base problems. As to size & design: “As we have a good practical consumer product, designed to expand the market,” Deck is about 1/3 of size of “color set, he said, and cassettes are size of small book. Unique feature of system is that tape is not withdrawn from cassette for playing. In addition, knobs and plastic keys resemble those on good-quality audio cassette system, not an industrial VTR. “We added there were no discernible dropouts in deck Quasar is testing. Deck weighs 22 lbs., including tuner; time will be optional extra.

**Digital techniques in next 10 years will permit TV receiver to “recreate a picture with the same quality as in the studio,” RCA Exec. Vp. James Miller told NBC affiliates meeting in N.Y. last week (p. 1). His other forecasts: Videodisc is ‘practically here’ and will become form of video publishing. Electronic games have potential as an “important instrument for recreation as well as pleasure.” Technology is now available for home information center, awaiting economic feasibility,” Miller said. New developments won’t come in next 10 years: (1) Cost breakthrough making picture-on-wall TV practical. (2) Three-dimensional TV, although technology now exists. (3) Direct satellite broadcasting to U.S. homes—cost of several hundred dollars for antenna & converter outweigh benefits.

**SONY RECORDS:** Sony’s 62 cents per share gain and 1977 net-profit jump in fiscal 2nd quarter results in increase in sales and earnings record for both that period & year. $114.4 million in quarter & $404.1 million in first half, domestic market improvement is limited to respective 22.5% & 6.2% rates. For quarter, Sony said TV sales rose 5% to $109.5 million, audio recorders & radios were up 16% to $29.8 million, and record & VTR volume rose 37% to $37.3 million, other products up 20% to $34.2 million.

**Current earnings in 2nd quarter topped 1976:** setting record for any quarter in company history... CTB indicated it expects record $45.6 million net this year, up from $4.3 million in 1976, with sales rising to $10.1 million from $3.2 million. **Jynseca**, which has been paying 5% annual dividend, approved 3% semi-annual dividend plan.

**Fairchild hopes consumer products (watchers, clocks, calculators, TV games) will account for 20% or more of firm’s sales in near future.** Press. Charles Sporitz told analysts, “we hope to increase our sales in the consumer market.”... **Fairchild’s** profits & earnings per share in the year to May 31 topped $22.8 million, up from $21.3 million in the year ago. The corporation lost $3.5 million in 1974, and the 1975 profit was the highest since the company went public in 1970. The company’s stock closed at 14, a gain of 1/8 point, on the New York Stock Exchange.

**Mergers & acquisitions:** Intersell has agreed in principle to acquisition by Advanced Memory Systems in stock swap valued at about $22 million. Intersell will be some of new firm. Last year, companies had combined sales of $77.5 million... **Soltron** completed acquisition of N. American Crystal, producer of crystals for C&I & other communications equipment, for undisclosed cash sum. Soltron will now be new S&H operation from Sterling, N.J. to Tappan, N.Y., set up duplicate production facility in Hong Kong.

**Fairchild forecasts market:** From worldwide industry sales of 3.5 million digital watches in 1975, it sees 15 million this year, 30 million in 1977, 50 million in 1978, 70 million in 1979, 90 million in 1980, with 50% of world’s units in 1980 (vs. 75% in 1974). Average retail price will fall from $100 in 1975 to $50 in 1976 and $25 by 1980, watch market growing from today’s $500—million business to $1.8 billion in 1980.

**Trade fairs are planned by Japan & Taiwan to help celebrate S.U. bicentennial. Biggest will be Taiwan’s at N.Y. Coliseum Sept. 11-15, expected to draw 500 manufacturers. About 160 exhibitors should be on hand at Japan’s display July 1-15 at Chicago’s Navy Pier.**

**First microwave oven from N. American Philips** in Norelco Electronic Rapid Range, available in Aug., backed by 6-week spot TV campaign. List is $470.
Trade Personal


Sega Enterprises, Gulf & Western subsidiary which purchased assets of Muntz Home Theatre projection TV business (Vol. 16:25 p9), has named Harry Kane, sometime Olympic pres., as pres. & chief exec.
IN THIS ISSUE: Directory of Home Projection TV Sets (P. 9)

JULY 12, 1976

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC RESPONDS TO MOSS QUIZ: On composition of Commission, personnel, cable, copyright consumer participation, satellites, community ascertainment, EEO, UHF, etc. (P. 1)

WHY FCC WON'T BAN RE-RUNS: Beyond FCC authority: First Amendment implications; wiser to let marketplace handle economics; wouldn't improve programs; not FCC's job to further employment. (P. 2)

SENATE CONFEREES 'STILL REVIEWING' report on impact of sports anti-blackout law, according to Senate aide, aren't yet ready to sign new bill. Frey: 'I don't believe it.' (P. 3)

TV GETS DENVER AIRING: Van Deerlin says broadcasters' First Amendment rights are 'uppermost,' while Wirth nixes congressional guidelines on sex violence for FCC at renewal time. (P. 4)

PFT HOT ON FIBERS: Puts 800 ft. to use carrying HBO in Manhattan. Bresman sees common use by end of decade. Some predict 50-70% savings over coaxial. (P. 4)

FCC RESPONDS TO MOSS QUIZ: Rep. Moss (D-Cal.) left FCC with pile of written questions after his Oversight Subcommittee hearings (Vol. 16:20 p2), and Commission has responded with some 40 pages of answers, to wit:

Makeup of Commission: (1) Moss's statistics are wrong. Average commissioner serves 8 years, median 5.1 years—instead of 4.33 median Moss found. (2) Turnover isn't excessive, and there's continuity because of staggered terms. (3) There are adequate controls over employment of commissioners & staffers leaving FCC. Further restrictions would hamper recruiting. (4) Seven members is good number, though Lee & Robinson favor 5. (5) Single administrator is bad idea—would have too much power, particularly over political broadcasting, and isn't necessarily more efficient. (6) Commission shouldn't be split into groups, because it's best that all members have "broad overview" of all communications in order to understand their inter-relations.

Personnel: (1) More economists? Have added quite a few—could use more. (2) Commissioners' personal staffs? More help "would be welcomed." (3) Why did Wiley concentrate hiring lawyers in gen. counsel office when he was GC? He didn't. It was done before—and it's good system. (4) Why does chairman select top personnel? They're approved by full Commission. Answer didn't explain that Commission almost always rubber-stamps chairman's choices.

Cable TV: (1) FCC "tilts" toward broadcasting—how come? It doesn't. We don't treat table as "supplementary stepsister." (2) FCC hasn't recommended CATV legislation because task is "far more difficult than initially envisaged"—and, besides, there's "imminent change in
WWES is headed by Allen Markoff, former Muntz dealer (who now has "fraudulent misrepresentation" suit against Muntz) and Lee Girson, as result of merger of Markoff's Theatervision with Girson's WWES. Company offers single-tube units in standard 50" diagonal (32-x-40") and 60" diagonal screens, plans 3-tube Schmidt system at $3,495 in Aug. WWES, claiming production of 1,000 units monthly, has started national ad campaign with full-page color ads in Holiday & Sat. Eve. Post. Company says its research shows customers for projection sets "either are in the over-$50,000 or less-than-$10,000 economic brackets." Projector TV has "as big a future in the American home as TV did in 1948," enthuses Chmn. Girson.

Some others in field agree. "What competition," asked Tele-Theatre's Kenneth Davis, who claims to be producing 300 sets weekly, about 1/3rd for export, at $1,695-$3,495, and plans 7-tube unit with 70" screen in couple months. Global Video, with rear-screen single-piece unit (using理 3M lens-screen system), is selling 600 monthly, increasing production and hiring reps, according to Sales Dir, William Davidson. GV is subsidiary of Global Productions, fight-booking & promotional firm which sponsored Evel Knievel's canyon jump. Like some other projection TV firms, Global offers videocassette recorders & video games as accessories. Even at $4,995, PSI has backlog of 600-900 orders, is shipping 30 a week, including exports to Europe, according to company officials.

Not all single-tube systems are alike. Among variations are Global's rear-projection unit, and 2-piece system being offered by Cygnus Video Systems, offshoot of Audiophile Systems, Indianapolis importer of hi-fi components. Cygnus unit uses 3-element 7-1/4" fresnel lens with f 1.5 speed (vs. f 2.8-3.5 used in most simple systems), in combination with 17" Sony receiver producing added brightness. Sales Mgr. Gary Warzin says production will reach 100 monthly by mid-Aug.; unit is sold through hi-fi dealers.

But young projection TV business has plenty of problems. One is that anybody can make simple single-tube system—in fact, many existing "manufacturers" started out as Muntz dealers or distributors, then decided to roll their own. Duane Plonte of Melody Music (Cine Vision), turning out 35 sets monthly and planning to increase to 100 in Sept., calls business "nothing fantastic" and laments: "You set them up in business and they build their own." William Spellman, whose Miami Projection TV sells complete units, kits & components, echoes Plonte's complaint and sees current business as little more than holding operation until there's import technical breakthrough.

Projection's other problems are largely technical: (1) Brightness of single-tube sets is marginal at best, and there's scramble to develop better lens systems. Keyser Video Pres. Robert Keyser claims new 7" lens increases brightness 225%. (2) High-gain Ektalite screens are subject to damage from fingertips, etc. Advent, Tele-Theatre, Video-1 & others now have new plastic screens which overcome this problem. (3) Conventional small-screen sets used as projection sources (Sony & Toshiba are most popular) often are doctored to invert picture, prevent keystoning and even increase picture-tube voltage, which voids warranty & UL listing and makes assembler subject to FDA (X-radiation), FCC & other regulations as TV manufacturers.

Infant home projection TV industry is in chaotic state. Product quality is variable—many are barely viewable except in total darkness. It still needs couple of good inventions and plenty of leadership. Judging from excitement that's been stirred up already, both will come along.

Only minor changes are evident in new Sears catalog from spring book, most significant being $15 increase in 19" color portable leader price to $310. Leader 9" is up $2 to $247, step-up at $275 is added. Prices on 13" & 15" remain at $325 & $340, two 19" step-ups are up $10 to $380 & $400. New in line are 19" ($550) & 23" ($680) consoles. Leader 25" console is up $30 to $530, step-up $20 to $580. B&W line (78-$158) is same, Pong video game (Atari) down $20 to $79. Under-dash FM-CB ($169) is added to line, lone SSB unit is up $20 to $300.

Allied Leisure says its 2- & 4-player games may use new MOS Technology game chip (Vol. 16:23 p9). Firm expects to receive samples in Aug., volume deliveries in Sept. Spokesman said Allied probably would turn to GI if MOS is unable to deliver on schedule.

General Instrument is threatening suit against Japanese auto radio exporters, says they're violating FM-AM tuner patent. Patent covers "5-by-10" pushbutton system that has 5 buttons, permits pre-setting of 5 FM & 5 AM stations.
**Gross margins of appliance-TV retailers dipped from 30.6% in 1974 to 27.6% last year, according to NARDA costs-of-doing-business survey. Before-tax profits slipped from nearly 7% to slightly more than 2.5% "with rising operating expenses continuing to chew away at profits," Exec Vp Jules Steinberg said. Survey covered sales operations only. Gross margins of 141 audio specialty dealers included in new CDBS survey were above 38%, with before-tax profits of 4.25% and sales volume increase of 14%. NARDA exec. committee backed off ambitious private-label program, voted to remove all white goods, TV & audio from Traffic-Builders Div. Move halts plan announced at April convention to offer members private-label speakers (Vol. 16:14 p12). Though dropping program, NARDA hopes "our major suppliers will get the message and clean up their own distribution policies," Pres. Hardy Rickbeil said. Committee also voted to: (1) Explore possibility of establishing West Coast Institute of Management. (2) Strengthen representation in Washington, possibly through tie-in with American Retail Federation. (3) Develop ways to increase membership. Address: Suite 222, 2 Northside Plaza, Chicago, Ill. 60606.

**Decision on motion** by Japanese TV manufacturers to have International Trade Commission drop unfair import competition investigation is expected from ITC Judge Myron Renick within 2 weeks. At hearing last week, Japanese argued that dumping export prices and export subsidies alleged in Sylvania's complaint are beyond ITC's jurisdiction. In separate argument, Mitsubishi Corp. & Mitsubishi International asked they be dropped as defendants since they no longer market in U.S. TV produced by affiliate Mitsubishi Electric. ME now sells here through subsidiary Melco Sales. Also pending is ruling of U.S. Philadelphia Dist. Court Judge Leon Higginbotham on whether ITC is entitled, as part of TV probe, to copies of non-confidential filings of all parties in $900-million antitrust suit Zenith & National Union Electric are pressing against Japanese.

**Game Plans**: Fairchild VES (Vol. 16:25 p13) was submitted to FCC labs last week, probably will undergo first type-approval tests this week. VES is first cartridge-based game to face stiff test, under FCC Class I TV device regulations. FCC approved Enterprex Apollo 2-player, 4-game unit, $100 unit...**Match Point** cartridge game by Game Masters (subsidiary of Glick Enterprises, Minneapolis) will be submitted to FCC by end of July. Eight-game cartridges resemble camera flash-cube house ROM devices, will sell for $30. Microprocessor-driven system will sell for under $200, be in market in early Oct. System will come with one paddle- & ball games cartridge, others featuring tic-tac-toe, maze, shooting games, will be added on a one-a-month basis...**Allied Leisure** says its 2- & 4-player games may use new MOS Technology game chip (Vol. 16:23 p9). Firm expects to receive samples in Aug., volume deliveries in Sept. Spokesman said Allied probably will turn to GI if MOS is unable to deliver on schedule.

**RCA is offering** 600,000-sq.-ft. former receiving tube plant in Harrison, N.J., for sale or lease. Historic building was once Thomas Edison's light-bulb factory. In Wall St. Journal ad, RCA offers for sale all remaining production & testing equipment. Sylvania bought tooling & equipment to produce some receiving tube types; RCA production ended in April (Vol. 16:13 p15).

**It's not formal** factory sale, but Magnavox is clearing TV pipelines by urging 9 regional divs. to stage close-out sales on 1976 models. Market-by-market promotion involves full line, ad mats, other material supplied by Magnavox. Newspaper ads in N.Y. offer 19" color set for $359, 25" console for $449.

**Mergers & acquisitions**: Teledyne said a subsidiary purchased about 2.4 million Litton shares, increasing Teledyne's holdings to some 4.2 million shares, or about 12% of Litton. Teledyne said purchase was for investment purposes only.
Broadcast

CARTER, MONDALE & INDUSTRY: Democratic candidate pleased with his broadcast coverage; Mondale has pro-industry voting record. Convention coverage scored for dullness, gets low ratings against entertainment, causing second thoughts on gavel-to-gavel coverage. (P. 1)

FORD TAPS WHITE, FOGARTY awaits completion of FBI check for FCC appointment; Fogarty agrees to 2-year term. Mead quits as Ford TV advisor. (P. 3)

FCC 'NEW ETHIC' STRIKES as 3 radios lose licenses for double billing. Commission refuses to permit sale of Gary AM to black group until misrepresentation charge settled. (P. 4)

NAB CHMN. WEARN HITS GOVT. attempts to 'interve in programs,' charges FCC can't oversee fairness 'without censoring.' (P. 4)

CBS & NBC UPWARD BOUND as revenues & earnings set records; CBS 2nd-quarter net income jumps 40%. Taft TV-radio profit up 47%. (P. 5)

KEVN-TV & SATELLITE go on air in S.D., raising operating TV stations to 964 (704 commercial, 260 non-commercial). (P. 5)

CARTER, MONDALE & TV-RADIO INDUSTRY: There's little to go on in speculating about a Carter-Mondale Administration attitude toward broadcast industry, but indications so far are rather favorable. Certainly, Carter has shown powerful appreciation, and skillful use, of TV-radio—and his aides say he has no complaint about their treatment of him. Furthermore, Mondale's voting record is highly encouraging to broadcasters. Despite his "liberal" tag, he has supported industry positions, in fact favors longer licenses. (P. 6)

According to Barry Jagoda, Carter's TV-radio coordinator, Democratic nominee "has a lot of respect for journalists. He has no problems whatsoever" with either broadcast or print coverage of campaign. Asked if Carter has any views on fairness doctrine, etc., Jagoda said: "I have not heard him express any thoughts on these matters. But I am trying to get him to read Fred Friendly's book," which advocates abolition of fairness doctrine.

Because of Carter's frank pursuit of black vote, there's increased speculation that he'd elevate Comr. Hooks to FCC chairmanship. Hooks doesn't hide fact he'll probably resign if not made chmn. under Democratic President.

Carter's Media Dir. Gerald Rafshoon said he'll spend $8-$10 million on campaign ads by Nov., mainly on 5-min. TV spots, with some radio in major markets, some print. Goal of spots, said Rafshoon, "is to get the American people to look at Carter as a potential President and motivate them into accepting his vision of America." He said he prefers longer spots so that Carter "will be able to articulate his views." As for TV's coverage of convention:

Consumer Electronics

JAPAN LOSES BID to quash International Trade Commission probe of TV sales practices in U.S. as ITC judge rules agency has jurisdiction to investigate all aspects of Sylvania complaint. (P. 7)

CB EXPANSION APPROVAL EXPECTED next week by FCC. Staff expected to recommend 40-45 channels. Wiley & FCC staffers upset by 'obsolescence' publicity, flatly deny expansion will diminish usefulness of current sets. (P. 7)

FIRST-HALF COLOR SALES up 12.5% from 1975 to 3,193,660, official EIA figures show. (P. 8)

MORSE'S $36-MILLION LOSS, Lloyd's-Capehart merger agreement, seen starting scramble for position in mid-fi industry. Bulk of Morse 4th-quarter loss seen caused by write-offs, accounting. (P. 9)

RCA POSTS RECORD sales & profit in first half. Warwick operating loss cut in 2nd half, but non-recurring charges boost net loss. (P. 10)

ADIMIRAL CUTS BACK, trimming personnel in Chicago-area hq & electronics engineering by 15% in month, aiming to shrink asset value by half, sells big Cortland Rd. plant. (P. 11)
ADAMIR CUTS BACK: Admiral is trimming costs to "irreducible minimum," shrinking value of physical assets by about half, and has just completed layoff in personnel. Last week it terminated about 40 employees, mostly in electronics engineering, after severing similar number week before, mainly in middle management. Charles Urban, pres. of parent Rockwell International's Consumer Operations, said layoffs were being made "to achieve a more proper balance between costs & revenue."

Since last month, Admiral said it has reduced personnel in Chicago-area bq & electronics engineering facilities by about 15%. It has sold 440,000-sq.-ft. Cortland St. (Chicago) plant which once served as bq, will write off $1-million loss on real estate.

Admiral has had excess plant facilities in U.S., has subassembly plant in Mexico, started producing 19" & 17" color TV production in Taiwan, begins producing 19" there this month. Admiral Group lost $10.8 million in 6 months ended March 31 vs. $14.4 million in same year-earlier period (Vol. 16:27 p 12), and Urban told us group is finally "over the hump."

Complete list of personnel changes hasn't been made public. Urban said that Alonzo Kight, Rockwell vp, international, is working with him at Admiral as representative of Rockwell Pres. Robert Anderson.

In development unrelated to wave of economy firings, Robert Herms resigned as private-label sales vp to become exec. vp of west coast laundry equipment distributor. Others who have left in last 2 weeks include Product Planning Dir. James Tann, Mktg. Services Dir. Eric Peterson & Microwave Oven Mktg. Mgr. Jack Terrill. As reported here earlier, Wesley Wood has resigned as special projects vp and Steve Lowman, former PR vp, was reassigned to parent Rockwell. James Ezell continues as Admiral pres.

Japanese aren't dumping AC adaptors in U.S., Treasury said in final determination of case brought last year by Power Conversion Products Council International, U.S. trade association. Last April, Treasury issued positive tentative determination, ordered importers withholding, after preliminary investigation indicated units imported from DC-Pack of Tokyo, supplier of 82% of adaptors from Japan, had average dumping margins of 7%, running as high as 18% (Vol. 16:15 p11). Treasury now says full probe shows DC-Pack dumped only single model which accounted for 0.7% of sales, and margin was last 5%. Investigation excluded built-in adaptors or separate adaptors packaged with complete products.

GE color console sales to dealers were at record high for May-June introductory period, 26% over same months last year, TV Business Dept. Gen. Mgr. Fred Wellner said last week. He attributed much of increase to VIER feature, adding that GE has substantially increased planned production of its 4 VIER consoles because dealer demand "has far exceeded our expectations."

Olympic's plan to come out of Chapter XI has been approved by Judge C. Albert Parente. Terms call for payment of $855,000 to creditors over 5 years, about a 23% settlement, plus anything realized from Olympic's $2-million suit against former parent Lear Siegler.

Trade Personals

G. Denton Clark, pres.-chief exec. of RCA Ltd. (Canada), adds post of chmn... Frank Huber promoted to national accounts mgr., Sharp Consumer Electronics Dv., succeeding Jon Winters, now national field sales mgr. (Vol. 16:22 p12).

Arthur Blackburn, ex-J. C. Penney home & auto product mdse. mgr., named Lafayette Radio pres., succeeding Leonard Pearlman, who shifts to new post as chmn., continues as chief exec... Francis Reed advanced at Advent to mkgr. dir., assuming duties of Fred Goldstein, who resigns as mkgr. vp effective Sept. 1; Richard Ralston promoted from sales training dir. to national sales mgr.-audio, succeeding Reed; Virginia Fried named mkgr. services mgr... James Moore & William Burton, ex-Superscope, join Ray Jacobs Audio as mgf. & vp & chief engineer respectively; Carolyn West, ex-Audio Magnetics, named gen. mgr.

John Mueller, ex-Maremont, appointed Motorola Auto Products Div. mkgr. operations vp responsible for CB, tape players & radios... Dave Rayburn, ex-Decibel Products, appointed Breaker Corp. chief engineer... Robert Patterson, ex-BASF, named Hy-Gain eastern sales mgr., taking over duties formerly handled by National Sales Mgr. Reese Haggott... James Rohr resigns as EV/Game sales vp to enter rep business; Syl Landro promoted from field sales mgr. to distributor sales mgr.

Robert Kessler, Mirco founder, resigns as vp, leaves board; James Green, senior engineer, replaces Kessler as supervising engineer for Mirco Games Inc... Richard Taylor promoted at Ampex from ad & sales promotion mgr. to mdsg. mgr., consumer blank tape products... Charles Condike, ex-British Industries, joins Robins Industries Consumer Products Div. as distributor sales mgr... Stan Cutler appointed Leslie Speaker engineering & mgf. dir.

Donald Bergin, ex-Dynatron watch & module mkgr. mgr., appointed American Mycrosystems timekeeping products mkgr. mgr... Frank Sabra appointed Audiovox N.Y. region sales mgr... R. A. Mohrman advanced at Schlumberger to Weston Components Div. gen. mgr., succeeding Howard Warnken, retired... Morris Simank promoted at Allen-Bradley from product mgr. to sales mgr. for variable resistors, replacing John Stanley, now San Francisco district mgr.


FCC labs approved "5 or 6" video games last week, according to spokesman. Among latest are Video Sports by First Dimension (FD3002G), monochrome 3-game unit listing at about $70; Lloyd's at $100; Phoenix International's Video Sports at $80. Lloyd's game will be sold under both Lloyd's & Monte Verde tradenames.
SUMMARY-INDEX OF WEEK'S NEWS

VOL. 16, NO. 30

Broadcast

WHITE NOMINATION IN TROUBLE: Pastore raises conflict-of-interest issue in her FCC appointment since husband is member of law firm with communications clients. Fogarty confirmation expected before Aug. recess. (P. 1)

HOUSE PROBES IMPORTS & SPORTS in 2nd round of Communications Subcommittee cable hearing. San Diego's TV-cable romance gets special attention. Members skeptical of claims imports will hurt sports. (P. 2)

FCC NOMINATION IN TROUBLE: Pastore raises conflict-of-interest issue in her FCC appointment since husband is member of law firm with communications clients. Fogarty confirmation expected before Aug. recess. (P. 1)

CB INDUSTRY HOLDS BREATH as FCC nears channel-expansion decision. Staff recommendation completed, FCC discussion July 28. Commerce decries press interpretation of sunspot report. (P. 7)

1976 MODEL-YEAR TV SALES lowest since 1968, dealers buying only 11.8 million sets in July-June period. FM sales set record. (P. 7)

STOP-BETAMAX MOVE shapes up in Japan, other manufacturers seeking single system to block Sony home VTR. Defections seen in V-Cord ranks as industry awaits mystery system from JVC. (P. 8)

CB SALES SLOW down, but industry doesn't agree on cause. Most feel boom will resume in fall. Discounting picks up steam. (P. 9)

$39.95 VIDEO GAME coming from First Dimension, which also will add microprocessor unit. RCA confirms decision to enter market. (P. 9)

AUDIO SHOW ADDED to summer CES, will be held at McCormick Inn. Rump group wants separate hi-fi show in Vegas next April. (P. 10)

JAPAN'S COLOR BOOM shared unequally by manufacturers. Fuji drops out. Crown eyeing exports, Sanyo plans 25% expansion, says exports doubled in 6 months. (P. 10)

WHITE FCC NOMINATION IN TROUBLE: Because of apparent conflict-of-interest with her husband's partnership in Washington law firm which has communications clients, confirmation of White House aide Margita White to 7-year term on FCC is in deep trouble in Senate. Stuart White is tax attorney with Hamel, Park, McCabe & Saunders (ex-FCC Gen. Counsel John Pettit and Tony Thomson, aide to Dean Burch when latter was FCC chmn., are members of same firm). Firm's clients include AT&T, TV licensee George Hernreich, several radio stations, a prospective TV applicant, among other communications firms.

The Whites brought up possible conflict with White House counsel—and latter discussed it with Senate staff—before Mrs. White was nominated (Vol. 16:29 p3). However, Sen. Pastore (D-R.I.), chmn. of Communications Subcommittee, reportedly wasn't aware of Stuart White's job until senator returned from vacation last week. Pastore then "raised the question" of conflict with ranking Subcommittee Republican Baker (Tenn.) and ordered staff investigation, according to Pastore aide. Confirmation hearing will be postponed until study is completed—meaning after GOP convention recess ending Aug. 23.

Pastore reportedly believes conflict is such that it would bar Mrs. White from sitting on Commission, although he was quoted as saying he hadn't made up his mind. "He'll likely just sit on the nomination and won't even hold a hearing," we were told. Although Pastore concern
CB MARKET SLOWS: Whether response to seasonal influences, slowdown in demand or imminent expansion from 23 to 40-45 channels, CB market has softened over past few weeks. Inventories are building for first time in short history of CB boom. No one's predicting disaster, and majority of CB dealers & distributors we surveyed feel market will take off again in fall.

What's causing it? "It's normal for the summer, but we expected sales in the recreational vehicle market to take up the slack and it didn't," Northeast distributor (E.F. Johnson, Cobra, SBE) said. "I'm not worried about excess inventory and think we'll have another shortage in Sept." CB dealer in upscale N.Y. said consumer awareness that FCC is set to expand CB band, plus flood of low-price merchandise from Far East, is killing 23-channel business. "I'm scared, and I'm being very, very conservative in buying new CBs."

Northern Cal. distributor (Cobra, Bearcat) said he's experiencing "modest slowdown," blamed it on confusion surrounding FCC deliberations on channel expansion & new firms coming into market. "Our business is pretty good," he said, "but it is slower and we now have plenty of inventory. It's not clear what's happening, but I think we're going through a change. The trucker & CB hobbyist is less of a factor, and we're moving into mass sales. We're at the top of a cycle, and it's leveling off."

Discounting is another problem worrying many. "I look for a hell of a shakeout in the next 6 months," said distributor (Pace) told us. "A lot of these little guys have got to go." S. Cal. distributor (Hy-Gain) said CBs now are being discounted at $59.95 in L.A. area, that lowball price will probably sink to $49.95 before year is out. "This will be a year of spinning off people—dealers, distributors & manufacturers—because too many guys are bringing in sleazy import stuff. Now they're beginning to run into problems they didn't have before, they can't get rid of the stuff and they're starting to dump."

NEW LOW IN GAME PRICES: Lowball price in fledgling video game market hit new level with introduction of $39.95 two-player & box game by First Dimension. Called Mark II, it will be submitted to FCC soon, hit market in mid-Sept. Pres. Norvell said firm will encourage retailers to market game (tennis, one-player practice) as toy, emphasizing price. Game uses discrete components, can be produced cheaply at Nashville plant through automatic insertion, Olive said. First Dimension will enter microprocessor game market in Jan. with $130 cartridge-based unit. Game will come with one 6-game cartridge, others will be offered at $7.95. Olive says system will stress educational applications, feature math quizzes, other programs testing player's skill. RCA confirmed it will market microprocessor game in Dec. using C/MOS 1802 microprocessor made by its Solid State Div. (Vol. 16:21 p12, 16:22 p11).

At least 70 Japanese firms are seeking to buy game chips from GI International (Japan), including major TV producer, company says. Of total, 40% are believed to be for OEM use in games exported to U.S. Other firms interested in chip include calculator & toy producers, smaller trading companies.

FCC approvals: E.P. Electronics Ltd., Hong Kong; Quadrantons, Carmel, Cal. (Vol. 16:25 p13). Backlog of games to be tested is down to 6—Odyseys 300, 400 & 500, I.E.A.'s Teletainment, National Semiconductor's Adversary, Fairchild's VES.

Proposed AM stereo systems have been submitted to National AM Stereophonic Radio Committee (Vol. 15:37 p5, 15:41 p11) by 4 manufacturers—Communication Assoc., Motorola, RCA & Sansui. Field testing, probably on East Coast, will be conducted by stations to be announced Sept. 16. Kahn Communications, which originally filed FCC petition for approval of its sideband AM stereo system in 1960 and now has new petition pending, is not among companies submitting systems to NASRC, which, in turn, plans to ask FCC to deny Kahn petition and urge company to participate on committee. Kahn system has been in use by KETRA Tijuana since 1970, more recently was tested by WFBR Baltimore.

TV game duty rate is still open issue with Customs and some point with importers. While awaiting formal decision from Treasury, Customs is tentatively classifying TV games under Tariff Schedule heading for unspecified games at 10% duty. Other possible classifications include "game machines" with 5.5% rate or "TV apparatus" at 5%. If Treasury decision supports Customs' position, importers are expected to file Customs Court suit.
SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

ACTION ON POLES, WAREHOUSING, emerging from House cable hearing. Van Deerlin favors bill giving FCC pole jurisdiction; asks networks for movie contracts. Testimony on distant signals, pay cable, sit-phoning, etc., is re-run of FCC hearings. (P. 1)

TV STATION PROFITS RISE 14.4% in 1975 as network payments rise 5.9%, national & regional spot 8.4%, local 10.1%. Independents, including UHF, show sharp increases. (P. 3)

FCC HITS COURT ON FORMATS: Agency sees format regulation as 'extremely unwise policy' and unconstitutional, says Court ignored congressional intent. Hooks dissects. (P. 4)

FREEZE ON UHF 'NIBBLING': Off-shore drilling granted Ch. 17 but FCC orders freeze on further encroachments. Task force to devise master plan for UHF. (P. 4)

SUMMERS NOW NO. 2 AT NAB: Tapped for vp-gen. mgr. post created by task force on reorganization. 'One or more' other execs to be added. (P. 5)

ABC's 'ROBUST' PERFORMANCE: 'Resurgence' of TV network & owned stations leads to record 3 months, first half; radio has record quarter. Advertisers spent $1.4 billion on network TV Jan.-June. (P. 6)

HEARING SET FOR WHITE & FOGARTY to FCC Aug. 24. White House turns down Pastore request to withdraw White nomination. He'll 'let the members of the Committee decide.' (P. 7)

VAN DEERLIN CONCERNED ABOUT POLES, MOVIES: Massive cable hearing of House Communications Subcommittee won't produce any over-all legislation this year—but it has already thrown off couple of actions, both pro-cable:

(1) Chmn. Van Deerlin (D-Cal.) is mighty displeased by utilities' treatment of CATV in pole attachment fees, will press for legislation immediately. He's also convinced FCC should have power to levy forfeitures on cable for rules violations. He told us he plans to "sweeten" forfeiture bill with pole-attachment measure, sees no reason to delay. FCC Chmn. Wiley doesn't agree with combination forfeiture-pole approach, Van Deerlin noted, but said he still favors it. Senate already has passed a forfeiture bill.

(2) Van Deerlin was disturbed by pay-cable proponents' claim that networks are "warehousing" movies—sitting on features under 3 years old, reducing their availability to pay cable. He had Chief Counsel Harry (Chip) Shooshan call network lawyers in, asked each to produce, by Sept. 1, copies of 4 movie contracts for 1965, 1972, 1973 & 1974. In addition, he asked for

Consumer Electronics

CB EXPANSION to 40 channels raises new questions, including future of 23-channel market. Class C hobbyists keep 5 channels. FCC to begin type-acceptance Sept. 10, opening new channels Jan 1. (P. 9)

TV EXPORT RECORDS for Japan-to-U.S. shipments in June include all-time high for color & total TV. Zenith's Nevin attacks Treasury, Justice inaction on unfair imports. (P. 10)

ZENITH'S HIGH END includes four 19" sets with new tube, starting at $500, 25" consoles up $10-$20, automatic color system. New 17" sets have 1000 conventional tube. (Pp. 11 & 13)

TV INTERFERENCE by CB is main preoccupation at PURAC meeting. FCC says results of nationwide study will be ready by year's end. Task groups organize to educate CB users. (P. 12)

IMPORT ADJUSTMENT assistance approved for former GE & Sylvania color tube workers. Labor Dept. rejects 4 other proposals, opens new probe. (P. 13)

COLOR TV SALES forecast trimmed to 7,636,000 units by Zenith, which claims continuing market-share increase. (P. 13)

IMPORT REBOUND for parts & accessories in first-quarter seen tied to TV sales recovery, CB boom. Value of selected imports jumped 48%. (P. 14)

PROFITS UP SHARPLY for Zenith in 2nd quarter & half on modest sales gains. Wells-Gardner trims loss, expects 2nd-half profit. (P. 15)
 ance features as EFL.

Two 17" sets with $100^\circ$ conventional tube at $\$400 & \$430 are $\$10-$\$20 below last year's prices, again incorporating recent promotional allowances into list. Remote version is $\$500.

Line of 24 console 25" sets (plus 2 combos) is priced $\$10 above last year in $\$680-$\$690 range ($\$780-$\$900 remote), $\$20 up on higher-priced sets, consoles (to $\$980), including those with "Touch Command" pushbutton tuning ($\$810, no remote versions).

Color Sentry combines 5 automatic picture circuits—light sensor, color signal monitor, contrast regulator (there's no separate contrast control), tint stabilizer (flesh-tone corrector), and color level lock. How does it differ from ColorTrak? According to Zenith engineers: (1) $\$99$, color level lock. "Conversion" to ColorTrak costs $\$100. (2) Color Sentry system includes button for factory pre-set color & tint balance (level lock); ColorTrak doesn't.

Zenith also introduced high-end radios—completely electronic clock radios with LED readout and standby battery for power failure at $\$55, $\$70 & about $\$100 (stereo). New table radios are $\$40, $\$50 & $\$60, last being new version of Zenith "dentist set" with walnut veneer cabinet & bass-boost port.

Fall ad drive will be budgeted 10-15% above last year, include 16 TV commercials for local spot use, network TV, magazines. Advertising will continue to use TV technician survey, with many commercials plugging one specific TV or stereo model. For list of new Zenith TVs, see p. 13; for Zenith sales forecasts and other convention highlights, see p. 15 for Nevin's comments on imports, see p. 11.

**TV energy conservation** program implementation, along with similar programs for refrigerators, freezers, water heaters, dishwashers, washers & dryers, is being delayed by Federal Energy Administration. In notice proposing energy efficiency for procedures for air conditioners, FEA said it was unable to meet statutory June 30 deadline for developing & publishing similar test systems for other products, would do so "as soon as practicable unless it determines that test procedures cannot be developed" which meet necessary requirements. Last May, FEA said its TV goal was to have color sets made in 1980 50%-80% more efficient than those made in 1972, set 92%-94% improvement target for new sets.

**FCC extended** receiver-certification rules to include CB, but permissible RF energy & chassis radiation limits have been modified slightly from original proposal (Vol. 16:14 p11). Certification standards CB receivers going into production after Jan. 1, 1978 are limited to 2 nanowatts RF output at antenna terminal and chassis radiation limit of 5 microvolts per meter. On Jan. 1, 1978, RF limit will be dropped to 0.2 nanowatts; production of receivers begun before Jan. 1, 1977 must be halted by Aug. 1, 1977, unless they meet new certification limits. Sale of noncertified receivers must be stopped by Jan. 1, 1978.

**FCC approved** National Semiconductor's Adve- r sary video game and reportedly is close to approval of Magnavox Odyssey 300, one of 3 new Odysseys introduced in May (Vol. 16:19 p8). Fairchild's VE-52 is now undergoing tests, and applications have been received from Universal Research, "3 or 4 other companies," FCC said.
CARTER JOINS TV, FCC CRITIC: Candidate promised to use presidential powers to reduce TV violence and to appoint activist commissioners to FCC. "I am not a politician," new President was quoted as saying, "but I am a man with serious reservations about the way TV is affecting young people, and if elected I will use my powers to do something about it." (P. 2)

CARTER ELICITS BAN on premium offers in children's TV ads. A case-by-case approach to protect children from abuses. (P. 2)

FAN RISES FOGARTY LIFT their qualifications to serve on PUC in advance of Aug. 25 hearing. Conflict of Interest review against White continue. (P. 3)

EX-COMMIE BARRY COLE joins House Communications subcommittee for renewal hearing. Offers proposal to ensure public participation. (P. 3)

FILE IN PTV PROGRAMMING to continue, according to update of internal OVT staff memo. However, there's no "subvert intent" in debate. (P. 4)

TV EMBARGO LIFT two FCC earth stations, master origination terminal, satellite interconnection with WL, other FCC earth station actions. (P. 5)

CARTER JOINS TV, FCC CRITIC: Democratic Presidential nominee Jimmy Carter promised last week that if elected he would use presidential powers to reduce TV violence and to make FCC more responsive to consumers. In remarks to Ralph Nader-sponsored Washington luncheon on consumer & regulatory matters Aug. 9, Carter promised:

1. "I will appoint consumer- or citizen-advocates to the FCC" as well as to other regulatory agencies. Calling "humorous now" plea by former President Franklin Roosevelt that regulatory agencies be forums for public interest, he said that his nominee "would be acceptable to Ralph Nader. That doesn't mean that I'm going to get his approval ahead of time or consult him on every appointment, but the thrust of my own commitment...is to fulfill the original concept which was that it would be a forum for the people and a protection for the people themselves."

2. "As a matter of fact I don't watch TV too much [but,] yes, I do think there's too much violence on TV. I think the President has a right, or an obligation, to express to the public displeasure or criticism of programming content...I believe it would have a great influence, to the extent the President was both forceful and trusted, to shape the opinion of viewers of TV programs.""
CB MARKET STILL SHAKY: CB industry continues
search for signs of stability in wake of channel expan-
sion, but situation remains confused. FCC issued
clarifying statement on question of converting CBs
from 23 to 40 channels, essentially rehash of com-
ments made earlier by Chief Engineer Raymond
Spence (Vol. 16:32 p7). Statement did say FCC
"looks forward" to extensive sampling of equipment
from every location where CB modification takes
place, thinly-veiled warning that new type-acceptance
rules covering 40-channel CBs will be rigidly policed
& enforced. FCC said weekly bulletins on 40-channel
-type acceptances will be issued beginning Nov. 1.

CB retailers apparently aren't being persuaded
by FCC clarifications or upbeat statements from
manufacturers that market is basically healthy. We
sampled retail opinion across country, discovered
that vast majority are putting temporary freeze on
23-channel orders—despite bargains being offered
by some producers—and putting together inventory-
liquidation programs. "Prices are breaking like
there's no tomorrow," owner of multi-store electron-
ics specialty chain in Midwest told us. "I've already
seen $68 in this area, and I've been offered a Johnson
unit at $99 cost which used to cost me $118."

Others recited similar experiences, said orders
are being reduced. Buyer for over 150-store chain
in South said he has stopped shipments, has ordered
all producers not to ship any goods previously allocated
for him without telephone check beforehand. "If they
send any without asking, I'll send them back." Curious
aspect of situation is inability of retailers to determine
whether channel expansion has caused drop in sales,
primarily due to fact that CB market was soft before
FCC decision was announced (Vol. 16:30 p9).

Process of converting to 40 channels is well
underway at supplier level. It's estimated Japanese
40-channel imports in 4-month Oct.-Jan. period will
hit 3.7 million units, with 23-channel output curtailed
significantly by Jan. or Feb. We estimate monthly
40-channel production from major Japan producers
beginning in Nov. at: Cybernet 900,000, Uniden
250,000, Interworld Group 170,000. Sanyo is ex-
pected to begin producing at 60,000-unit monthly rate
in Oct., and Hitachi, Sharp, Toshiba, Mitsubishi
& others are preparing for early conversion.

GE says high-end mobile unit ($210) & base sta-
tion ($225) won't be in 23-channel line as planned,
will be part of 6-model 40-channel line introduced in
Jan. Through first of year, CB line will have 2
mobiles—$125 & $150—both set for conversion to 40
channels Jan. 1. Hy-Gain said 7 models in 23-chan-
nel line will be "re-manufactured" to 40-channel specs
after first of year at $25 cost to owner, called press
conference in N.Y. this week to explain program.

IHF ad hoc show committee will be given tour this
week of areas set aside for audio exhibits at McCor-
mick Inn during next summer's CES. Whether new
CES plans for audio firms (Vol. 16:30 p10) will head
off proposal by dissident audio firms for separate
show is uncertain, but spokesman for Charles Smitow
Organization says option is being held on Las Vegas
Convention Center during week of April 22 for Inter-
national Audio Exposition, tentatively called AUDEX.

IMPORT IMPACT AID: Labor Dept. rejected last
adjustment for ex-workers at Fisher's TV facili-
ties in Milroy, Pa. & Long Island City, N.Y., on
grounds firm's sales of U.S.-made products
haven't been hindered by imports. LD said produc-
tion of speaker systems at Milroy plant—Fisher's
only U.S. manufacturing operation—doubled in 1975
on rose additional 40, 3% last year, while sales at pro-
duction were up 51.3% in 1974, 4.7% in 1975. Engineers
staff cutback stemmed from transfer of hq from
Milroy to Cal., and shift of some functions to Japan
were not import-related, LD said. Changes at
Fisher followed Emerson Electric's sale last year
of 50% interest in hi-fi producer to Japan's Sanyo.

While approving aid for former color TV work-
ers at Quasar (formerly Motorola) Quincy, Ill.
(Vol. 16:32 p10), LD said it was turning down same
aid for those who once produced b&w TV & audio
dio & tape players at now-closed facility. LD said
wouldn't find necessary link between imports and
decision to close plant as it related to those prod-
ucts. Quasar consolidated all TV production at
Franklin Park, Ill. in Sept. 1975, while Motorola,
which was leasing space in plant it once owned,
pulled out of Quincy last May. LD noted Quasar's
over-all color production dropped 34% in 1974,
slipped 23.3% last year, indicating market share
dropped steeply in 1974, recovered modestly in
1975.

Game Plans: FCC extended new restrictions on
access to information from lab (see below) to press
will no longer give weekly rundown on game approval
over phone. Earlier, lab said Fairchild VES game
was still undergoing tests and approval apparently
didn't come last week... Telepallette is new game
which permits user to doodle, draw pictures on
color screen. Color unit will be priced in $100-$150
range has been submitted to FCC, is produced by Tele-
pallette Co., Sacramento... N.Y. Supreme Court
ruled against Fairchild in complex legal hassle with GI over Fi
microprocessor used in Fairchild game. Fairchild
is expected to appeal ruling, which came during hear-
ing on disposition of legal issues. GI alleges idea
was pirated to Fairchild by former GI employee, the
GI purchased design & concept from Olympia West,
German business machine producer.

Don't drop in without appointment, FCC's Laurel
Md. lab advises. Due to increased workload caused
by CB, video games and other new products brought
under Equipment Authorization Branch, visits in con-
nection with pending applications must be pre-arranged
will be limited to 20 min. Applicants also are being
urged not to phone for information on status of prod-
uct testing. Lab visits can be arranged by writing
Box 40, Laurel, Md. 20810 or phoning 301-725-1
Applicants will be contacted if questions or problems
arise with products submitted.

Telephone standards committee, headed by
Gordon Orelli (GTE), has been formed by EIA Com-
munications Div. Group will develop voluntary
standards for all types of telephone devices.

Advent has been granted patent for LightGate
projection TV tube used in VideoBeam.
JAPAN'S HALF: While recovery in Japanese exports to U. S. was most spectacular in TV & CB (Vol. 16:31 p10), substantial gains also were posted by most audio products in first half of year, Finance Ministry reports.

Total radio exports for 6-month period leaped 231.5% to over 5 million, paced by 590% gain for auto radios. In some radios, total shipments rose 45.7% to 1.45 million, with major increases for FM models (excluding clock), which rose 35.3% to just less than 380,000. Total tone units, as radio-phonos rose 47% to 130,000. Total audio tape hardware players rose 25.1% to 1.14 million, other types 22.4% to 4.77 million. Here are details:

JAPANESE EXPORTS TO U. S.

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<th>First Half</th>
<th>First Half</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>Value($)</td>
<td>Units</td>
</tr>
<tr>
<td>Total TV</td>
<td>1,299,528</td>
<td>615,233</td>
</tr>
<tr>
<td>Cer.</td>
<td>610,080</td>
<td>610,080</td>
</tr>
<tr>
<td>Tape recorder</td>
<td>1,857,235</td>
<td>432,235</td>
</tr>
<tr>
<td>Tape recorder, rec.</td>
<td>1,299,528</td>
<td>615,233</td>
</tr>
<tr>
<td>Tape recorder, cass.</td>
<td>1,857,235</td>
<td>432,235</td>
</tr>
<tr>
<td>Tape recorder, cart.</td>
<td>1,299,528</td>
<td>615,233</td>
</tr>
<tr>
<td>Tape deck, audio</td>
<td>28,196,183</td>
<td>40,621</td>
</tr>
<tr>
<td>Total</td>
<td>5,550,000</td>
<td>1,299,528</td>
</tr>
</tbody>
</table>

Note: Considerable increase in production of tape recorders, audio tape decks, and audio tape players.

Trade Personalss

Richard Osgood shifts from Sylvania Components Group to recently formed Consumer Electronics Products Business as planning & business development one-time RCA Labs, named lasar applications mgr., Robert Pressey, ex-Allied Chemical & Sylvania Electro-Optics. Donald Egger, retired RCA staff vp & chief economist, forms Egger Econo- mic Enterprises to publish Blue Chip Economic Indicators newsletter (Box 1569, Seco, Ariz. 86336)... Eric Schimmel, ex-NAM & Motorola, named head of RCA Washington office to represent Royce (CB) & Electra (scanner) Divs.

Walter Goodman advanced at Harman Interna- tional from vp to senior vp, retains responsibility for International Div.... Kenjiro Ito resigns as pres. of financially-troubled Crown Radio (Japan), succeeded by Managing Dir. Yojiro Suekado, appointed of Daili, Japanese retail chain, Crown’s major shareholder... Olin Lippincott appointed Midland International mktg. services vp.

Dennis Barnhart appointed consumer & calculator product business dir. in realignment of Rockwell Microelectronics Div. Other business dirs.: Daniel Del Prate (Modems); Andrew Beall (Automotive), Al Secor (Microprocessor)... Albert Schadlick promoted at Litton Component Products Div. from distributor sales mgr. to national sales mgr., succeeding Nels Johnson, new CPD vp... Marshall Bartlett, GI vp, named acting pres. of GI International (Japan), succeeding Richard Adler, resigned; Everett Merzeure, ex-Bunker Ramo, appointed mktg. mgr. for GI’s Chicago Miniature Lamp Works.

Ted Inahara leaves post as Superscope national sales mgr. . . Caroline Nemser, Radio Shack mdse. controller, named vp... Shelly Lasko, ex-Shelly’s Audio (retail chain), joins Wal Sound as national mktg. dir. . . . Jules Rubin appointed Jensen Sound Labs eastern sales mgr., succeeding Peter Frederickson, who retains midwest... Lee Wilson named customer service mgr., new post.

Harry Hensman appointed Memorex Video Div. gen. mgr.: David Berry named mktg. mgr. Charles Trausch, ex-Capitol Magnetics, named Audio Magnetics midwest mgr. . . . Jerry Boros promoted at Wahash Magnetics to quality assurance vp, new post; Frank Miller named chief design engineer... W. Paul Tippet, onetime Philco-Ford Home Products mdse. dir. & Ford vp, resigns as STP pres. to become Singer exec. vp & Sewing Products Group pres.


Sony confirmed in Tokyo our report of last week that it is developing longer-playing cassettes for Bet- amax (Vol. 16:32 p9)—in 2- & 3-hour versions. However, it said they won’t be ready in time for start of Sony/Paramount Home Entertainment Center recorded tape market tests due in 6-12 months.
SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

TV DEBATES ON; CONVENTION COVERAGE: Ford vs. Carter tension: Sept. 28 suggested first of 3 in series; Kansas City logistics good for TV-radio, overseas, TV remote capable; Kansas City Police force late hours for major events. (P. 2)

INTERPRETERS ASK END to FV 'censorship.' Hearings deemed 'unfair,' 'unpredictable,' politically motivated. Producers & writers admit violence is problem, propose protest community work out solution on incident-by-incident basis. (P. 3)

CANADA STANDS FAST on tax law disallowing deduction for Canadian ads in U.S. media, but sets aside discussion on cable ad deduction. (P. 4)

9TH ANTI-VIOLENCE PLAN: National Congress of Parents & Teachers organizing nationwide series of public hearings, 'action plan.' (P. 5)

ARMED SERVICES given okay to use paid broadcast ads to recruitment, expect to spend $8.5 million in year beginning Oct. 1. (P. 5)

FEDERAL LEGISLATION ADVANCES: Bill to be introduced in House this week: Van Dervin & Wirth optimisti on House passage. Magnuson ‘sensitive’ to industry’s needs. (P. 6)

TV DEBATES ON; CONVENTION COVERAGE: The big TV news of GOP convention came at very end, when President Ford announced he’s ready to debate Carter. Before that, convention coverage benefited from tight Ford-Reagan race and good Kansas City logistics. Broadcasters’ efforts were diluted, on other hand, by delegate–demonstration delays pushing important developments into late hours—as late as 3 a.m. in East.

Suggested date for first Ford–Carter debate is Sept. 28, in St. Louis, under aegis of League of Women Voters. League proposes 2 more, in Oct., in unidentified cities, plus a Mondale–Day face-to-face. Networks, of course, all said they’ll carry debates; they’ve been trying unsuccessfully for such confrontations ever since 1960 Kennedy–Nixon series.

Since League is sponsoring debates, FCC has said they’re exempt from Sec. 315 equal-time rules, coming under “bona fide” news. Late last week, CBS renewed effort to get Sec. 315 lifted entirely, wiring congressional leaders; elimination or suspension of 315 would give broadcasters broad latitude in covering presidential & vice presidential appearances—without having to give same attention to Vegetarian, Gay and similar candidates.

Format of debates will undergo hassle—if 1960 experience is prologue. There were four 60-min. sessions—one Sept. 26, Oct. 7, 13 & 21. Two featured face-to-face debates; in other 2, candidates were questioned by 4 reporters (2 broadcast, 2 print), and a network correspondent moderated. Each candidate had 2-1/2 min. to respond to each question, plus 1-1/2 min. to
CB SALES DATE CAUSING PROBLEMS: FCC is being pressured to modify ruling which would prohibit shipment of domestic-made 40-channel CBs from factory and their import into country until Jan. 1, date set for legal sale of expanded-channel units. Chief Engineer's Office told us "fastest answer at this point" is that domestic CBs must be kept at point-of-manufacture location, until Jan. 1. But Research & Standards Div. Chief Julian Dixon added there is "great deal of interest in this question," and said some modification of ruling is possible. Formal clarification will come soon, possibly this week.

Problems created for CB industry if FCC sticks with strict interpretation of decision on channel expansion—which says only that new CBs "may not be sold" before Jan. 1—are many, and several producers said they want relaxation. Hy-Gain Pres. Andrew Andros said at N.Y. press conference last week he's asking FCC to permit sale to wholesalers before Jan. 1, that literal interpretation of ruling places "heavy financial burden" on firm.

Others pointed out that: (1) Cost of storing goods in bonded warehouses is high. (2) Only limited facilities exist. (3) Quality control, including testing of imports, is virtually impossible while merchandise is in bond. Additional problem for FCC is avoiding potential inequities. Regional importer, for example, would be permitted to keep CBs in local bonded warehouse, essentially have goods at distributor level on Jan. 1.

"There has been some discussion of asking for a new shipping date," EIA Communications Div. spokesman said, but he added that there are no definite plans for appeal to FCC. Pace Pathcom Sales Mgr. Robert Morrison said firm "would appreciate clarification," since FCC has already told public through interviews with wire services that consumer will be able to buy 40-channel units on Jan. 1. SBE Pres. David Thompson told us shipping date is not severe problem, since firm has 48-hour delivery anywhere in U.S. "It would be nice if we could bring in imported units and inspect them, though."

Number of CB suppliers offering retrofit or up-date programs, meanwhile, continues to grow. Thompson said SBE has adopted program covering 10-12 23-channel models guaranteeing conversion for $35-$95 premium if unit is purchased between Aug. 1 & Dec. 31. In N.Y., By-Gain released details of re-manufacturing plan (Vol. 16:32 p8). Under program, customer pays shipping cost to conversion facility, Hy-Gain pays for return. Conversion could be done at either Lincoln, Neb. or Puerto Rico—or warranty stations could be equipped to do job—but final decision hasn't been reached.

Andros said 500,000-700,000 CBs could be involved, isn't sure how many users will accept offer. "We've been thinking about it," he said. Other comments: (1) By Nov., all Hy-Gain production will be 40-channel but it will be summer before supply catches up with demand. (2) Conversions will be warranted for 90 days. (3) Only 40% of total industry CB production is now PLL (phase-lock loop). (4) Total 1976 CB unit sales will be in 8-million range.

Sharp is avoiding re-manufacture route, will replace trio of 23-channel units in line purchased from July 26 to Jan. 31 with "comparably featured" 40-channel model at $30 cost. Under program, consumer will be given registration certificate when he purchases 23-channel CB, can redeem it with Sharp dealer through April 30.

FALL GAMES MARKET—PLENTY OF IFs: While major suppliers in fledgling video games field insist market will remain stable through Christmas, there are disturbing signs at retail level that industry may already be heading into difficult period. Though discounting—already underway in some parts of country—is cause for concern, major worry centers on furious efforts by would-be suppliers to line up last-minute retail accounts.

To make deals attractive, many latecomers to field are promising volume shipments, often at bargain-basement prices, through fall, convincing number of retailers we contacted that talk of shortages before year end is just that—talk. "At first, I was worried about shortages," buyer for 100-store-plus hardgoods chain in South told us. "Now, I can apparently get all I want, and I'm still being approached by new manufacturers. So, from our standpoint, the supplies are there!"

Whether true or not, feeling on part of retailers that game supply will keep up with demand through fall is potentially dangerous, since some are now pushing back timetables on ordering
to mid-Sept. and later. That could cause trouble, say producers now lining up fall delivery schedules. "Deliveries will be tight," according to Atari Consumer Products National Sales Mgr. Malcolm Kuhn. "There's no question about it." Kuhn said Atari is "well over" 50% booked on what firm will ship through remainder of year, adding that prices will be stable through Christmas season.

Others in field issued similar warnings on tight deliveries, urged retailers to move now on game orders. APF Pres. Sy Lipper said many firms now are offering attractive deals. He expects orders final." Andrews said his firm is receiving increasing number of inquiries from retailers delivering in quantity, Andrews believes, are simply using fall season to get foot in door, even if it means loss-leader pricing.

First Dimension Mktg. Mgr. Neil Andrews told us. "Some retailers are already beginning to panic and make line up enough retail accounts to get large chip commitments from GI, only major producer on which supplying market. GI's Product Line Mgr. Richard Norwood says order backlog is such that new customers probably will be taken on until Oct.

Majority of new firms eying market are importers or assemblers, but we've learned and other old games at prices which are frequently below $50 level.

"There will be some retail price cutting," according to John Wurich, National Semiconductors Video Games (Adversary) Mktg. Mgr. "There will always be the discounters, but they'll just be cutting into profits this year, and they don't need to." Problem, according to dealers we talked to, is fact that discounters will do it—whether they need to or not—forcing others to cut prices & margins in effort to compete. "We'll start out with 40% to 50% margins, and then we'll go down if we have to," buyer for large chain said. "It's crazy, but even if there's a shortage, we may have to do some of our own discounting just to keep up."

"You'll see them at $29.95 before the year is out," N.Y.-based electronics buyer for department store chain said. "A lot of manufacturers have lowered prices substantially, and Bradley's is already advertising Atari's Pong for $53. That game started at $99, so you can see how volatile it is. We're holding back and waiting to see what develops."

Morse announced agreement with lenders for short-term credit agreements to permit it to continue U.S. & Hong Kong operations. Company reported unexpected $36 million loss for fiscal 1976 (Vol. 16:29 p9), says it's negotiating to restructure long-term debt. Part of creditor demands, it's understood, is extensive trimming of marginal operations, which some observers believe could mean elimination of Ross Div. (portable products), dropping of plan to enter component business either under Morse or recently acquired Pilot brand name.

While Rockwell flatly denied rumors of negotiations to sell Admiral TV business to Hitachi (Vol. 16:23 p7), Hitachi simply declined comment. Source inside Hitachi indicated company has interest in acquiring U.S. color TV manufacturing base.

Litton is spending $5.5 million on 250,000-tub microwave oven plant in Sioux Falls, S.D. Slated for completion in March, plant will double Litton's 750,000 annual oven production capacity, add 600 to current 2,100 employees.
GE, JVC & BHC: GE & Japan Victor Corp. are latest industry members to get unfavorable radiation compliance rulings from FDA’s Bureau of Radiological Health.

In decision revealed last week, BRH rejected GE’s request for exemption from recall for some 36,000 microwave oven-range combinations which agency says don’t meet standards for maximum microwave emissions (Vol. 16:17 p11 st. seq.). GE had contended that only a few units, all made since Nov. 1973, were likely to radiate in home use and that situation didn’t present significant health hazard, to back up its concession, BRH prepared 260-page report. At the same time, BRH set Aug. 20 to file notice of intent to appeal BRH decision to FDA, or seek alternative, unless Aug. 30 to submit program for modification of ovens, all of which are in consumer homes. Because GE will need time to study report, BRH said, deadlines will be extended.

JVC has already launched recall and modification program for some 9,098 19” color TV receivers & monitors which BRH says have potential for excessive X-ray emission. While none are known to have radiated in use, BRH says forced failure of high voltage hold-down capacitor by agency’s lab has made samples emit 22 uses per picture tube face at 1.2 milli-ampere per hour, well over 0.05 mR/hr standard. JVC is modifying sets by changing 3 circuit modules, involved are 4,000 sets produced in 1973-74, 1,098 monitors produced in 1973-75, all in consumer use, plus 18 monitors in inventory.

**TV export quotas may be imposed by Taiwan, at notice isn’t clear. News release from Chinese Information Service last week says Taiwan’s Board of Foreign Trade, at request of U.S., is developing export quota system for locally-made b&w sets shipped to U.S., is prepared to offset losses suffered by manufacturers there. Report indicates move doesn’t affect U.S.-owned export-assemblers. We’ve checked report with State, Treasury, Commerce, President’s Office for Trade Negotiations, Taiwan Embassy, can find no one who has heard of quota request being made or received by Taiwan govt. Locally-owned producers account for only 10%-20% of 2-3.5 million b&w TVs U.S. imports from Taiwan annually.

Taiwan Kolin has become Mitsubishi color TV technology licensee through sublicense from Chung Shan Electric, Mitsubishi’s prime licensee on island. Kolin, formerly Nippon Columbia licensee, was forced to suspend color output when NC’s parent, Hitachi, ordered NC out of TV business, starting producing Columbia-brand color in own Taiwan plants. Kolin says it’s resuming color production at 2,000-3,000 monthly rate.

Mergers & acquisitions: Illinois Tool Works completed acquisition of Devcon, Denver, Mass., producer of sealants & adhesives, for shares valued at about $13.5 million...Hamlin has acquired Alma Components, U.K. producer of capacitors, resistors & relays, for undisclosed cash sum. Hamlin said Alma will be expanded to produce liquid crystal displays and solid-state relays for sale in Europe.

**WARRANTY RULES: FTC last week released collection of proposed interpretations of Warranty Act, set Sept. 15 deadline for comments. Among interpretations:**

(1) While Act covers written warranty on consumer products only, questions of applicability to products which have both consumer & commercial use will be “resolved in favor of coverage.” (2) Though Act applies only to products selling for $10 or more, a multiplicity package of cheaper items selling at, say, 10 for $10 is covered unless customer has right to break open package and buy individually. (3) Consumer products installed in homes, boats, etc., by builders, are covered by Act. Manufacturers may not require consumers to return warranty registration cards as condition to granting full warranty, though proof of purchase date may be demanded before warranty is honored. (5) Under limited parts-only warranty, manufacturer may not force consumer to use designated serviced for installation. (5) Statements that use of other than authorized replacement parts or service centers voids warranty are prohibited, however manufacturers may disclaim warranty responsibility for damages stemming from such repair.

**Game Plans:** Price tag on Fairchild Video Entertainment System (VES) will be $150 when it hits market in late Sept. (pending FCC approval), company spokesman says. Earlier, firm said programmable VES would be in $120-$130 range...National Semiconductor began shipping 2-game Adversary last week, will hit full production stride in mid-Sept. Product Mfg. Mgr. John Varich says output during year will be less than 300,000...GI is showing new color game chip to “selected” customers, plans delivery start-up in first quarter 1977. Product Line Mgr. Richard Norwood says “1 or 2” customers probably will introduce game which has higher degree of difficulty and competitiveness than games using current chip, early in year...TI making 6 game circuits ($1.25-$4.54 in 100-unit lots) available, first in family of universal circuits. err, combination circuits can be used for relatively complex games...Atari shipping 3 Super Pong games for every Pong. Consumer Products National Sales Mgr. Malcolm Kahn says, but radio would be closer to 5-to-1 if market were based on demand, not production considerations...First Dimension breaks ground for 2nd Nashville facility, 110,000 sq. ft., to meet anticipated 4th quarter demand. Firm expects to sell nearly 500,000 games this year.

Ad notes: National newspaper advertising in top 20 markets for consumer electronics & recordings last year was valued at $6.64 million, up 2.7% from 1974, Ad Age reports. Value of ads for TV & radio dropped 16.6% to just under $4.1 million, while cost of ads for phonos, tape equipment & recordings rose 53.7% to $2.94 million...Sharp has hired Alex Karras to do TV spots...Union Carbide will spend $250,000 this fall on TV & magazine ads for Eveready watch battery line...Poinser has budgeted $800,000 for fall print & radio spot campaign for FM auto radios...Antenna Specialists has budgeted $2 million for current radio spot campaign for CB antenna line.
Financial Reports of TV-Electronics Companies
These are latest reports as obtained during past week. Sums indicate information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

<table>
<thead>
<tr>
<th>Company &amp; Period</th>
<th>Revenues</th>
<th>Net Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apex</td>
<td>65,449,000</td>
<td>1,812,000</td>
</tr>
<tr>
<td>1976-qtr. to July 31</td>
<td>63,659,000</td>
<td>1,559,000</td>
</tr>
<tr>
<td>Capenhat</td>
<td>9,719,049</td>
<td>(444,960)</td>
</tr>
<tr>
<td>1976-qtr. to June 30</td>
<td>8,708,127</td>
<td>(2,167,300)</td>
</tr>
<tr>
<td>Comcast</td>
<td>5,155,066</td>
<td>303,016</td>
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<tr>
<td>1976-6 mo. to June 30</td>
<td>4,109,421</td>
<td>181,746</td>
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<tr>
<td>1975-6 mo. to June 30</td>
<td>2,723,246</td>
<td>161,493</td>
</tr>
<tr>
<td>1976-qtr. to June 30</td>
<td>2,102,446</td>
<td>109,384</td>
</tr>
<tr>
<td>Gladding</td>
<td>59,810,000</td>
<td>5,378,000</td>
</tr>
<tr>
<td>1976-9 mo. to June 30</td>
<td>46,893,000</td>
<td>(200,000)</td>
</tr>
<tr>
<td>1975-9 mo. to June 30</td>
<td>20,520,000</td>
<td>1,077,004</td>
</tr>
<tr>
<td>1976-7mo. to June 30</td>
<td>17,129,000</td>
<td>(182,000)</td>
</tr>
<tr>
<td>Phillips TV b</td>
<td>5,270,000,000</td>
<td>88,960,000</td>
</tr>
<tr>
<td>1976-6 mo. to June 30</td>
<td>4,500,000,000</td>
<td>38,200,000</td>
</tr>
<tr>
<td>1975-6 mo. to June 30</td>
<td>2,680,000,000</td>
<td>47,900,000</td>
</tr>
<tr>
<td>1976-qtr. to June 30</td>
<td>2,340,000,000</td>
<td>9,700,000</td>
</tr>
<tr>
<td>Regency Electronics</td>
<td>57,110,193</td>
<td>9,058,496</td>
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<tr>
<td>1976-year to June 30</td>
<td>34,110,687</td>
<td>5,203,586</td>
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<tr>
<td>1975-year to June 30</td>
<td>14,660,598</td>
<td>1,181,583</td>
</tr>
<tr>
<td>1976-qtr. to June 30</td>
<td>9,642,078</td>
<td>1,401,176</td>
</tr>
<tr>
<td>Tandy</td>
<td>741,700,000</td>
<td>67,500,000</td>
</tr>
<tr>
<td>1976-year to June 30</td>
<td>526,300,000</td>
<td>38,500,000</td>
</tr>
<tr>
<td>1975-year to June 30</td>
<td>184,700,000</td>
<td>11,800,000</td>
</tr>
<tr>
<td>1976-qtr. to June 30</td>
<td>137,100,000</td>
<td>7,500,000</td>
</tr>
</tbody>
</table>

Notes: aIncludes special credit. bAt guilder's current exchange.

Gross margins of appliance-TV sales & service retailers were 28.3% in 1975, up .2% from previous year, revised & final NARDA Costs-Of-Doing-Busi- ness survey shows. Before-tax profits were 2.1% up .5%. Service-only operations had gross margins of 50.6%, up from 41.7%, before-tax profits of 4.4% up from 4%. Growing TV trade-in business is reflected in survey; 42% of all sales in larger stores ($500,000 volume & over) involved trade-in, compared to 33% last year. NARDA said "1975 was one of the strangest of all survey years, with recession & prosperity occurring in different parts of the country at the same time." Complete survey is available at $25 to non-members from NARDA, 1 N. Riverside Plaza, Chicago 60606.

Obituary

BUILDING UP TO TV-RADIO DEBATES: Negotiators report progress, though differing on timing & format. Networks assure Congress they’d carry League of Women Voters sessions but stress advantages of Sec. 315 modification. (P. 1)

PASTORE 'SHAKEN' over White nomination to FCC, but Ford's confirmation appears assured. Baker fears finding of conflict of interest in husband-wife relationship as 'disincentive to govt. service.' (P. 2)

HOUSER ON OTP POLICY: Won't be critical of FCC, isn't pushing VHF drop-ins, but expects 'some new allocation' out of it. (P. 3)

POLE ATTACHMENT BILL introduced in House by Wirth, Van Deerlin & Rose; would give FCC 3 months to issue rules asserting jurisdiction, allow states meeting FCC minimum standards to 'recapture' pole regulation. Mark-up set for Sept. 2. (P. 3)

JUDICIARY OKAYS COPYRIGHT: Full Committee sends bill on to Rules by 27-1 vote, Eilberg opposed; he sought break for small cable systems. NAB goals also rejected. (P. 4)

BUILDING UP TO TV-RADIO DEBATES: Ford-Carter TV-radio debates continued to shape up last week, as: (1) Candidates' negotiators still disagreed on details but gave assurance arrangements would be worked out, and (2) networks guaranteed Sen. Pastore (D-R.I.) they'd carry debate under sponsorship of League of Women Voters but argued that much more can be done if Sec. 315 is suspended or appealed.

Principal differences between Ford & Carter negotiators appear to be that former want debates to start right after Labor Day and to concentrate on one issue each (defense policy first), while latter want some delay and coverage of many topics in each session.

(Ford is represented by William Ruckelshaus, former deputy attorney gen., & Dean Burch, former GOP chmn. & ex-FCC chmn. Carter's negotiators are Press Secy. Jody Powell & TV-Radio Advisor Barry Jagoda.)

Networks were quick to tell Pastore, Rep. Van Deerlin (D-Cal.), et al., that they weren't trying to take debates away from League; that they're prepared to carry sessions set up by League—but that removal of Sec. 315 restrictions has many advantages for public and candidates.

CBS provided most extensive discussion of problems raised by League sponsorship and of advantages of lifting Sec. 315. It asked: (1) Should debates be designed for live audience or for millions of viewers? (2) Can production problems be controlled more easily in studio? These factors "can in part literally affect the outcome of any such debate." (3) Is there danger audience will distract "or give supporting or negative emphasis to one participant or another?" (4) Isn't...

Putting 2-hours playing time on present cassette would be remarkable achievement in tape economy—Betamax already is most tape-economical VTR system on market.

Sony's second weapon is patent position. JVC, along with Matsushita, Nippon Electric &


Sony already has large investment in Betamax. We were first outsiders to visit new auto-

analog 400-employe production plant in Koda, Japan, now turning out Betamax at 10,000-monthly rate, due to step up to 15,000 in Sept. Plant alone has already cost Sony $11 million, and $3-$4 million more will go into next month's production hike. Existing building there can accommodate 20,000 monthly output, but there's space for 60,000—indicating ultimate near-term annual goal of some 720,000. New Sony tape plant in Dothan, Ala. will concentrate exclusively on Betamax cartridges when it opens next year.

As to MITI's request that VTR manufacturers set single standard for home units, Sony officials reiterated they'd ignore any "standard" unless it's Betamax. Arbitrary standards, ex-

cluded Honorary Chmn. Masaru Ibuka, tend to stop progress of technology and "ignore the consumer."

JVC, meanwhile, has supplied samples for test purposes to Sanyo & Toshiba, supporters of competing V-Cord II system, and to Sharp, currently a fence sitter. JVC spokesman told us Matsushita's recent endorsement of JVC system was not aimed at stopping Sony's drive, but was to give other producers alternative to Betamax for standard MITI is insisting upon. In fact, JVC indicated, there could well be 2 non-compatible home VTR standards.

Another key company in Japanese standard struggle, Hitachi, says it's still evaluating whole home video situation, said it expects it will be "quite a while" before it decides on either a home VTR or videotdisc system. On videotdisc, spokesman said Hitachi has not discussed semiconductor laser pickup it developed for optical discs (Vol. 16:33 p9) with Dutch Philips, offered view that Philips system may be too sophisticated for mass market production, added that Telefunken's TED system didn't seem to fill consumer bill either.

STANDARDS FIGHT SHAPING OVER GAMES: Before first cartridge-based video game even hits retail floor, games industry is warming up to question of software standards; prospects for major battle over issue appear strong. With raft of 2nd-generation microprocessor games set for introduction by year end (see p. 11), several in industry are voicing hope that early standardization will prevent extended period of confusion & dissension in field. At this point, chances of early agreement on cartridge interface or compatibility—allowing programs of one producer to be played on competitor's unit—appear dim.

One of first to raise issue is Donald Schneider, pres. of Lloyd's Monte Verde Div. "We're very interested in 2nd- and 3rd-generation games, but we'd like to see some form of standardization or common ground emerging." With range of varying or "oddball" standards for game software, Schneider said, "market can become totally fragmented." "This is a very volatile thing," he said, "and if for one would feel much more strongly about the strength of the market in the future if there were compatibility, even if I did lose some exclusivity."

Response of Fairchild—first to show cartridge game—was essentially: "Yes, if it's ours."
GAME MAKERS PLAN FUTURE: Race to hit market with 2nd-generation microprocessor game is accelerating. Reaction to Fairchild’s introduction of sophisticated, cartridge-based unit is expected to result in introduction of more by all major manufacturers. Game field will be crowded, with half-dozen or more firms expected to introduce their games, and half-dozen or more firms are expected to introduce sophisticated, cartridge-based game in late 1980 or early 1981.

MAGGIE’S GAME PLANS: First video game to hit market under Magnavox’s expanding Sentinel private-label program (Vol. 16:32 p10) apparently will be Triple Challenge game sold by Gulliver Products, subsidiary of Chicago attaché case producer Stepeco. We’ve learned that game—as Odyssey 300—will be delivered to retail accounts in Sept. with $69-$79 list. Approved by FCC last week, game will be shipped from Odyssey plant in Jefferson City, Tenn.

Allied Leisure will show 5 new games at Winter CES, ranging $89-$169, including cartridge models. Some will have cartridges, some will use other technologies.” McG. Dr. Arnold Fisher said. “They will be capable of doing much more than the Fairchild in games.” Fisher said new games will go to FCC for approval in Feb. & March. We’re using our first games (2- & 4-player ball-&-paddle units) to penetrate the major department stores, then we’ll be ready to go into our 2nd & 3rd-generation games.”

APF will show 2 advanced games at CES: Microprocessor unit using cartridges and multiple-game model with dedicated chip. Microprocessor game will be under $150, feature ‘2 or 3’ ball games with additional games or models available on optional cartridges. Firm will insist on proprietary microprocessor, is now negotiating with 2 semiconductor sources. Hardware will be completed in Nov., and game will probably hit market sometime in 2nd quarter.

First Dimension hopes to hit market with microprocessor game in Dec., start volume deliveries early in Jan. Unit will have 6 built-in ball-&-paddle games, 3 games on optional cartridges which will be in $8 range. Plan now calls for game to be in $130 range, but Pres. Norvell Olive said final price will depend on cost of memory used. Firm will use outside microprocessor source, but has purchased technology “from a company already in the game field.”

Others are obviously working on microprocessor games, and executive with leading material supplier to industry told us firm is working with Magnavox, Tele-Match, Microelectronics and several others. “We’re being impressed with lead times. Everyone we talk to is pushing very hard to get something ready for the FCC as soon as possible,” Magnavox wouldn’t comment on plans, and Microelectronics spokesman said microprocessor game “is only in the research stage at the present time. We may follow through with something in the early spring, but right now it’s just experimental.”

Semiconductor sales by U.S. companies, worldwide, totaled $321.3 million in June, with ICs providing $187.9 million, discrete devices $133.4 million, WEMA reports. Bookings for month were $374 million, including $226.8 million for ICs, $147.2 million for discretes. Comparable 1975 totals aren’t available.

PHILIPS-Brand hi-fi line will debut by Magnavox at Winter Consumer Electronics Show. Line will include U.S.-made receivers & recorders. If successful, Philips brand is expected to replace MX line currently being marketed.
Trade Personalites

Lawrence LeKashan, ex-Lafayette exec. vp., joins Gladding as Electronics Group vp, responsible for CB & marine radio product line, mdg. of subsidiaries Pierce-Simpson, Keytronics, U.S. Fiberglas/Electronics. Mitchell Samaha advanced at Quasar from zone mgr. to gen. mgr. of Quasar Sales, new Tampa factory distribution branch, assuming territory formerly served by independent Handwehr Distributing. Dennis Teller, ex-Sylvania Audio Products, appointed eastern sales mgr. for Hitachi's Audio Div., newly formed to handle hi-fi line; Phil Goldstein named western sales mgr.

Lou Soroko, ex-Apollo Distribution, named Zenith N.Y. operations & personnel mgr.; Robert Reid, ex-Audai sales promotion mgr., joins Bell & Howell Audiovisual Products Div. as mktg. services mgr.; John Kearney resigns as Sony national hi-fi sales mgr.


B. Paul Worsham joins Teac as ad mgr., succeeding Charles Overstreet, resigned... Brooks Van Dyke, Craig product design mgr., adds duties as product planning mgr.; Larry Tinkler promoted to

Financial Reports of TV-Electronics Companies

These are latest reports as obtained just past week. Some indicts information not available at press time. Amounts represent in dollars. Parentheses denote loss.

<table>
<thead>
<tr>
<th>Company &amp; Period</th>
<th>Revenues</th>
<th>Net Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrophone 1974-75 wk. to June 25</td>
<td>44,854,000</td>
<td>(1,960,000)</td>
</tr>
<tr>
<td>Electrophone 1975-76 wk. to June 25</td>
<td>40,234,000</td>
<td>(2,770,000)</td>
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<tr>
<td>Morse Electric Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976-qtr. to June 30</td>
<td>21,630,000</td>
<td></td>
</tr>
<tr>
<td>Scientific-Atlanta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976-year to June 30</td>
<td>45,300,000</td>
<td></td>
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<tr>
<td>1975-year to June 30</td>
<td>35,700,000</td>
<td></td>
</tr>
<tr>
<td>1975-qtr. to June 30</td>
<td>12,800,000</td>
<td></td>
</tr>
<tr>
<td>1975-qtr. to June 30</td>
<td>10,000,000</td>
<td></td>
</tr>
<tr>
<td>Tele-Communications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976-6 mo. to June 30</td>
<td>22,312,000</td>
<td></td>
</tr>
<tr>
<td>1976-6 mo. to June 30</td>
<td>19,556,000</td>
<td></td>
</tr>
<tr>
<td>1975-6 mo. to June 30</td>
<td>11,433,000</td>
<td></td>
</tr>
<tr>
<td>1975-qtr. to June 30</td>
<td>9,981,000</td>
<td></td>
</tr>
</tbody>
</table>

Notes: ¹No comparable figures available. ²Includes selected entries.

R. J. Dunesnil advanced at Altec to national customer service mgr.; Gabriella Engelman, order mgr., succeeding Dunesnil... Mark up, ex-American Can, appointed Union Carbide comp. communications dir.

Gary Barbera advanced at Oak Materials Co. from operations vp to acting group vp, succeeding Raymond Pelico, now corp. operations exec.; William Guerra, former Components Group vp, controller, named corp. controller... Steven Bursig promoted at Signetics Logic Div. to gen. mgr., replacing Norman Miller, now TTI Semiconductor U.S. operations chief; Gary Smith, ex-TRW Semiconductor, joins as industry sales mgr., new post... Mark Eckert, ex-Motorola Semiconductor, now Advanced Microsystems Microprocessor & Memory Group product engineering mgr., Robert Peper promoted at Analog Devices Semiconductor Div. from R&D to gen. mgr., succeeding Modesto Maldaqui, new Harvard Business School professor.

RCA established $30 million 3rd quarter rec. to cover estimated loss on possible disposal of food subsidiaries. RCA said net for period, the deduction for reserve, should be about same as $1 million reported for same 1975 quarter... Some voted 3-for-2 stock split... Curtis Mathis debuts 5½ 4th quarter, 5½ year-end special dividends, and it will continue paying 5½ quarterly if earnings record continues... Hewlett-Packard blamed its quarter profit decline on losses from calculators... Globe-Union increased quarterly dividend to 37.5¢ from 25¢, announced 3-for-2 stock split... Morse showed $2.7 million loss on sales of $11 million in quarter to June 30. While it didn't report comparable 1975 results because it's believed retroactive changes, last year it showed $1.1 million loss on sales of $24.4 million for same period.
Broadcast

GROUP W SEEKS NETWORK INVESTIGATION because of "undue power & influence" over affiliates. Unhappy over expanded news, sex & violence, compensation. FCC asked to freeze expansion of network programs while inquiry is underway. (P. 1)

DEBATES SHAPING UP QUICKLY: League seeks historic spots. Reporters panel—one each from broadcasting, dailies, magazines. Burch & Minow concerned about live audience impact. (P. 2)

FOGARTY & WHITE TERMS SWITCHED: White House agrees to giving Democrat Fogarty 7 years, Republican White 2 years, in exchange for Senate Commerce Committee approval of both. (P. 3)

MORE STAFF CHANGES AT NAB: Krasnow named gen. counsel; Hulbert shifted to restructured Station Services Dept.; Nugent leaves. NAB goes outside for PR head, TV vp, Station Services dir. (P. 4)

NCTA OPPOSES BELL BILL: Legislation would eliminate competition in non-AT&T and non-WU satellite and microwave video distribution. (P. 4)

UTILITIES OPPOSE POLE BILL, but Van Deerein remains confident of House passage of combined for-profit-pole attachment legislation. N.C. Utilities Commission jurisdiction disputed. (P. 5)

‘RADIO NEWSPAPER’ launched in Chicago, Detroit & Madison areas using FM subcarriers. (P. 5)

GROUP W SEEKS NETWORK INVESTIGATION: "The networks are now exerting undue power & influence over affiliated local stations to the detriment of both the stations and the TV viewing public," Group W charged last week in asking FCC to launch broad inquiry and rulemaking into network practices and their relationships with affiliates. Group W also asked Commission to freeze immediately, at present levels, amount of network programming and to require networks to permit affiliate pre-screening 4 weeks before program is aired.

Petition also asked FCC to "review the reasonableness of the networks' unilateral actions in virtually freezing compensation to their affiliates despite...expanded network programming and greatly increased network profits [and] sharply increased local station costs."

Pres. Donald McGannon told us Group W had been "talking about elements of this" complaint for couple of years but that decision to file at FCC was made just 2 weeks ago. "We didn't intend to move this fast," he added, but complaint was expedited because of expectation that all 3 networks soon will announce evening news expansions into station time. (Note: CBS-TV Affiliates' Board has special meeting on longer news Sept. 9-11 at Ala. resort.) McGannon said Group W didn't consider filing antitrust complaint against networks and that "I'm sorry we had to go to

Consumer Electronics

NEW CB PROBLEM looms as makers petition FCC for relaxation of receiver-certification rules. Situation could slow type-acceptance procedures, delay Jan. 1 introductions of 40-channel CBs. (P. 7)

PTC URGES HALT to ITC probe of Japan color producers, says case should be turned over to Treasury, July color & total TV imports set new records. (P. 7)

PRICE WAR LOOMS in color TV as imports swell inventories, despite record 200,000-unit sales week at end of Aug. (P. 8)

AUDEX IN APRIL is tentative plan for Las Vegas audio show under Snitow Organization sponsorship. Wider support needed if event is to be held. (P. 9)

LLOYD'S-CAPEHEART merger called off, no new talks planned. NYSE moves to delist Morse. (P. 9)

CANADA'S COLOR market rose 52.6% in first quarter & jumped 114%, (P. 10)

NOVATECH—NEW GAME name—staffed by laid-off Admiral engineers. (P. 10)

FIRST HALF IMPORTS of audio products up sharply in most segments. Auto radios up 147%, home radios 49%, phonos 20%, record changers 157%. (P. 11)

MAGNAVOX GAME PROGRAM off-&-running, with another customer signed by Sentinel private-label div. In-house rivalry with Odyssey group sparked. (P. 12)
CANADA’S QUARTER: Canada’s total TV market, on new supply basis, rebounded sharply in first quarter, but imports reaped bulk of benefit, figures from Statistics Canada show.

In opening period, 301, 700 TVs were produced in Canada or imported, up 67.2% from same 1975 quarter, with color up 52.8% to 208, 900, b&w up 114% to 91, 800. Total domestic TV production, including that of foreign-owned firms, rose 36.7%, with color up 37.1%, b&w up 33.7%. At same time, imports jumped 94.7%, with color rising 71.6%, b&w 137.6%. Imports captured 61.2% of Canada’s market, up from 52.6% in Jan. - March last year, including 50.4% of color, up from 44.9%, 85.8% of b&w, up from 77.3%.

Sales by domestic manufacturers failed to keep up with production gain. Total factory sales of 107, 600 (excluding imports) were down 4.1%, as color sales rose 0.7% to 92, 600, b&w volume slumped 25.9% to 15, 000. Japan was major foreign color supplier to market, displacing U.S., with 43, 100 sets, up 178.7%, though Singapore’s increase of 300.6% to 9, 900 was largest; U.S. provided 21, 000, up 15.7%. In b&w, Japan took first place, too, providing 26, 700, up 268.1%. Korea supplied 1, 500, up 177.9%, while Taiwan, which dropped from first to 3rd in rankings, accounted for 19, 100, up 24.2%.

After year’s lapse, Canada has resumed reporting phono-only production data, an indication that at least 3 companies are active, continues to withhold stereomono breakdown. Here are details:

<table>
<thead>
<tr>
<th>CANADIAN PRODUCTION</th>
<th>1st Quarter</th>
<th>1st Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1976</td>
<td>1975</td>
</tr>
<tr>
<td>Total TV</td>
<td>117, 080</td>
<td>85, 600</td>
</tr>
<tr>
<td>color</td>
<td>104, 051</td>
<td>75, 856</td>
</tr>
<tr>
<td>monochrome</td>
<td>13, 029</td>
<td>9, 744</td>
</tr>
<tr>
<td>Total phono</td>
<td>33, 485</td>
<td>n.a.</td>
</tr>
<tr>
<td>radio-phono</td>
<td>26, 941</td>
<td>10, 947</td>
</tr>
<tr>
<td>phono-only</td>
<td>6, 544</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CANADIAN IMPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TV</td>
</tr>
<tr>
<td>color</td>
</tr>
<tr>
<td>monochrome</td>
</tr>
<tr>
<td>Home radio</td>
</tr>
<tr>
<td>Auto radio</td>
</tr>
<tr>
<td>Total phono</td>
</tr>
<tr>
<td>radio-phono</td>
</tr>
<tr>
<td>phono-only</td>
</tr>
<tr>
<td>Tape rec. &amp; players</td>
</tr>
<tr>
<td>Transceivers</td>
</tr>
</tbody>
</table>

Toshiba color TV exports are expected to reach 650, 000 this year, with some 455, 000 aimed for U.S. & Canada. Of those shipped here, about 150, 000 will carry Toshiba brand, 200, 000 Sears, rest labels of J.C. Penney and other private-brand accounts. Sharp says U.S. sales of consumer electronics, appliances, calculators, office equipment & video gear should hit $300 million this year, up from $170 million last year.

NOVATECH—NEW GAME NAME: Recent shake-up at Admiral has spawned new force in game field, design & engineering firm called Novatech while mastermind cartridge-based microprocessor units being readied by First Dimension (Vol. 16:35 p11). Firms is composed of 7 former Admiral Advanced Development Group engineers, including Pres. William Slavik, ex-Group dir. All are active in Videopond program (Vol. 16:29 p13), which has been dropped, before being laid off by Admiral in economy move.

Under exclusive contract with First Dimension, Novatech will develop new system described by Slavik as "streamlined version of Videopond." Use of microprocessor source, he added, "is about the only real similarity." It’s beginning of line will be offered with about 20 cartridges—in 8 range—each with 1-3 games, depending on complexity. System will differ from Fairchild VES, with "greater number of variations and more strategy and thought-oriented games."

In future, Novatech will design other consumer electronic products using microprocessors for First Dimension, including line of home security system. Firm also will design microprocessor-based product for commercial & industrial applications and field “will see a number of companies like Novatech springing up in the near future,” according to Slavik.

Other Novatech execs.: Eric Peterson, ex-Admiral mkgt. services dir., mkgt. & sales exec. vp; Steve Morris, former business planning mgmt. & business administration & finance vp; David Mueller, former electrical engineering mgmt. & product development vp; William Huber, former mechanical engineering mgmt. & operations & mgmt. vp; John Moravec & Daniel Prysby, former technical specialists, electronic engineers.

Acquisition of MOS Technology by Commodore International could see vertically-integrated game under Commodore brand. MOS will begin deliveries of new game chip (Vol. 16:23 p9) on small scale this month with full-scale deliveries in Oct. Commodore game using chip is possibility, firm said, added the MOS will continue to serve outside markets with 2 exclusive contracts, including under Commodore brand. MOS will begin deliveries in Oct. Commodore game using chip is possibility, firm said, added the MOS will continue to serve outside markets with 2 exclusive contracts, including under Commodore brand.

Advent VideoBeam projection systems now in use total about 6,000, according to annual report, which notes that unit is handled by 160 dealers with 220 outlets and that distribution is being broadened for new consumer unit. Company plans to more than double its video sales staff in 1976. In fiscal year ended March 27, VideoBeam sales totaled $10, 985, 855 (vs. $3, 308, 033 preceding year), loudspeaker sales $10, 134, 018 (vs. $10, 085, 012), tape decks $2, 081, 629 (vs. $2, 416, 341), other products $1, 328, 330 ($194, 663).

EIA convention in L.A. Sept. 27-30 will feature address by ITC Chmn. Will Leonard, who will also participate in seminar on imports, fair trade & customs.
Trade Personal

Julius Koppelman & Irving Kessler promoted to new posts of group vps, RCA Electronics & Diversified Businesses. Koppelman, ex-service Co. pres., will be responsible for Distributor & Special Products; Kessler, ex- Gov't. & Commercial Systems exec. vp, will supervise Commercial Communications & Gov't. Systems Divs.; Joseph Karoly promoted from Service Co. consumer services vp to pres.; James Vollmer, ex-govt. communications systems vp-gen. mgr., becomes Gov't. Services Div. vp-gen. mgr. . . . Robert Redecker, mktg. vp of RCA subsidiary Barcalou Foods and one-time distributor operations staff vp, will become exec. vp-sales, RCA Sales Corp.


Henry Frailey, Corning vp, moves from mfg. mgr., Electrical Products Div., to TV products business mgr., succeeding John Galley, now materials business mgr. . . . Richard van de Ven, ex-Western Electric & Reynolds Aluminum, named to new post, as yet untitled, in Zenith PR dept.


MORE MAGNAVOX GAMES: Magnavox private label game program—by seemingly autonomous Sentinel group—continues to gather steam, and program apparently is generating more than in-house rivalry between Odyssey & Sentinel. Latest customer is General Home Products, Burlington, N.J., which will market Wonder Wizard 3—game unit this fall. Identical to Odyssey 300 with exception of cabinet, game was approved by FCC last week. General Home Sales & Mktg. vp Richard Hockman tells us game will have dealer cost of $39, retail in 10-20 range (suggested list for Odyssey 300 is $70).

General Home, described by Hockman as leading U.S. producer of shopping carts & physical fitness equipment, has contract with Magnavox for delivery of more than 100,000 games by year's end and hopes to ship 125,000-150,000 units. Distribution will be through drug chains, toy & sporting goods mass merchants, Other Sentinel customer, Gulliver Products, won FCC approval Aug. 27 (Vol. 16:35 p11). Other approvals last week: Electronic Resources Ltd. (Hong Kong), 2 games under American brand; American Consumer Electronics (Viscount, England) one game; Phone Mate, one; Digitek Electronics Ltd. (Hong Kong) one; Unison one; Magnavox, 2 versions of Odyssey 400.

New Heath Co., game kit (Vol. 16:21 p3) does not need FCC approval, will hook directly into video circuit of any Heath solid-state TV set. Sportscreen game uses GI chip, offers 4 games, will cost $55-65. Heath stores, $50 by mail. Game takes 5-6 hours to assemble, can be connected to TV set in 3 min. Alligator clips to hook up video & sound inputs, pre-supply & ground. It will be available in Oct.

Other developments: Oki Electric (Japan) will enter video game chip market, produce 1-2 million chips by year's end . . . Coleco reportedly holds 70-75% of Canadian game market, sells low-end Telsa in $70 range ($49-$59 in U.S.), deluxe Telstar Classic at $90 . . . Entex will introduce 2 new games in Jan.: 5- or 6-game ball- & paddle unit for $50-$60; single-function target game "oriented toward kids.

CB Scene: FCC isn't ignoring CB, will try to solve problems, Chmn. Wiley told group of distributors & manufacturers at meeting organized by CEDA (Communications Equipment Distributors Assn.). CEDA is mounting program to combat bad CB press, misinterpretations of recent FCC ruling. King's Point, Realtime of Japan subsidiary, is entering mobile field Jan. 1 with "uniquely styled" line . . . Japanese suppliers are urging strong stand against cancellation of 23-channel orders. "If an import cancels his order, be prepared never to deal with that company again," Cybernet Pres. Haruki Tomoda said at panel discussion.

"The Sony Vision" by Nick Lyons will be published Sept. 29 by Crown Publishers ($7.95).

Obituary

Ted Henke, 55, editor & co-founder of Sight & Sound Marketing, died Aug. 28 of heart attack in N.Y. He had recently been designated editor-in-chief of Drorbaugh Publications' upcoming Cber's Quarterly.
WILEY'S "HAPPY NEWS" FOR IRTS: FCC Chmn. Wiley's 3rd appearance before IRTS—which the Republican termed "perhaps a last turn at bat"—pleased just about everyone in broadcast-dominated audience. What pleased them most (and sole time they interrupted with applause) was this: "The last thing that we need in this country is more federal controls on programming."

Among principal points of address:

1. He's proud of FCC's "Aspen" decision which allowed League of Women Voters to put on televised debates. He favors suspension of Sec. 315, amendment to cover major party candidates, "or, better yet, outright abolition."

2. Licenses should run 5 years and there should be "an end to the drawn-out, expensive and essentially pointless comparative renewal hearing involving an incumbent licensee." In comparative renewal hearings, "deck is stacked against a licensee who has acquired multiple broadcast properties (within permissible limits) and who employs professional management at his stations. Frankly, I can think of no other enterprise in this country in which an operator—who is doing a good and faithful (if not 'superior') job of serving his community—runs the risk every 3 years of losing his opportunity to stay in business as well as most of his financial in-

3. Cable copyright liability "is economically fair and morally right." If CATV gets copy-
COLOR TV PRODUCT MIX—FIRST HALF

<table>
<thead>
<tr>
<th>Type</th>
<th>1976 Units</th>
<th>% of total</th>
<th>1975 Units</th>
<th>% of total</th>
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<tbody>
<tr>
<td>Portable-table</td>
<td>2,699,000</td>
<td>71.0</td>
<td>1,833,000</td>
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<tr>
<td>Console</td>
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<td>28.6</td>
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<tr>
<td>Combination</td>
<td>15,000</td>
<td>0.4</td>
<td>14,000</td>
<td>0.5</td>
</tr>
<tr>
<td>Total</td>
<td>3,800,000</td>
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<td>2,625,000</td>
<td>100.0</td>
</tr>
<tr>
<td>Solid-state</td>
<td>3,679,000</td>
<td>96.8</td>
<td>2,331,000</td>
<td>85.5</td>
</tr>
<tr>
<td>Remote control</td>
<td>411,000</td>
<td>10.8</td>
<td>174,000</td>
<td>6.5</td>
</tr>
</tbody>
</table>

Breakdown of color portable-table results by screen size shows 12" &-under at 310,200, up 130.5% for 11.5% share of market (up from 7.3%); 13" at 223,200, up 121.8% for 8.3% (5.5%); 14-15" at 190,100, up 70.9% for 7% (6.1%); 16-17" at 225,200, down 13.2% for 8.2% (14.2%); 18-19" at 1,608,300, up 43.1% for 59.6% (61.3%); over -19" at 142,300, up 38.2% (5.3%) In consoles, 25" rose 24.1% to 813,500 for 74.9% share (74.7%).

In b&w, output of solid-state sets jumped dramatic 150.9% to 2.5 million. Battery portables rose 135.4% to 452,300, for 17.2% market share, up from 9.7%. Portable-table models showed 33.6% gain to 2.6 million, accounting for 98.6% of new supply, up from 98.3% as more &-under at 459,000, up 19.4% for 17.4% share (down from 19.5%); 11-12" at 1,224,700, up 23.8% for 46.4% (50.1%); 13-15" at 109,300, up 31.5% for 4.1% (4.2%); 16-17" at 201,000, up 115.2% for 7.6% (4.7%); 18"&-over at 641,700, up 51.4% for 24.4% (21.4%).

Comparison of EIA & Commerce figures indicates imports lost ground in small-screen color market, captured significantly larger share of larger-screen portable business. Total show imports accounted for 61.3% of 12" &-under color (down from 76.4%), 62.1% of 13" (down from 70.1%), 49.9% of 14-15" (up from 29.1%), 12.3% of 16-17" (up from 10.6%), solid 34% of 18-19" (up from 15%). In b&w portable-table, imports supplied 94.5% of 10" &-under (up from 77.9%), 88% of 11-12" (up from 81%), 31.3% of 13-17" (down from 59.4%), 22.1% of larger up (down from 41.8%).

GAME STANDARDS COMMITTEE: Ad hoc committee to study issue of software compatibility in coming generation of programmable video games is being formed by Semiconductor Div. Mgr. Richard Bader, National Semiconductor. He hopes to have working group organized in several weeks, envisions round of committee & subcommittee meetings resulting in white paper containing recommendations by Christmas. Included will be execs. from primary manufacturers (semiconductor & electronic systems houses), marketing firms (Lloyd's, APF, etc.), retailers & potential software suppliers. National will introduce programmable game in Feb. or March, according to Bader, probably using non-destructible memory on printed-circuit "card" housed in cartridge. "That's the way we think we'll go after 2-1/2 years of thinking," Bader said, "but it could always change if we come up with something better."

SBE filed with International Trade Commission, then withdrew, unfair import competition complaint charging that scanner made by Hitachi and offered by Sears for $299 violates SBE's patent for card-reading optical tuning system. SBE said it has agreed tentatively to license Hitachi.

GE settled FM-stereo patent suit against Morse not by selling license, as was indicated by GE (Vol. 16:18 p11), but by selling patent itself. According to Morse filing with SEC, it acquired patent through wholly owned subsidiary formed for purpose, Stereo Patents, for $4.43 million, paying $1.5 million down balance over next 5 years. Until paid for, patent has been reassigned to GE, which continues to collect royalties ($207,000 in first quarter this year) up to amount of annual installment, with Morse obligated to make up deficit if royalties fall short. As part of deal, GE agreed to help defend against any legal challenge to patent. Filing shows GE had 41 royalty-paying licensees, of which 40 are in Far East, virtually all Japanese. Only U.S. company on roster is RCA. There was no indication of companies which may have royalty-free cross licenses.

U.S. citizens visiting Mexico should leave CB equipment at home if possible, FCC warned. If this can't be done, visitors should declare equipment at border, refrain from using equipment or selling it while in Mexico, Commission advised. It noted the foreigners are prohibited from operating or importing CB in Mexico.
WAR-ATARI DEAL: Acquisition of coin-op & home video game supplier Atari by Warner Communications not only lends game field needed touch of respectability, but gives Atari strong edge in programmable, cartridge-based market. Decision to buy Atari was based on several considerations—including probable game-cable TV marriage through subsidiary Warner Cable—but primary motivation was clearly determination that game isn’tfad but integral part of emerging home video systems industry.

For Atari, deal carries promise of funding for R&D work on advanced projects it couldn’t finance on own. “Now I can stop running around the country trying to raise money and get back to running the company,” Pres. Nolan Bushnell told us. “We needed someone with full pockets, and we got it. This gives us the money to do a lot of things we couldn’t do.” More immediately, it gives Atari access to one of world’s largest record distribution networks through Warner subsidiary WEAI, providing ready-made marketing structure for game cartridges when firm introduces programmable unit—probably some time next year.

Warner is studying possibility of broadcasting games over cable into its 2-way system goes into operation. “Games on TV by using the cable are something we’ve been thinking of for a couple of years,” Warner Cable Chmn. Gustave Hauser said. “The presence of Atari in our family has a lot of synergism, because they have a lot of capability in that field.” Hauser wouldn’t discuss details or timetable for 2-way project, stuck to previous statement that company is planning implementation “in a specific urban market.”

Both Bushnell & Warner indicated Atari will explore non-video applications of electronic game concept but declined to give details. Total purchase price is roughly $28 million, giving Warner controlling interest for cash & debt. Deal is dependent on approval by state of Cal. and acceptance of offer by 2/3 of each class of company’s shares. Atari, which is moving headquarters, R&D group and 2 plants to Sunnyvale, Cal., had income of about $39 million in fiscal year ended May 29, earnings of about $3.5 million.

Other developments: FCC approved games from Lloyd’s (Monte Verde E825A & Lloyd’s E802A), Intercon Mktx, Corp. (Gemini 7640) & Unisonic (Tournament 1000), Tournament 1000 ($99, 4 games) joins Tournament 2000, 6-game unit now being discounted at $88 in N.Y. area, as 2nd model in Unisonic line; programmable unit in $169 range will be shown at Jan. CES... Radio Shack unveils TV Scoreboard, $100 4-game model, in new catalog... GI will show new game chips (Vol. 16:34 p11), including Ball & Paddle II & tank-battle chips, at Wescos;76 in L.A. this month... Frost & Sullivan study projects $639-million electronics game market, including home & coin-op segments, by 1985.

Morse withdrew $9.6-million N.Y. Supreme Court action against Soundesign (Vol. 16:29 p9). Terms of settlement of suit, in which Morse charged slander, theft of trade secrets and unfair competition weren’t disclosed.

VIDEO TAPE ECONOMICS: Real measure of economy in videotape recording is amount of magnetic material required for given playing time. Sony’s development of new version of Betamax machine will provide 2 hours of recording on same cassette which now records for one (see p. 9) gives it almost sevenfold advantage over standard U-Matic machine.

Comparison below gives approximate record-play times for most existing, proposed & past consumer & industrial cassette & cartridge systems. Cartrivision & RCA MagTape systems, for which there are no longer any commercial plans, are included for comparison only. V-Cord II is listed in both skip-field & full-field modes; same machine will operate both ways. Sony’s 3-hour Betamax is not listed because it is said to be about 10 years in future; it would require only 6.9 sq. ft. per hour.


Total radio shipments to U.S. for month were up 264%, bulk of gain represented by 717% jump in auto radios. Total home radios rose 61.2% to 358,000; clock & AM-only models each posted better than 3-fold gain and FM units edged up 12.9%. Total tape equipment exports of 1.3 million were up 9.6%, with automotive units up 45% to 228,000, home models up 4.2% to 1.08 million. Radio-phonos posted 111.8% gain to 43,700.
SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

1976 COLOR SALES to dealers seen totaling about 7.5 million, up 16.5% from last year. (P. 7)

GRIFFITHS HEADS RCA after Conrad's surprise resignation. Emphasis on financial controls seen. (P. 7)

BID FOR QUOTAS on color imports due for filing with ITC this week by COMPACT. (P. 8)

JVC's VIDEOCASSSETTE recorder gives good pictures, resembles high-end stereo cassette deck, uses cobalt-doped tape. Price in U.S. seen about $1,000. (P. 9)

IMPORT ADJUSTMENT assistance request by color yoke producers tied to Sanyo's acquisition of Warwick plant. (P. 9)

CB KEEPS FCC BUSY as it fights rumors channel expansion is dead, launches testing program. (P. 10)

SONY AIMS at 10% of U.S. color market, or million sets, by 1980. (P. 10)

MATSUSHITA TV OUTPUT in 27 factories totals about 5 million annually—more than 12% share of non-Communist world market. (P. 11)

MORSE WRITEOFFS for 1976 included $15.6 million for inventory, $2 million for plant closings. Capehart, Lloyd's, Soundsign report results. (P. 11)

Broadcast

NETWORKS PIQUED AT LEAGUE RULES: "Each network, to one degree or another," is very unhappy with restrictions League of Women Voters has placed on coverage of Sept. 23 Ford-Carter debate from Philadelphia, network officials told us. Sept. 14 meeting between networks and League Project Dir. James Karayan was described as "not pleasant." Major restrictions networks don't like:

1) Prohibition against showing audience. Opening & closing shots are restricted to showing backs of heads only; League has prohibited pool cameras from showing faces and/or reactions during debate. 2) League refusal to permit networks to use their own cameras in Philadelphia's Walnut St. Theater. Another session on arrangements was scheduled Sept. 18. Principal network negotiators with Karayan are Walter Pfister (ABC), Robert Chandler (CBS), Robert Mulhall (NBC).

"They're censoring us; they're telling us how to cover a news event," network official complained. FCC Comr. Abbott Washburn, for one, on other hand, thinks restrictions—particularly against showing audience reactions—are great. "Here, here," he said. "Let's make it a real debate and not an extravaganza for the media." Ford spokesman Dean Burch said both candidates were "very, very concerned about this...This is not Monday night football." However, he admitted, directors will have "a problem deciding what to show except talking heads."
Trade Personals

Edward Wennerstrand advanced at BSR to vp-gen. mgr. of subsidiary Audio Dynamics, assuming duties of John Bubbers, who resigns as pres.; Timothy McLoughlin succeeds Wennerstrand as midwest region mgr.; William Washburn promoted from supervisor to mgr. of purchasing, replacing McLoughlin; Richard Steininger advanced from west region mgr. to field sales mgr.


Clifford Matthews, Hallcrafters pres., advanced to pres. of parent Breaker Corp., succeeding Thomas Melnor, now gen. mgr. of Video Design Div. of First Dimension... Robert Lynch, Sylvania Commercial Electronics Div. gen. mgr., named vp... Robert Depalma advanced at Rockwell from financial analysis vp to finance vp & chief financial officer, succeeding Robert Rice, resigned.

William Boss, RCA Consumer Electronics vp, & John Hollands, BSR (U.S.) pres., are expected to be elected respective chmn. of EIA Video & Audio Divs. at Sept. 27-30 convention in L.A., succeeding Walter Fisher (Zenith) & John Kearney (ex-Sony); Boss will also succeed Fisher as CEG chmn... Edward Khoury, pres. of Capitol Records Music Den (retail stores), adds post as Capitol Magnetics pres., succeeding Tony Cunha, now vp of parent corp... Eugene Tangney promoted at RCA to Distributor & Special Products Div. industrial relations vp.

Yoichi Nakase named Kenwood senior vp, heads west coast operations; William Kasuga assumes same post in N.Y... Virgil Stout appointed electronics science & engineering R&D. & eng. mg at GE’s Schenectady, N.Y. R&D Center, succeeding Robert Pry, resigned... Robert Knolles named Fuji Photo Video Tape Div. Rocky Mountain mgr... Cheryl Druck appointed University Sound sales admin. supervisor.

CB Scene: Tenna Corp. will supply Lincoln-Mercury Div. of Ford with retractable electric CB antennas for use as optional equipment on 1977 Lincoln & Mark IV models. Ford recently signed deal with Motorola for underdash CBs (Vol. 16:30 p11)... Kokusai Electric, Hitachi affiliate, will produce 10,000 40-channel CBs monthly for Pathcom beginning in Oct., increase production to 15-20,000 next spring... Breaker Corp., which acquired Hallcrafters last year (Vol. 15:48 p9), will change name to Hallcrafters. Breaker brand will be used on many Hallcrafters products. Firm hopes to market 13-model line of 40-channel CBs next year.

Admiral will rebuild Mexico City TV-stereo plant destroyed by fire last Nov. New 131,000-sq. ft. facility is scheduled for completion by Feb. Products currently are being assembled in 2 temporary buildings (Vol. 16:4 p14).

TV safety standard options, ranging from house development of complete standard by Consumer Product Safety Commission to adoption of UL test as recognized voluntary standard, still are being weighed by commissioners, CPSC spokesman told us. He indicated there is strong staff support for voluntary approach, but said commissioners have given no indication of their views or when they’ll reach decision. By regulation, CPSC was supposed to have completed analysis of UL’s standard proposal, publish final version and schedule hearing by Sept. 7. Feeling in industry that CPSC already decided on mandatory standard, which UL’s report says could add up to $92 to cost of color TV (Vol. 16:28 p11), is based on incorrect interpretation of CPSC’s published budget, we were told.

Obituary

Philip Friedman, 78, co-founder & honorary chairman of APF Electronics, died Sept. 10 in Hawaii after surgery. Resident of Tokyo since 1962 where he established jewelry export business, he founded Filjay, which supplied U.S. consumer electronics firms, including Olympic. He joined Delmonico as Far Eastern procurement chief, was APF chmn. until last Dec. He lived in Hawaii during World War II. Survivors include brother Albert APF chmn.
SUMMARY-INDEX OF WEEK'S NEWS

SEPTMBER 27, 1976

Broadcast

DEBATE PLAGUED by 27-min. gap. "The Commission has been had," House Communications Committee Chmn. Van Deerlin (D-Cal.) told us, commenting on FCC's 1975 decision to exempt political debates from equal time requirement when staged by 3rd party (Vol. 15:39 p1). "If [Sept. 23 debate] was a bona fide news event, they wouldn't have let the 2 candidates standing there like statues in a wax museum for half an hour's time. They would have completed the debate before the live audience."

The Commission has been had, Van Deerlin charges, noting that debate immediately ground to halt following loss of audio to nationwide TV audience. Debate didn't resume for 27 min., when audio resumed. During that time, candidates shifted nervously, speaking not a word to each other, while engineers attempted frantically to find problem. Van Deerlin implied that FCC decision was at least partially responsible for ABC pool's technical problems, since it forced network to set up cameras and equipment in Philadelphia's Walnut St. Theater, rather than in network studio, added: "The League had no involvement except for announcements before and after the debate. The networks should not be compelled to work in an old theater" simply to establish that League is debate's sponsor.

Consumer Electronics

'PROFITABILITY IS KEY' to RCA Pres. Griffiths' philosophy. Interview indicates TV will remain profitable even if industry sales drop. (P. 9)

SIRAGUSA BACK IN TV through acquisition of RCA Chicago branch. Medica is pres. (P. 10)

COLOR IMPORT QUOTA petition filed with ITC by COMPACT with outside support only from Sylvania & Sprague. (P. 10)

FCC REJECTS CB units for failing stiff new receiver-radiation standard. Test 30 of 78 units submitted. Suppliers admit some don't meet new rules. (P. 11)

MATSUSHITA VTR cassette playing time extended to 2 hours from 100 min. Sony will have industrial Betamax in 2 versions early next year. Hitachi considers still another videocassette format. (P. 12)

NEW ZENITH TUBE & Corning bulb run into unanticipated start-up problems. Second size may be delayed. (P. 13)

PIONEER SALES in U.S. soared 64% to $148 million in fiscal 9 months, prospectus shows. U.S. speaker plant planned. Sony reports record profits for 3rd quarter, 9 months. (P. 13)
ANOTHER 2-HOUR VTR: Two-hour cassette will be introduced soon for Matsushita's low-priced VX-2000 videocassette recorder, we've learned. Longest-playing cassette for this machine currently has 100-min. VX-2000 deck is the one Qasar plans to introduce in U.S. near year's end, and presumably 2-hour cassette will be available by that time. Extra playing time was achieved by using thinner tape. Our report this month indicated Matsushita was working on 2-hour cassette (Vol. 16:37 p9).

Sony America, meanwhile, notified its industrial video dealers that industrial versions of Betamax—play-only & player-recorder with tuner—would be introduced in Jan. or Feb. They'll differ from consumer model and will be "intended to complement the U-Matic." Sony marketing bulletin saw major potential for Betamax in corporate & private videotape networks, education & training, limited potential in broadcasting & teleproduction. It said duplicator for Betamax tapes is now in distribution.

More programming ventures for Betamax are due soon. In addition to Sony—Paramount test (Vol. 16:32 p9) and venture into Betamax programming by Teletronics International with MGS Services (Vol. 16:8 p8), Billboard reports Sports World Cinema, Salt Lake City, plans to offer 37 hours of sports programming for sale or rental. Videoplay Report newsletter says 2 Betamax duplicators have been sold to Magnetic Video Corp., Farmington, Mich., one to Sony Teletronics venture S/T Videocassette. Both publications say Sony is being cooperative with all would-be Betamax programmers.

Another—and 5th—home videocassette system may be introduced in Japan. Hitachi is developing recorder (working name, "AC-4") with extremely compact one-hour 2- reel cassette of 1/2" tape, smaller than any introduced to date. Company hasn't decided whether to market machine. Meanwhile, Hitachi subsidiary Maxell says it's negotiating with Sony to produce Betamax cassettes, could have product in Jan.

Record & play MDR magnetic videodisc, described in these pages for first time in 1978, is scheduled to be demonstrated again at Videocon in Cannes this week. Videom press release says player & discs will be introduced in German & French markets "during the 3rd quarter," which presumably means this week.

"World's lowest cost, highest performance" 2-vidicon color camera was announced by JVC for marketing in Japan in early Dec. Designed for home use as accessory to its VHS recorder (Vol. 16:38 p9), it's priced at about $1,000. Step-up semi-professional model will be about $1,300. Initial production will be 1,000 & 500 a month, respectively.

ADVERSEY LICENSE DEAL: National Semiconductor Corp.'s 3-game Adversary will show up on U.S. market under different name with different colors, under licensing agreement with Intercon Mk Constr. subsidiary of Philippines-based Intercon Mfg. Corp. Intercon will supply Fried Trading Co. with 50,000 games using Adversary circuitry & chip this year. Intercon has tentative agreement to supply Phone-Mate with Adversary game (Intercon already supplies Phone-Mate with Zork game using GI chip).

Two versions of Adversary—Gemini ($90) & Color ($100)—will be produced in Philippines, and in Hong Kong by Intercon joint-venture partner Electronic Resources. Both have been approved by FCC. Intercon Pres. Ramon Torres said first games will arrive in U.S. from Far East Oct. 10. U.S. production will begin in mid-Oct. in plant in Campbell, Calif. Intercon has been major supplier to Canadian firms making GI games for Glory Tone, IEA (Weber Electronics) & Unitrex.

Meanwhile, FCC approved 5 versions of E&P Electronics (Hong Kong) game previously approved and one Radio Shack game. Califax is entering market with 4-game Bag-A-Tel using GI chip, FCC-approved unit is made in Hong Kong. Dealer cost is $39.75 in lots of 1,000, retail price in $49-$59 range. Firm hopes to ship 15,000 in time for Christmas season. Radio Shack game (Vol. 16:37 p11) is being supplied by Microelectronics under $6.5 million private-label deal involving 135,000 units. Microelectronics spokesman said Radio Shack game is similar to firm's Rocolet which. Other private-label customers are being cultivated.

Ad notes: RCA corporate account resigned by J.W. Thompson, which lost 2 RCA TV accounts & Banquet Foods in last 2 years. GE appoints Lassiter Ballard Little for $300,000 trade TV account, retains Grey for consumer ads. Sharp will spend $3 million, mainly on spot TV, in its first major national campaign. Magnavox will use "Touchdown" theme as theme for contest promotion Oct. 15-Dec. 24. Prizes include radios, blankets, bathtubs, Grand prizes are 10 trips to Super Bowl, 30 encyclopedia sets. JVC Industries (video equipment) appoints Michler-Cather, former Sony video agency, replacing Philip Stogel Co., which continues on JVC America (consumer electronics) account. JVCVII says it has $2-million budget, about evenly divided for ads & promotion. Sylvania fall newspaper campaign for GT-Matic color calls for $1-million outlay by Sylvania & distributors. Harman International gave PBS grant for TV special "Harry S. Truman Plain Speaking." Hitachi launched first national campaign, all print, for color TV. Ads will run in magazines through Dec., calls set "Polar Chrome" to emphasize low power drain, cool operation.

Curtis Mathes has received $1-million loan from New Nippon Electric, its supplier of 12" b&w sets, color portables and sizeable percentage of big-screen color chassis as well as audio products. CM is re-entering stereo console & color TV combination business. Two-thirds of its color sales are in 23" & 25 sizes.
SUMMARY-INDEX OF WEEK'S NEWS

JAPAN COLOR EXPORT boom slowed in Aug., with shipments to U.S. up comparatively moderate 87%, but 343,200 total is 3rd highest on record. CB & monochrome also post solid gains. (P. 7)

SONY CUTS BETAMAX price 25% in Japan, tagging it $100 under upcoming JVC deck, also reduces tape price. Magnetic disc recorders promised next year in U.S. & Europe. (P. 8)

 AUDIO INDUSTRY upheaval intensifies as Superscope becomes private-label supplier. (P. 9)

GAME SHORTAGE through year's end still key to total sales, now seen by industry as 3-3.5 million units. Chip supply is big problem. (P. 9)

FCC CB TESTS show over half meeting new receiver radiation standards. Next step—analysis of why they passed—could lead to relaxation. (P. 11)

IMPORT AID REJECTED for GI & Ampex workers, approved for ex-Gibbs Mg.'s employees. Labor Dept. studies impact of capacitor imports on jobs at Mepco-Electra. (P. 11)

CHRISTMAS CATALOGS offer new game names, low-ball CB combinations, bargains on color sets. More space devoted to consumer electronics. (P. 12)

TAKE & KIDS & VIOLENCE: Not enough is now known of effects of TV ads on children to formulate federal regulatory policy, but problem is not as bad as some critics charge, group of prominent social scientists has concluded in draft report prepared for National Science Found. (NSF). Thus NSF's $125,000 effort to determine what is known of effects of TV ads on children has ended in outline for further research. NSF commissioned study in Aug. 1975 at suggestion of then FTC Chmn. Lewis Engman; project mgr. is Aspen Institute's Richard Adler (Vol. 15:32 p6).

Scientists said review of all available research found paucity of studies, characterized by flawed or ambiguous evidence & conclusions. Further, group noted in draft conclusions, few studies have been helpful in policymaking. For example, study recommending different policies for children at different age levels would be "impractical for a mass medium."

Draft recommends 2 types of research: (1) Small studies aimed at specific policy questions, such as "how effective are commercial food messages in communicating nutritional information to children?" (2) Major examination of TV's role in shaping child, compared with all other sources of socialization. Latter study would involve large group of children of different ages in different locations over less than 2 years' time, while former would involve small groups over short period.
One dealer who was specifically quoted in one of these accounts told us
that recent representative approach him last Nov. to get feeling of disc market and indicated
whether it would be ready late in 1970 (date since has been changed to late 1977). He hasn’t been
contacted since, but now feels retail price will be $500-$500 instead of the $500 mentioned to
him. “I hope they do it,” he said. “We’re selling Betamax and it’s really hot.”

THREAT ON WAY IN AUDIO BUSINESS? Continuing financial problems of audio powerhouses
are forcing major retail accounts to protect merchandising programs by lining up alternate suppliers,
serving stage for emergence of new dominant companies.

Latest to throw hat into mass-market ring is Superscope, which last week announced plan to
start private-labeling compact, components & portable tape products. It will produce all PL
items in Taiwan plant where bulk of Superscope-brand line is turned out; Gershon Thalberg has
resigned as mgr. of new PL Dept.

Entry of Superscope into private-branding is expected to speed up industry’s restructuring &
start of dropout rate. Even as mid-fi stereo business shows signs of strong recovery, traditional top
suppliers are reporting lower sales and operating losses, as newcomers & re-entrants, all
financially integrated, heavily capitalized and free of excessive long-term debt, are taking over
business.

In addition to Superscope, companies with renewed commitment include Panasonic, Soun-
design & Zenith. Starting to make waves that could swamp what’s left of long-established mar-
tketers are Pioneer with Centrex line; ERC (formerly Electra Radio), backed by Kanematsu;
Tecno, Sony subsidiary; Fisher, now run by Sanyo; Kings Point, outlet for Japan’s Realstone;
and ES (reorganized from ICP), backed by Miraoka of Japan; Daytron, a joint venture representing
Korea’s Dal Woo.

Superscope plans to become strong competitor to existing PL suppliers, though initially
won’t go after $99 segment of compact market. “We don’t make that type of product now, but
we are planning to go at it; we are in a position to go in many directions,” Senior Vp Fred
Tushinsky told us. He said chaotic situation in market today has created opportunity. “I’ve
been looking closely and find a lack of good suppliers.”

Initially, at least, Superscope will limit its PL involvement. “We’ll provide a customized
service for dealers with supply problems. We don’t need huge quantities—we’re not for the guy
who places 100,000-lot orders.” Holding Superscope back somewhat is growth of own-brand
line which provided $35-million sales last year, up 32%, increased about as much in first half
this year. Totals indicate Superscope line is 4th largest in areas in which it competes, ranking
behind (in order) Soundesign, Morse & Lloyd’s, and could move into 3rd place this year. “We’re
now going to let our Superscope line suffer at the expense of the growth of private label. Only
when we reach a certain level of production will we offer a product to others,” Tushinsky said.

First private-brand products should be shipped in 6 months, he said, indicating Superscope
hopes to work on a 4-8-month lead time, with extra time needed when extensive cosmetic changes
are required. At present, only CB is excluded from PL program, and that should come later
during production increases. Also possibly upcoming is firm’s first radio line. “We’re being
asked for it by our European sales operation. We’re looking at the market potential here but
haven’t completed our analysis,” Tushinsky said radios could be made either at Taiwan plant
or sourced from others, probably in Hong King. One item not in cards is stereo console. “We
don’t know anything about that business.”

SHORTAGES STILL KEY TO ’76 GAME SALES: Despite raft of new firms entering field, flurry
of recent FCC approvals and strong pre-Christmas demand, total video game sales in 1976 prob-
able won’t be more than 3-3.5 million units. That’s consensus of top firms in field, with chip
& parts shortages and scarcity of qualified production technicians cited as primary reason market
won’t come close to meeting demand—felt by some to be as high as 10 million.

Projections are little better than guesses at this point in industry history, game executives
hold out, and estimates of average unit sale price and total dollar volume for 1976 vary widely.
Consensus, however, puts unit price at $60-$65 and total volume at about $190 million. Estimates
of 1977 market vary from 5-20 million, with average somewhere in 10-million range. While this year's market will be determined by supply, 1977 sales will be limited only by consumer demand, since industry expects shortages to end after Christmas. "The market will be much bigger at all price points in 1977," Coleco Pres. Arnold Greenberg told us, "but I couldn't even guess at the exact size."

Prime chip supplier General Instrument now says it will produce about 5 million chips by end of 1976, but Product Line Mgr. Richard Norwood thinks actual game production will be in 3-4-million range. So far, Norwood says, GI has produced roughly 2.5 million chips, seen demand "solid through the rest of the year." Though other chip suppliers, including National Semiconductor and MOS Technology, are moving into market, they aren't expected to have significant impact this year.

"Chip supply isn't only problem. "It's not as easy to build a game as everyone thinks," says Atari Pres. Nolan Bushnell. "There's a real shortage of technicians. Chips aren't the problem. If they were, the industry could turn out 10 million units this year if we wanted to." Another major supplier insisted his problem was chip supply, and cast doubt on GI's production figures, saying: "We can't get what we need from them, and if they're going to make that many, it seems like they should."

Coleco, Atari & Magnavox will dominate market through rest of year, according to firms polled, with importers APF, Unisonic & Lloyd's steadily increasing shares. Problem facing importers at moment is short lead time between production & delivery, and APF & Unisonic acknowledged they're being forced to air-freight games to U.S. APF Pres. Sy Lipper said it costs $4 per unit to fly games in.

Here's projection of 1976 industry-wide unit sales (in millions) and average from 7 firms:
- Atari—2.5-3, $60-$70; APF—3.5, $60-$85; Coleco—2.5-3.5, $60-$70; Fairchild—2, $70-$75; First Dimension—5, $59-$79; Magnavox—3.5 million, no price estimate; National Semiconductor—2.5-3.5, $69-$79.

Other developments: FCC approved first home road-racing game, 2 versions of Universal Research Indy 500 game shown at June CES (Vol. 16:25 p13), also approved two Lloyd's games: Monteverde (E825B) & Lloyd's (E802B). Approval of Fairchild Video Entertainment System (VES), first cartridge-programmed game submitted for type approval, is expected this week. Key question is whether FCC will approve system for use only with cartridges submitted, then re-testing as new cartridges are issued. Private-label deal between Radio Shack & Microelectronics (Vol. 16:39 p12) was canceled by mutual agreement after firms failed to agree on construction or performance specs, Radio Shack spokesman said. Though $99 Microelectronics game is only one featured in new Radio Shack catalog, firm will offer others at $59 & $69 (made in Far East & Ft. Worth factory) at its retail outlets.

VIDCOM in Cannes last week claimed 3,000 attendees, but observers found attendance disappointingly low. Except for Rabe MDR videodisc system (see p. 6), little new was shown. Major videogame proponents MCA, Philips & RCA didn't exhibit. Principal attraction was profusion of projection TV systems, including Advent, Zyga (which, at $4,500, looked very similar to Advent), new British Spye System w/3 in-line tubes at $3,000. Sony demonstrated small black box developed in its Paris operation which converts output of PAL or NTSC U-Matic player to 50 or 60-field SECAM picture. More successful than VIDCOM itself was ITA's first foreign meeting, which drew representatives of 70-80 European companies in closed-circuit video field, leading to suggestion that ITA sponsor European tape & video show.

Cabinet plant Sylvania is negotiating to buy (Vol. 16:39 p13) is understood to be former Drexel facility in N.C.

CB "is not a toy, and in my judgment, not a passing fad." FCC Chmn. Wiley told Council of Better Business Bureaus meeting in New Orleans. "Instead, it is an important means by which person-to-person communications can be markedly enhanced—a fact which I believe is very much in the public interest." He said FCC is doing its best to deal with problems caused by CB boom, but that self-regulation—by dealers, manufacturers & operators—is needed to supplement govt. regulation.

Philips Canada has consolidated into new $14-million 29-acre complex in Toronto suburb of Scarborough. New 400,000-sq.-ft. plant will make color TV and crystals. TV sets will be made for Canadian market only, but 40% of crystal production will be exported. Philips has been inactive in Canadian TV market in recent years, but Chmn. -Pres. Rod Rolin told us it expects to re-enter field with sets produced by its Far East plants.
Trade Personals

Fred Blake, National Semiconductor Systems Div. vp-gen. mgr., adds same post for Consumer Products Div., succeeding Leroy Zider, resigned...

Thomas Conley, ex-Admiral, appointed First DimenionMgr. of Microelectronics Div. as microprocessor marketing manager...

Franklin Saa, former GTE International sales manager, appointed to GTE Consumer Electronics Products Businesystems div. as Latin America area mgr.

Fred Schrantz promoted at Magnavox from financial analysis & budgeting dir. to operations controller...


Arthur Kelly appointed AmpereX Tube Div. gen. mgr., succeeding Vp HUBERT van MEURS, named gen. mgr. of new Smithfield (R.I.) Div., formed to produce magnetrons for microwave ovens...

Thomas Devlin advanced at AmpereX/Ferroxcube from west area sales mgr. to OEM gen. sales mgr., succeeding Kelly...

Richard Hasselman, ex-HEI, appointed Globe-Union Centralab Div. mktg. vp, post held on interim basis by Vp-Gen. Mgr. James Wolfe... Wolfgang Herde, former Siemens motor works gen. mgr., shifts to Siemens U.S. as engineering & mfg. vp...

Joseph Ref appointed Components Group applications engineering mgr.

Robert Schwartz, ex-Monolithic Memories, appointed Teledyne Semiconductor Div. operations mgr.; John Lemons, ex-Signetics, appointed engineering dir...

Charles Von Urf, ex-National Semiconductor, joins General Instrument Microelectronics Div. as telecommunications product line mgr., new post...

Van Lewing, ex-Mostek, joins Fairchild Microsystems Div. as microprocessor component mktg. mgr.

Phil Love advanced at Roche to national accounts mgr. in new field sales & mktg. operation...

New region mngrs.: John Finlay, ex-Audiovox (East), Ed Herald, ex-Midland (Central), Roy Meyers, ex-Mobile Radio Communications (West)... Rex Isom, retired RCA Records chief engineer, elected AES pres., succeeding Duane Cooper, U. of Ill.

Quiet EIA convention in L.A. last week saw little consumer electronics activity...

Graham Magnetics has agreed to $822,000 settlement of class-action suit brought by shareholders who claim their investments were promoted by misleading statements in 1971 prospectus and subsequent corporate reports.

Financial Reports of TV-Electronics Companies

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<thead>
<tr>
<th>Company &amp; Period</th>
<th>Revenues</th>
<th>Net Earnings</th>
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<tr>
<td>Cablecom-Gen</td>
<td>19,826,942</td>
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<td>WW 1976-9 mo. to Aug. 31</td>
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<td>WW 1976-9 mo. to Aug. 31</td>
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<td>WW 1976-9 mo. to Aug. 31</td>
<td>3,381,682</td>
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<td>WW 1976-9 mo. to Aug. 31</td>
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<td>WW 1976-9 mo. to Aug. 31</td>
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<td>WW 1976-9 mo. to Aug. 31</td>
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<td>National Semiconductor</td>
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<tr>
<td>WW 1976-9 mo. to Aug. 31</td>
<td>112,077,000</td>
<td>3,332,000</td>
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<tr>
<td>WW 1976-9 mo. to Aug. 31</td>
<td>82,366,000</td>
<td>5,241,000</td>
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<tr>
<td>WW 1976-9 mo. to Aug. 31</td>
<td>2,371,000</td>
<td>657,000</td>
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<tr>
<td>WW 1976-9 mo. to Aug. 31</td>
<td>8,582,000</td>
<td>594,000</td>
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Notes: *Includes special credit, **Fully diluted.

Christmas Catalogs: New private-brand video games, under $200 CB combinations and $15-$80 promotions on color sets are offered in Christmas sales books of 3 major catalog houses. Catalogs generally give more space to consumer electronics than last year. Penney lists 4 TV sets (none in 1975), and Ward's & Penney & Ward offer games for first time in Christmas books.

Games: New names include Penney's "TV Fun" & Ward's Challenge II. "TV Fun," at $59.88 only game in Penney's book, is made by APF, which makes virtually identical game under own TV Fun Games name. Challenge II (made by Mirco) & Odyssey 400 are highest-priced offered by Ward at $110. Others include private-brand Video World of Sports, cut $10 from fall book to $57.88, APF's TV Fun Game, $69.88, & Odyssey 300, $70. Sears is sticking with Atari's line of Pong games—sold under umbrella Tele-Games name—but new book offers 4 models as opposed to one last year; 2 versions of Super Pong IV (2 handheld remote controls $79.4 controls $99); Pong IV, $65; Hockey Pong, $70.

CB: Emphasis on combination & SSB units, and low prices from all 3 obviously reflect drive to clear out 23-channel CBs by year's end. Penney slashed $120 from "69-channel" under dash Pinto SSB unit, dropping price to $199, and Sears showed new $200 in-dash CB-FM-AM, complete with car model & year installation chart. Ward dropped $31 from combination unit to $217.88, cut prices $20-$50 on Midland, Roche, private-brand 23-channel CBs.

TV: Wards offers 5 color sets, including 25" console at $499, down $100 from fall book, and 19" portable at $439, down $50. Penney cut price of 12" color portable (Matsushita) $40 to $260 and reduced 15" (RCA) $50 to $320. Sears offers 19" portable at $350, down $30, 13" at $270, down $25, and new 9" at $320.
CB ATTACKS NBC'S "BLACK SHEEP": "It's kind of simple," CBS Bcast. Group Pres. John Schneider told us last week when asked why network had filed complaint with NAB Code Authority under family viewing (FV) concept—against NBC's "Baa Baa Black Sheep." "I've been concerned in what I've seen this year [on TV] of possible erosion of family viewing through the industry ignoring it... If we don't self-regulate ourselves, somebody else is going to... So this was a small first step in demonstrating that we are capable of self-regulation as an industry."

CB's "formal complaint" alleges that "Black Sheep" episodes to date "exploit violence, glorify excessive drinking and condone dubious moral standards"—all violations of FV added to '77 Code in April '75 (Vol. 15:15 p1). NBC and much of industry were nonplussed by CBS action, leading many to question network's motives and one station exec. to comment: "I'm not sure that if I was CBS and living in a glass house that I'd be throwing rocks."

NAB TV Code Board met Oct. 7-8 in Phoenix, didn't discuss CBS complaint formally. Producers call for NBC to respond (expected this week), then ruling by Code Dir. Stockton Helfrich.

CB SALES DISASTER plagues retailers, despite low 23-channel prices and conversion offers. Many feel Christmas season won't see much improvement. Some are getting out until next year. (P. 7)

TV & CB IMPORTS set new monthly records in Aug. Color imports at all-time high of 366,000, with 19" representing 2/3 of total U.S. supply. Transceivers up 159% to 2.39 million. (P. 8)

HOME VIDEO enthusiasm spurred by Betamax success. Leading videodisc systems seen on schedule. Sanyo deck priced at $1,290 in U.S. Features of new Betamax. (P. 9)

CES MOVES TO VEGAS in 1978, with date pushed forward to 2nd week of May. Show may alternate between Vegas & Chicago. (P. 10)

SANYO TO PAY $10.3 million for Whirlpool's share of Warwick's TV business, discount of $700,000 from last May's price. Justice Dept. ruling still pending. (P. 10)

FCC NEARS CB DECISION, scheduled to act on receiver standards and 40-channel expansion order this week. Total of 120 CBs submitted for type acceptance & certification. (P. 11)

COMPONENT IMPORTS rose sharply in first half. TV parts, speakers, most discrete components, CB-related products posted strong gains. (P. 11)
CES TO VEGAS: In one of those Consumer Electronics Show-biz twists which have become so familiar, EIA Consumer Electronics Group board voted to hold 1978 CES 2nd week of May at Las Vegas Convention Center, which will have been expanded to 700,000 sq. ft. of exhibit space. Compromise between April date proposed by some audio exhibitors and traditional mid-June timing struck responsive chord in survey of exhibitors, EIA/CEG Senior Staff Vp Jack Wayman told us.

Change of venue to Las Vegas, probably May 9-12, puts show one week after Newcom, May 2-4, move which was applauded by Newcom In press release. Since Las Vegas in May often is scene for major TV manufacturers' new-line unveilings, CES could attract some who attend those showings. New date & site obviously is intended to wipe out Snitow Organization's Audex audio show, which has first edition scheduled for April 1977 in Las Vegas. Snitow says plan for 1978 show "will depend to a large extent on how successful the 1977 show is."

CES in 1979 will be held in Chicago in May or early June, could alternate between there & Vegas annually if 1978 event is successful. Harman International's Irving Stern, who had been pressing for separate audio-only show, endorsed new CES concept. Wayman said Winter CES would "continue as long as it's viable." Apparently it will be quite viable next Jan., with 317 exhibitors signed up.

Meanwhile, CEG is campaigning to increase membership of its Audio & Video Divs. Non-members Hitachi & Curtis Mathes were represented at recent L.A. EIA convention. Other companies ruled eligible to join Video Div. (bylaws provide members must have U.S. manufacturing facilities) are Toshiba & Sanyo (latter's Fisher subsidiary already is EIA member). With BSR's John Hollands as new chmn., Audio Div. is expected to seek broad expansion in both component & mass-market manufacturer membership.

"Talking Machine" is latest Sony product, brainchild of Honorary Chmn. & founder Masaru Ibuka, who made detailed study and wrote book on pre-school foreign-language training. Machine is battery-powered device into which child inserts colorful illustrated card, which moves from right to left, providing 6 sec. of audio—such as pronunciation of word in English and its use in sentence. Machine is priced about $50, magnetic-striped cards about 30¢ each currently but scheduled to go down. System will be used in Iranian education program. Sony plans to give away technical knowhow to developing countries, permitting them to set up Talking Machine factories as part of electronics vocational training. In tests of 2 Japanese pre-school groups, each of which was taught 18 English words over 2-week period, teacher-trained group scored 32%, machine-taught group more than 70%. Ironically, Ibuka found the "English" word most widely recognized by Japanese children was "Quintrix"—trade-name for Matsushita's color tube—thanks to TV commercials.

ITA will publish French edition of its News Digest for European professionals & consumers.

WARWICK TAKEOVER TERMS: Definitive terms for Sanyo of Japan's purchase of Warwick's TV business, announced last week, provide for reduction of some $700,000 to $10.3 million for Whirlpool's 57% interest in operation, compared with $11 million Sanyo was to pay under preliminary agreement revealed last April (Vol. 16:18 p8).

As now planned, Warwick will assign TV business, consisting mainly of Forrest City, Ark. plant, to new subsidiary called Sanyo Mfg. Corp. SMC stock will be spun off to present Warwick holders. Sanyo has agreed to buy Whirlpool's holdings at $4.16 per share, make public holders offer of $4.43 per share. Originally, Sanyo was to pay $4.43 for all shares. Unchanged is intention of Sears, Warwick's major TV customer, to retain its 25% interest in operation. Warwick will continue in organ business. If all public shares are tendered, package will cost Sanyo $13.8 million. Full price is $18.3-$18.6 million, depending on value assigned to Sears holdings.

As part of arrangement, Warwick will be forgiven $10-million short-term debt by Whirlpool and $6 million of $15-million loan from Sears. That $16 million will be treated as addition to capital, offsetting Warwick's present (through first half) $12.3 million negative net worth. SMC will assume responsibility for remaining $9 million of debt to Sears, as well as obligation for development bonds on Forrest City plant. Warwick holders & Justice Dept. still must approve deal. Depending on speed of latter, transaction could be completed by year end.

IMPORT IMPACT AID: Import adjustment assistance is being sought from Labor Dept. (LD) for some 300 who lost jobs when Admiral closed Shelbyville, Ind. TV-stereo cabinet plant Oct. 1 (Vol. 16:36 p9), as well as for ex-employees at National Beryllia's silicon wafer facility in Plumsteadville, Pa., agency said.

LD also announced it approved help for former workers at Indiana General's Oglesby, Ill. DC motor plant, rejected assistance for those who lost jobs at Burndy's Toledo printed-circuit board plant. In IG case, LD said that following 8-week strike in 1974 company began transferring DC motor operation to new Mexican border plant, completing shift and closing Oglesby last Aug. LD said all IG motor orders are now filled from Mexico. In Burndy turn-down, LD said it found company consolidated circuit-board production in Milford, Conn. because of business lost to domestic competitors and that imports were not significant factor in market here.

Game Plans: Warner Communications completed purchase of Atari (Vol. 16:37 p11), acquiring 100% of common and preferred stock for cash & debt worth approximately $28 million. Lafayette offers Atari & Unisonic games (both $80), plans to add APF unit later. Taiwan will emerge as world leader in games within next few years, according to Jerry Coan, Far East sales dir. of GI Hong Kong. Coan says world-wide production in 1976 will hit 4 million units, with 3 million produced in Orient.
FCC NEARS CB DECISION: FCC is scheduled to act this week on petitions asking relaxation of new 40-channel receiver radiation standard and urging delay in entire 40-channel plan. Staff recommendations from Chief Engineer's Office and Safety & Special Radio Services Bureau were sent to commissioners late last week, and both issues are on Commission's Oct. 13 agenda. Spokesman for Chmn. Wiley said both are considered "critical," that decision should come by Oct. 14 at latest. There's remote possibility of delay, he said, but "every reason to believe we will have a decision by the 13th."

Tight security has been clamped on recommendations ("millions of dollars are involved in this decision," staffer in Chief Engineer's Office said), and one source at FCC refused even to say whether they could be considered controversial. "If I answer that, you might get a clue." Recommendation from MST (Asnm. of Maximum Telecasters) petition for reconsideration of expansion order (Vol. 16:37 p7) was put together by Safety & Special, with advice from Chief Engineer, and receiver radiation recommendation was formulated by Chief Engineer. "Both bureaus are in complete agreement on both recommendations," spokesman said.

Receiver radiation test was conducted on 102 CBs submitted for type-acceptance and certification, and FCC labs had received total of 120 new 40-channel CBs by week's end. Other tests conducted on 102 CBs included transmitter harmonic output test (2 nanowatts). Receiver radiation test was conducted on 102 CBs included transmitter harmonic output test (60 dB) and receiver antenna RF radiation test (23-channel PLL models . ..) and 3 accessories: Microphones ... Microphones ... Microphones ... Audio amplifiers ... Audio amplifiers ... Audio amplifiers ... Speaker imports of 29.9 million were up 129.3%, as all 3 classifications at least doubled—ICs rose 26%, transistors 47.3%, capacitors at 1.1 billion & resistors at 2 billion both were up more than 100%. Lone loser was receiving tubes, down 5.4%.

In accessories, radio antennas soared 401%, microphones 152.7%, with both gains likely related to CB boom. Amplifier imports were up 82.3%.

Here are details:

**U.S. COMPONENT IMPORTS**

<table>
<thead>
<tr>
<th>First Half</th>
<th>First Half</th>
</tr>
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<tbody>
<tr>
<td>1978</td>
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<tr>
<td>Units</td>
<td>Value($)</td>
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<tr>
<td>Pic. tubes, color</td>
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*Units & value in 1,000s.

"Home TV Programmer" is name chosen by RCA for first video game. It has applied to FCC for type approval, will submit model later this month. Plans call for limited production beginning in Dec. at RCA facilities, introduction on regional basis during Jan. and national distribution later in 1977. Game will use 1802 COSMAC microprocessor, supplied by RCA Solid State Div., along with single-chip input-output circuit which will be made available at $8-$10 to other producers in Jan.

**Consumer plans** to buy color TV in next 6 months rose in July-Aug. to 6% from 5.3% in May-June, but were down slightly from 6.2% year earlier, according to Conference Board. Plans to buy b&w dropped to 1.5% from 2% in May-June, 1.1% year earlier. Buying Plans Index & Consumer Confidence Index were 106 & 86.8, both unchanged from May-June.
SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

FCC STICKS TO CB rulings, eases receiver radiation rule slightly with '5-8-15' plan. Petition asking delay in expansion turned down in tentative decision. Formal vote set for today. (P. 7)

STATE DEPT. STUDY features Japanese explanations for success in U.S. color market, keyed to private-label business. EIA critical of EIA-Japan's comments on health of U.S. color industry. (P. 8)

COLOR PRICE WAR sparked by heavy imports, with inventories seen too high despite domestic cutbacks. Sept. color sales up 15.6% from 1975, and 4th quarter starts out strong. (P. 8)

SEGA STARTS PROMOTING projection TV system to dealers under own name. Muntz increases production but, barred by injunction from using own name, becomes 'Madman Electronics.' (P. 10)

KLOSS QUILTS ADVENT, founder saying 'my work is done' with projection TV now strong commercial product. 'No plans' for future. (P. 10)

RCA, WARWICK, N.A. PHILIPS, Corning show improved 3rd-quarter results. (P. 11)

5 DOWN, 3 TO GO, in RCA drive to eliminate factory-branch distributors, as Atlanta branch is sold to new group headed by former branch mgr. (P. 11)

PALEY'S OUSTING: Arthur Taylor was 'stunned'—he was 'blind sided,' CBS exec. said—when informed Oct. 13 by CBS Chmn. William Paley that he was being replaced as CBS president by John Backe, head of CBS Publishing Group. Taylor got the word just hour before board meeting at which Paley, who's 75, also announced that he would give up un- ed exec. officer title, remain chmn., after stockholders' meeting next spring.

Paley's move came as absolute shock to most CBS dirs. and execs.; all were chary about commenting for record, and nobody professed to know when Paley made up his mind. CBS 'told refusal to let reporters interview 3 principals—although N.Y. Times reached Backe by chance when latter picked up phone to call wife at exact time reporter was calling in.

Everybody who would comment attributed Taylor's ouster to continuous & growing personality conflict with Paley. All vehemently denied any connection with CBS's poor start in prime-time ratings this season. Many also were incredulous because of CBS's rapid gains financially (it announced record 3rd-quarter and 9-months sales & earnings same day Taylor was dismissed, Oct. 13) and in other areas during Taylor's tenure of 4 years & 2 months.

"It just boiled down to the fact that Paley couldn't swallow Taylor taking over his 'candy store,'" CBS dir. told us. Added another: "Some of us rather anticipated it. It had nothing to
SEGAMADMAN: Sega Enterprises has dropped the tradename Muntz and the Madman is mad because Sega won't let him use his "own name."

Sega, the Gulf & Western subsidiary which purchased assets of Muntz Home Theatre (Vol. 16:15 p9), has redesigned product, renamed it Segavision and is actively seeking distributors & dealers. Its first full-page trade ad is aimed at TV dealers, calling projection "next logical step in evolution of TV" for replacement market, promises "high-ticket profit margins, co-op advertising, prompt delivery and an equitable 2-step distribution plan."

Sega has 2 separate lines, Pres. Harry Kane told us last week—a model consumer line and 2-model commercial line for bars, taverns & industry. Consumer models start with two 44" diagonal units—2-piece at $995 and self-contained unit at $1,495, both using 15" Toshiba as picture source. High-end "50" models, both self-contained, are $1,895 and tambour-door unit at $2,395, using 15" Sony with Sega-designed on-screen time & channel indicator.

Kane said 50% of sales currently are commercial, but foresees steadily increasing percentage of consumer sales as distribution becomes nationwide. He said he would seek to confine dealerships to those which could properly display & demonstrate projection TV. Sega is developing display booth which reproduces ideal home viewing conditions. He sees projection TV as "non-revolutionary" and expresses apprehension that low-quality units could hurt entire projection concept.

Meanwhile, Earl (Madman) Muntz is turning legal dispute with Sega into asset. Although his firm's name is Muntz Electronics, he says injunction by Sega prevents him from advertising it, so his plant-showroom in Van Nuys, Cal. has sign reading "Madman Electronics" and he has coined new slogan: "I wanna use my last name but they won't let me" (reminiscent of "I want to give them away but my wife won't let me" in his early TV manufacturing days).

Muntz is now making 3 models—portable 2-piece unit, using 13" Sharp TV, at $795, and self-contained 15" Sony remote units at $1,395 & $1,595, latter with tambour doors. All have 44" screens. He told us he's manufacturing 20-25 consoles per day and will soon increase to 50, is scheduling portables at 200 monthly. He said his distribution largely comprises same personnel who were affiliated with his earlier enterprise, that he's selling everything he can make and is doing as much business now as his former firm did a year ago.

Regency Electronics' annual report shows CB was company's fastest-growing product in year to June 30, providing $19.4 million in sales, up from year-earlier $3.4 million. Largest volume was provided by scanners, weather radios & specialty monitors, at $22.7 million, up from $19.1 million. Sales of FM transceivers rose to $6.8 million from $4.9 million, while test equipment accounted for $4.6 million, up from $3.2 million. Electronic components & accessory sales rose to $3.6 million from $3.2 million.

KLOSS COMES ADVENT: Henry Kloss, founder & engineering genius behind Advent—as well as principal stockholder—resigned last week. "My work is done," he told us. Projection TV system "is well on its way. They no longer need what I do." Resignation obviously was sudden, and he told us he had "no plans," hadn't even thought about his future activities.

Kloss remains on Advent board, owns more than 1/3 of its stock. He founded Advent in 1967 as solid firm, but with projection TV in mind. Company produced industry's first consumer Dolby adaptor, its Dolbydized cassette recorder, started work on projection TV in 1969, sold first production units in same year. In March to May 29, 1975, company suffered loss of nearly $3 million, and despite widespread praise of VideoBeam projection system, seemed headed for disaster.

Peter Sprague, chmn. of National Semiconductor, took over chairmanship in mid-1975 (Vol. 15:9 p9), made arrangements for deferred payment on loans. In March 1976, Pierre Lamond, onetime National Semiconductor official, took over presidency from Kloss, who became R&D dir. Company sold 440,000 common shares to public last summer, posted net profit of $719,000 in 6 months to Sept. (see p. 11).

Kloss was a founder of AR & KLH, both innovative audio companies, and he left both firms when challenge became financial rather than technical. In formally announcing Kloss' resignation, Advent said he would continue to consult with company and that his position wouldn't be filled, R&D VP Frank Federman taking over his duties.

SANYO V-CORD II got first major U.S. exposure last week at Video Expo in N.Y., with demonstrations of 3 models by company's institutional video operation (Vol. 16:41 p9). Play-only & non-tuner record-play units have carrying handles for portability. Although Sony had large display, it didn't show Betamax; instead Sony models are due in Jan.-Feb. Only Betamax at show was in booth of Bell & Howell, who also displayed V-Cord II. Among other products displayed: (1) Conversion of U-type 3/4" VTRs to one-hour cassettes for 2-hour playing time by single-field process, offered by Composite Video, Oklahoma City, for $395. (2) Variety of TV projectors, including first showing of 2-piece Super Screen TV (101 Ave., N.Y.C.) at $2,295 for 50" picture, $3,395 for up to 90", claimed to use modified 15" Sony monitor as picture source.

Ad notes: Sylvania Canada appoints Doyle & Bernbach, Toronto, replacing in-house shop...Handic U.S.A. shifts $1.7-million CB account from Krause/Volante to Evans/Ciccarone...Scott promotes hi-fi line theme "the name to listen to" in full-page men's magazine ads.

Major Electronics will change name to Emerson Radio Corp. if approved by National Union Electric, from which Major purchased rights to Emerson line (Capehart bought rights to DuMont name from NUE). Major says Emerson line accounts for 83% of its sales.
SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

GUINEAS ON B&W as well as color imports could result from FFC expansion of probe, affecting U.S. manufacturers with overseas plants. New limits Japan, U.S. govt. on imports. (P. 8)

FCC BLAMES TV set design for most CB interference in decision upholding new rules. BIA/LRS, accused of 'misstatements' by FCC, seek year waiver of receiver rules. CB ad regulations liberalized. (P. 9)

49-CHANNEL'S FUTURE obscured by clouds at auto parts show. Turning-point seen for industry, and one known whether boom will return. (P. 10)

FIRST MICROPROCESSOR GAME cartridge-programmed unit by Fairchild approved by FCC. Westinghouse poses game shortage threat. (P. 11)

MORE SAWYER ORDERS for radio & other equipment expected by Sanyo after it completes purchase of Warwick TV business. (P. 12)

NEW 49-CHANNEL CBs shown by major manufacturers. (P. 12)

SYLVANIA CONSUMER electronics & picture tube business in U.S. showed profit in 1972-73, broke even last year, now is money-losing. (P. 13)

WENZEL, HOUSTON SUCCESSES: Annual fall conference tour of NAB opened in Houston & Denver last week, and prevailing mood for both TV and radio delegates was one of optimism, especially with results, as 625 management and engineering delegates turned out. Tour ends here, Ore., Oct. 25-26—where President Ford will be star attraction.

By first time in Houston & Denver, NAB totally split TV, radio & engineering conferences into related radio for closing luncheon speech by FCC Comm. Wiley; Sen. Hollings (D-S.C.) speaks at lunch. Registration in Houston was 324—159 radio, 78 TV, 56 engineering. In Denver, total was 361—179 radio, 58 TV, 54 engineers.

In two cities, NAB Pres. Wazilewski told radio broadcasters that “for all the forecasters who tend to accentuate the negative, I say: This has been a good year… business have been turned back.” For stations, he cited continued re-regulation at FCC, automatic transmission rulemaking, copyright and acceptance of broadcasting for Postal Service ($5 million in media) and Army recruitment ($50 million). (A release, he added: “I hope everyone realizes what an achievement it is to persuade a government to remove regulations rather than add them.”

At sessions, Wazilewski promised that NAB will make sure President Ford or Carter would endorse “are fully and completely informed” regarding industry positions. He
Other question being asked at show was whether 23-channel slump would slop over into 40-channel market, with doldrums continuing through 1977. RCA Distributor & Special Products Sales Vp Paul Slaninka doesn't believe it will. "We're geared to meet the big industry growth we see coming next year. We'll have volume quantities of 40-channel on Jan. 1." He admitted 23-channel inventories were high and shakeouts among smaller importers are inevitable. "The 23s are still coming in from Japan. You don't turn off the faucet that easily."

First trends in 40-channel pricing were evident at show, even though many firms said price structure would be decided later. Despite talk of tags "comparable to 23-channel," 15-20% increases were apparent on some new models. Pathcom Pres. William Thomas said 40-channel units comparable to 23s which originally listed at $150-$170 would be priced at $170-$190. Those 23s are now selling at $100-$120 and "will be real bargains," he added.

Sharp, Panasonic, RCA and several others said they'll price new lines after market settles down. Panasonic Auto Products Sales Mgr. Clark Jones said he didn't trust some pricing at show. "I heard about an in-dash 40-channel at $189 cost, but frankly I think it's a red herring." Another producer dismissed prices quoted at show as "bait." Several, including Fanon/Courier, clearly marked price sheets "tentative." Diversification of CB makers into new—and more stable—product categories was evident at show, with Pace & Hy-Gain unveiling car stereo lines.

FAIRCHILD GAME OKAYED: FCC Labs last week issued first type approval for TV game using plug-in microprocessor program cartridges—Fairchild's Video Entertainment System—and also cleared 3 cartridges for marketing. Fairchild said shipments of VES, which has 3 built-in games, plus 4-game cartridge (shooting, tic-tac-toe & 2 sketch-on-TV activities) would start in Nov. Cartridge for blackjack and one offering shooting game & tank battle, will be available by Dec. VES will retail at $150, cartridges at $20.

FCC spokesman said Fairchild, and anyone else who wins approval for programmable game, will be required to notify agency's lab before offering additional cartridges. Approval for new cartridges will be granted without additional testing if lab engineers believe their use won't cause game to emit RF radiation in excesses of standard.

Other recent FCC approvals: Games from Sands Electronics & Concept 2000, both Hong Kong; APF (2 versions of TV Fun Game); Atari (C160); 2 from Intercon Mktg. (7660 & 7670); Enterprex (Apollo 2001-C); 2 from Digitek, Hong Kong (Viking 2828 & Hanimax 747).

Magnavox is going out after unlicensed Japanese game manufacturers through parent Phillips' Tokyo office. Royalty terms: $100,000 down payment, 5.5% of FOB factory price, declining to 4.5% on 3-step scale depending on production quantities; 1% additional royalty on sets produced for export. Sole Japanese licensee currently is toy maker Epoch Co.

Radio Shack, which canceled order for $100 Microelectronics "TV Scoreboard" game featured on inside front cover of its 1977 catalog (Vol. 16:40 p10), will offer 2 different TV Scoreboard games in retail stores: One by Enterprex, same as its Apollo game; other made in RS's Ft. Worth factory, which company spokesman said is now producing 500 games daily, to be stepped up to 1,500 by year's end. Both are multi-game, on-screen scoring units, will sell in $60 range.

Prospect of Christmas TV game shortage grew more likely with halt of production by Japan's financially troubled Systek, manufacturer for Lloyd's, Unisonic and some retailers. Systek is also important private-brand supplier of stereo systems & calculators. Systek's woes have started major chains & mail order houses on frantic, but mostly futile, search for alternate supply sources.

Taiwan will spend $16 million to establish IC plant with aim of helping consumer & industrial electronics manufacturers remain competitive in both domestic & export markets. Private companies will contribute 51% of cost, govt. balance. Total includes previously announced $3.5-million technology contract with RCA (Vol. 16:24 p14). RCA has already started training Taiwanese engineers in U.S., has engineering team in Taiwan. New company will be formed to run IC plant, slated for operation next Aug., and 50% of earnings will be earmarked for product development. Initial goal is IC production for TV, TV games, watches, calculators.

Magnavox doesn't buy color TV from Japan's Nippon Electric or any other company, produces entire color line in U.S., spokesman said in response to our report on State Dept. study which included Magnavox in list of private-brand customers for Japanese-made TV (Vol. 16:42 p8). At one time, Magnavox did purchase some small-screen color from Japan, but practice was halted several years ago.

CB applications will be processed more rapidly if addressed using new zip code, FCC announced. Complete address for CB applications: FCC, Gettysburg, Pa. 17326. All other applications: FCC, Gettysburg, Pa. 17325.
CONSUMER ELECTRONICS

SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

BEST COLOR SALES week in nearly 3 years brings Oct. to annual rate of 8.2 million sets. Monochrome up 71.8% in week. (P. 7)

SONY MULLS PURCHASE of Westinghouse picture tube plant to supply U.S., Europe. Corning notifies tube makers of 6% color glass price increase. Sylvania moving color out of Batavia. (P. 7)

COLOR TV IMPORTS topped million in 3rd quarter, thanks to 193% jump in Sept. B&W at 1.37 million in quarter, just short of record. CB import boom continued. (P. 8)

GE SEES PROFIT from TV this year, thanks to soaring VIR console sales. Wellner sees no hope for price increases. (P. 10)

TV GAME MAKER First Dimension in serious financial trouble, with production virtually halted while it seeks manufacturing partner. High executives leave. (P. 10)

FIRST CB APPROVALS under 40-channel rules announced by FCC. Less than half of first batch met tests. (P. 11)

NO INJURY TO U.S. industry from dumped Japanese capacitors, ITC rules. Labor Dept. approves import aid for some Oak workers, rejects bid by plastic parts producers. (P. 11)

POST-ELECTION PROSPECTS: Impact of Carter election on TV-radio industries remains most speculative. Fact is, no one will really "know" Carter—in any area of govt., not only communications—until he acts. Furthermore, even if he seeks extensive changes, govt. is extremely difficult to change quickly.

At FCC, for example, there are no vacancies. All Carter can do is designate a Democrat chmn.—unless someone leaves, allowing new chmn. to be brought in.

Though there's been strong assumption Commr. Hooks would be named chmn., there's stronger likelihood he won't. First, he's a leading candidate for head of NAACP—which pays about twice FCC salary, and Hooks was accustomed to that kind of income when he was in private practice. Second, he'd like more prominent govt. post—such as Cabinet undersecy. Third, as FCC chmn., he'd be under enormous pressures to deliver, on behalf of minorities, things he just can't deliver. An FCC chmn., is influential—but he has just one vote. (As former Chmn. Fred Ford once said: "Why, you have to get 3 commissioners to go with you even if you're just going to the bathroom.") Last week, Hooks told us he hasn't been contacted about chairmanship by anyone on Carter's transition team, but that he'd probably take chairmanship if offered. Hooks says Carter has more important chores right now. "I would guess," he said, "that FCC is about 75% on a scale of 100" in Carter priorities.
GE SEES TV PROFIT: Sparked by success of VIR TV sets and 20% increase in console sales (vs. 6.3% industrywide gain), GE TV Business Dept. Gen. Mgr. Fred Wellner said last week: "We expect our TV to be profitable this year—a statement few TV manufacturers can make."

GE has concentrated heavily on large-screen sets this year and will continue. "We underestimated the appeal of VIR," Wellner said at press briefing in N.Y. "Frankly, we expected that others would have it, too," and as result didn't schedule sufficient production, but now hopes to catch up with demand by year's end.

Wellner announced 5 new 25" VIR consoles at new low price of $720, down $10 from Sept. introductions and $60 from last May's starting price. Although company officially says VIR adds $50 to list price, new units are VIR versions of consoles which previously sold for $700. Company now has 12 VIR consoles, one 19" VIR.

GE sees 1976 industry sales at 7,6-7.8 million color, 5.1-5.2 million monochrome, with color rising to about 8.5 million next year, b&w unchanged. Wellner made clear GE is concentrating on consoles to capitalize on replacement market in area where there is no Japanese competition, 25" size representing 50% of industry dollar sales. As to imports, Wellner feels huge stockpiles have been built up, but "when they run out of inventory [of Japanese color sets], they face the same costs we do."

He's not optimistic on subject of price increases. "Profits in TV must come out of cost—reductions in overhead, distribution costs, standardization, automation." He sees these "keys to success in TV": (1) "You must build your own tubes." (2) "You must have a very strong distribution or be in white goods." (3) "You must continuously bring out a better product, and this means strong technology."

Japanese competition "won't go away," said Wellner. "Their twin attack is to take over American companies and apply price pressures." Asked about COMPACT group which is fighting for TV import quotas, he said: "GE doesn't subscribe. We believe in free & fair trade. But legislative relief or the [unfair competition] action by Sylvania is seeking would take 3-4 years. We're not protectionist but we see [COMPACT's] escape clause [petition] as only fast instrument."

GE is "not as large" in private label as it was before W.T. Grant folded, "but we had too much of our business in it." Japanese are taking over most of portable private-label business, but GE's share, presumably in consoles, is "still substantial" and Wellner forecasts increase next year. In its tube business, GE continues to sell about 10% of its output to other set makers to keep feel of competitive market.

Among GE's plans for next year: (1) 50% increase in ad budget. (2) Probable IC version of VIR. (3) "Some very important announcements in smaller screen sizes." Wellner says he thinks GE is still No. 2 or 3 in b&w, No. 3 in total TV.

Wellner sees home projection TV in GE's future, but not of type now being sold. "Beyond the 25" size, rear-screen projection is the next step." As for video games: "We won't go into the toy business. A TV set is a carefully engineered high-performance device. Video cassette: "I don't see a big outlet in this. If there's a reasonable amount of money in it, we'll go in. But there must be some kind of standardization."

FIRST DIMENSION CRISIS: Early entree in video TV game field, First Dimension, is in serious financial trouble and its manufacturing arm Video Deals Industries has all but halted production. First's relationship with design & engineering firm Boeing (Vol. 16:36 p10) is in jeopardy, and it is actually looking for outside source to produce firm's games.

Chmn. John Jay Hooker confirmed problem, gave following account of situation: When Hooker joined firm several months ago, he loaned it $68,000 which he was told would provide sufficient working capital to keep company afloat. "It wasn't enough so we could only manufacture on a limited basis because we couldn't get enough chips." Now, J. Hooker said he was working to pay off debts and has retired 25 of 225 workers laid off, producing 25 games a day. Prospects of finding partner to make games "are very good, and there's no reason to think we'll go into bankruptcy," he said.

Novatech's Eric Peterson said he "gravely questions the validity of our continuing to be a technical resource for First Dimension, considering the financial difficulties they're in." Relationship will be severed, and proposals from other game producers entertained "if there isn't an immediate resolution." First Dimension Press. Novatech and Video Design Press. Mary Lou Wright have firm's company. First Dimension is 2nd game manufacturer to run into financial difficulties, Japan's producer Systek having halted production (Vol. 16:15 p11).

GAME PLANS: Panasonic hopes to get under $10 GI game FCC-approved in time for Christmas market. ... New $250 Ski-V by ski equipment special Northeast International simulates slalom course, with skier controlling action on screen by plastic feet in special "boot" racks. Game will be in ski specialty outlets by Christmas, spokesman claims potential market is 7 million. Game was approved last week by FCC. Other approvals: Video Valley (TD Mfg.), $99 unit using National chip & circuit; "4+6" from Video Design Inc. (First Dimension); model GD1999 from Heath, ... Intercon Mfg. filed $11-million-plus suit against GI charging component maker failed to meet chip commitments, insisted Intercon purchase other GI devices to get game chip.

ELAC line of German hi-fi equipment is being marketed in U.S. by Somerset Assoc., formed by Newton Channin, who headed Ortofon, before it was acquired by Harman International. First product to be belt-drive automatic turntable featuring single, idler-drive from tone arm, at $195. Phonocartridge components & compact systems are scheduled to be added to line. ELAC products, mainly record changers, had been marketed here under Magnavox brand by Benjamin Electronics, which will drop when inventory is worked off.
SUMMARY-INDEX OF WEEK’S NEWS

Consumer Electronics

COPYRIGHT SUIT by Universal & Walt Disney challenges legality of using home videocassette to tape material from TV. Sony, ad agency, Betamax dealers & owners named. Hitachi chooses JVC system. (P. 7)

IMPORTS TOOK 59% of TV market in 3rd quarter, topping U.S. production for first time. For 9 months, imports held 49%-33% of color, 71% of b&w. (P. 8)

ITC IMPORT QUOTA investigation to cover color & monochrome TV as well as 'subassemblies.' Agency rejects Japan bid to halt unfair-competition probe. Japan objects to ITC investigators. (P. 8)

GOOD OCT. SALES of color to dealers, at 8.2-million annual rate, supply momentum for 37% increase over year earlier in first Nov. week. Inventories unchanged in Oct. (P. 10)

RCA TO CLOSE picture tube plants for 2 weeks to adjust inventories, hints at price increase as tube makers are caught between over-capacity & soaring costs. (P. 10)

FCC CB WAIVER gives limited relief on receiver standards, applies only to 23s being converted to 40. Quella dissents; Radio Shack blasts everyone involved. Latest approvals. (P. 11)

TRACKING WASHINGTON POWER SHIFT: Carter's transition team is in town—lining up policy, staff, people, procedures—but main decisions are yet to come. One of most significant actions of week, and it wasn't Carter's, was naming of FCC Comr. Hooks as head of NAACP, which came as no surprise (Vol. 16:45 p1). (For details of Hooks' move, see below.)

Several people well known to communications industry are emerging in positions of some influence. W. Bowman Cutter, former head of Cable TV Information Center, is a major honcho in budget, with impact on just about everything. Harrison Wellford has big role in regulatory agencies re-regulation. He's former chief legislative aide to Sen. Hart (D-Mich.), well-remembered by broadcasters because of part he played in renewal bill in 1974 (Vol. 14:31 p2). At one point, bill provided that FCC couldn't consider media cross-ownership at renewal time.

Wellford devised strategy for Hart to block bill unless provision was knocked out—and Sen. Pas- ton (D-R.I.) had to go along. Matthew Coffey has 70-day leave of absence as pres. of Assn. of Black Radio Stations to serve as head-hunter. He worked 4-1/2 years for LBJ as personnel type, will be involved in scouting regulatory agency candidates.

Transition chief Jack Watson said Carter will interview, in Plains, Ga., all candidates for Cabinet posts and other major positions, will make names public as they're interviewed.

At FCC, top staff jobs still pending designation of chairman. Broadcast Bureau Chief Wallace says he has variety of options, including retirement with 35 years' service—but I'm
Trade Personalities

Vernon Leas joins Mirco Games Div. as gen. mgr., succeeding Richard Raymond, named Mirco Games GmbH (Germany) gen. mgr...Noel Beasley, ex-Siglents, joins Raytheon Semiconductor as LSI product mkgt. mgr,...Glenn Oliver, ex-Scientific Micro Systems, appointed engineering dir. for General Instrument Microelectronics Group's Chandler, Ariz. plant; William Dunn, ex-Eastman Kodak IC mrgr., joins as engineering mgr. of GI's Glenrothes, Scotland facility; Vivian David advanced from calculator product line engineering mgr. to calculator product line mgr., responsible for mkgt., customer service & applications engineering.

John Frantzen advanced at Buckee-Mears to vp-worldwide color TV operations, new post, with responsibility for operation of color TV aperture mask plants in St. Paul, Minn., Cortland, N.Y. & Mullheim, W. Germany...Dorick Mauro upped from GTE International Sylvania Div. vp-controller to same post with GTE Consumer Electronics Products Business Group...Kenneth Winslow, ex-PBS, appointed ITA industry affairs dir., new post.

Robert Saunders, U. of Cal., elected IEEE pres., succeeding Joseph Dillard, Westinghouse; Carleton Bayless, AT&T, elected exec. vp...Bruce Harders, Toshiba International acting mkgt. vp, named vp-gen. mgr. for Telecommunications Products Div., succeeding Masuyuki Ibori, named intercompany relations vp...James Magid, ex-Drexel Burnham consumer electronics & appliances analyst, moves to General American Investors...Alex Jacobson shifts at Hughes from Malibu Research Labs holographic optics section chief to liquid crystal programs mgr. of Industrial Products Div.

R.W. Anderson joins Murata America as gen. sales mgr., new post...Jacques Meunier, Centralab GmbH (Germany) gen. mgr., named to head new European mkgt. organization...Delbert Davidson retires as superintendent of Lancaster Glass Park (TV bulb) plant after 25 years with company.

Watch watch: Optel is offering liquid-crystal displays for ladies' watches at $10 in lots of 100...New wrist-flick magnetic switch with automatic shut-off from J. M. Ney Co. is designed to activate display of LC watches, change mode of LC model without pushbuttons. Switches are priced to OEMs from $7.50 to $3.50, depending on quantity...Japanese produced 3.33 million digital & analog electronic watches in first 7 months of year, against 3.28 million in all of 1975. Electronics accounted for 42.5% of production, up from 30.1% last year, and average factory price has declined to $49 from $55.

FCC CB WAIVER: Hard-pressed CB industry got partial relief from new FCC rules via limited waiver of receiver radiation limits in 4-2 vote with Comr. Quello charging in dissent that FCC "has broken faith" with mfrs. who tried to meet original rules (Vol. 16:42 p7; 16:43 p9). Lee also dissented, White abstained.

Terms of waiver: (1) Chassis radiation limit is increased from 5 to 50 microvolts (uv) per meter at 3 meters on 23-channel units remanufactured for 40-channel use. (2) Ruling applies only to CBs in inventory Nov. 1, as reported to FCC in 40-channel certification applications. (3) Remanufacture must stop when inventories are depleted, but not later than Jan. 1, 1978. (4) Marketing must stop Jan. 1, 1979. (5) Inventory-reduction progress reports must be filed with FCC April 1, July 1 & Oct. 1, 1977. (6) CBs must carry label stating they are covered under FCC waiver.

FCC rejected EIA Citizens Radio Section petitions asking for total relaxation of receiver rules to 50-uv level and plea for change of date in releasing names of approved 40-channel CBs (Vol. 16:44 p9). Waiver is "better than nothing," EIA Communications Div. Staff Vp John Sodolski said, adding that it will prevent distress sale of many 23s with no radiation limits. Sodolski predicted sharp upturn in 23-channel sales Nov. & Dec., described sales drop during late summer & early fall as "modest dip in their record 1976 pace."

FCC rewarded defiance of suppliers who submitted CBs which they knew didn't meet standards, Quello argued. He said FCC majority "has undermined public confidence in its even-handedness...That is clearly unsound procedure and bereft of any sustantive foundation."

In comments filed before decision, CB heavy-weight Radio Shack blasted EIA waiver petition as obvious delaying tactic by "small section of the CB radio industry," said: (1) FCC allowed "industrial convenience" to win out over logic in opposing, then approving, conversion. (2) CB industry perpetuated "falsehoods" in comments on power & modulation levels, displayed "lack of integrity" in calling receiver standards unrealistic. (3) TV industry failed to demonstrate good faith by continuing production of sets susceptible to CB radiation.

Latest 40-channel approvals: Fanon/Courier (Fanfare 100F), GE (3-5811A, 3-5811B, 3-5819A & 3-5821A), Lafayette (HB-640 & HB-940), Matsushita (CRB-4701EU, CRB-4747EU & CRB-4748EU), Midland (857, 882 & 883), Pierce-Simpson (Super Cougar 40), RCA 14T 304), Regency (CR-430, CR-486), Sears (CM 6000-LB & TA 4501), Sharp (CB-2260), Teaberry (4002).

Spain's Phifer quits 2-year-old U.S. manufacturing experiment, will close Worten, Mass. plant this month. Facility is only carbon resistor production operation in U.S. Company said declining resistor prices made it unprofitable to produce here, indicated it would continue to market resistors & other components manufactured in Spain through present U.S. distribution operation.
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CONSUMER ELECTRONICS

OF WEEK'S NEWS

VTR STANDARD WAR simmers down to JVC's VHS system vs. Sony's Betamax. Matsushita, Hitachi, Sharp now have at least partial commitment to VHS. Sony denies copyright law violations. (P. 7) Betamax Shortage seen probable by Jan., supply tightening as ad campaign fuels record 5,000-unit month. Cassette changer due in mid-Jan. (P. 11)

TV INTERFERENCE susceptibility rulemaking planned by FCC in 'next year or so,' claims it has authority. TV makers angered at FCC statements, say better methods are needed. (P. 8)

TED VIDEO DISC player & changer make U.S. debut in NTSC format. (P. 9)

PROJECTION TV awaits breakthroughs, commercial & technological. Magnavox & Admiral still studying. Hughes Aircraft active. Sega naming distributors, goes nationwide next fall. (P. 10)

CB WAIVER 'ERRATA' explains that new 23-to-40 testing tolerance is tighter than originally indicated. Rulemaking on proposed 100-db harmonic suppression limit is issued. (P. 11)

GE'S NEW CB models will be shipped to retailers from bonded warehouses on first business day of Jan. Dullmeyer sees wholesale CB dollar volume next year climbing 10%. (P. 11)

ANTITRUST ACCORD WON'T CHANGE THINGS: Day before it signed consent decree on July 17 with Justice Dept. (JD) settling Dec. 1974 program antitrust suit (Vol. 14:50 p2), NBC TV Affiliates' Board settlement will have "no major financial impact." Lawyers we talked agreed almost unanimously; network program suppliers were chary about any comment at all.

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CBS & ABC—facing identical suits—are incensed that NBC "capitulated," as a network official put it, and both vowed they'd continue fight. Now pending in L.A. Dist. Court are CBS & ABC petitions to dismiss suit as "lacking merit"—but NBC's action is said to have hurt their case tremendously. Although NBC's settlement had been expected (Vol. 16:46 p5), JD agreed to negotiations presently are underway with other 2 networks. (Note: NBC also recently backed away from CBS & ABC in refusing to appeal family viewing decision [Vol. 16:46 p2].)

Meeting in Barbados last week (see p. 3), NBC also told Affiliates' Board that JD agreement merely codifies existing practices and will "cause no major changes in our way of doing business." In formal statement, NBC said settlement could "ultimately establish industry guidelines"—since most major provisions against NBC don't become active unless & until they're also adopted by ABC & CBS—and that "we are pleased that this litigation...is now over, so far as we are concerned. By taking the lead in entering into this new charter, NBC continues its ef-
PROJECTION AWAITS BREAKTHROUGH: Projection TV seems to be glamorous, attractive idea whose time hasn't yet quite come. Despite hoopla & promotion, best guess is that about 12,000 under-$5,000 units will have been sold in 1976—50% of them by Advent. In units, this represents equivalent of 3 hours' production of direct-view color sets. If 60,000 are sold in 1977, as expected, it will be something under half week's conventional-set output.

Entire projection TV "industry" seems to be waiting for 2 breakthroughs: (1) Commercial—whole-hearted endorsement of concept by major TV maker. (2) Technological—"light-valve" approach, eliminating cathode-ray tube as light source and providing quantum leap in brightness.

As to commercial breakthrough, most likely to enter home projection TV soon among American set makers are Magnavox & Admiral, both of which have projects in works. Magnavox Consumer Electronics Pres. Alfred Di Scipio last week responded to inquiry about progress with "no comment." Admiral Mktg. Vp George Sembroski told us: "It's still an active project but I have yet to see the first prototype." Sony is only TV maker offering home projection system, but its output is small and marketing has been de-emphasized, although it's believed to be preparing new model.

Technological breakthroughs to free projection from CRT may be on horizon. Hughes Aircraft will soon have breadboard model of color TV projector using liquid-crystal light valve ready for lab testing in project directed by Alex Jacobson, who recently was transferred from research labs to mgr. of liquid crystal programs at Industrial Products Div. GE talks of eventually developing its high-priced light-valve projector into rear-screen home unit, but this is long-term project. Inventor William Glenn is developing projection system charged-coupled device (CCD) for N.Y. Institute of Technology (Vol. 16:4 p8), but even working prototype seems to be more than year away.

Among biggest companies in home projection TV is Gulf & Western, through its Sega Enterprises, now building distributor network for Segavision line (Vol. 16:42 p10). Sega Pres. David Rosen told us last week that marketing is beginning in L.A., where nearly 250 dealers attended open house. By year's end, Sega plans to have 6-7 areas covered, 10 more by spring, going national next fall. Sega is major coin-op game producer, plans to market microprocessor game some time next year as adjunct to its projection TV, Rosen said.

Meanwhile, Worldwide Entertainment Systems, which claims to sell largest number of projection systems, says it's negotiating with Zygrna Electronics of London to market that company's 3-tube projection system in U.S. Zygrna system is said to compare closely with Advent's, but will be more expensive. Zygrna is headed by William & David Stirling, who were indicted in N.Y. last July on federal criminal charges of security fraud involving shares of Stirling Homex prefabricated housing company.

Advent reported revenues from projection TV in quarter ended Sept. 25 increased to $3,933,000 this year from $1,948,000 in 1975 period, as result of increased deliveries of high-end 1000A VideoBeam system. Lower-priced Model 750 has now been introduced in about 10 markets, but production is still limited.

Westinghouse picture tube business's loss from operations will total $5 million after taxes this year, slightly greater deficit than in 1975, financial noise were told. Estimated cost of discontinuing tube operations by Dec. 1, Westinghouse Industry Products Co. Pres. Douglas Danforth said, was included in 3rd-quarter financial results, indicating decision wasn't sudden. Meanwhile, both Sony & Westinghouse said they were "negotiating" for Sony takeover of plant (Vol. 16:45 p7). Westinghouse said it was still talking with several other firms. After Sony, most likely candidates for purchase of picture tube plant, North American Philips and Matsushita—both flat denied they were interested. Sources in Elmiria, N.Y., near site of plant, expressed belief that other prospective buyers were interested in plant, but not as picture tube producer.

Sampling of EIA Consumer Electronics Group board, Consumer Electronics Show Advisory Committee and key show exhibitors is being conducted by small group of EIA/CEG officers to determine whether anyone was unduly pressurized to approve decision to cancel shift of 1978 Summer CES from Chicago to Las Vegas (Vol. 16:46 p12). Informal poll is response to wire to CEG board members by Harman International Vp Irving Stern—asking that decision be rescinded as "unauthorized" and that investigation be conducted into EIA/CEG Staff Vp Jack Wayman's activities in connection with move. Results of survey and any recommendations for further action will be discussed at EIA/CEG's board meeting Jan. 13-16 in Chicago.

Game Plans: Home video game market will grow at 85% compound annual rate through 1980, hitting 17 million units at $454 million, Creative Strategies survey says. By 1980, foreign markets will account for 40% of home game sales, with major markets being Western Europe, Japan & Canada...Comrade (Hong Kong) is producing about 60,000 color games monthly for sale in U.S. & Canada through distributor-agent Caltronics. European version is under development...European color set with built-in game is on West German market. Nordemende 25” Spectrum-Color-Teleplay uses GI chip, is $80 more than set without game...FCC has approved Tele-Match 6600 game.

Most innovative company in U.S. electronics last year was North American Philips, which introduced 41 new products, according to Frost & Sullivan survey. Report says 2,375 significant new electronic products were introduced in year through Jan. 1976, down from 2,500 in preceding year.

Sylvania has purchased 356,000-sq.-ft. former Drexel furniture plant from Champagne International for undisclosed amount, will operate it as subsidiary Southern Cabinet Co. for manufacture of TV & audio cabinets, production to start next summer.
Trade Personalos

Robert Bowen, Zenith mkgt. vp, shifts to new post of vp-mkgt. & international in consolidation of worldwide sales & mkgt. operations; Charles Sindelar, named international sales & mkgt. dir. and Zenith International Sales Corp., senior vp; Michael Panett

Frack, former international sales vp, named dir.

Irv Fulton, ex-director national sales mgr. for Sylvania Philo Consumer Electronics Div., joins for Sylvania Philco Consumer Electronics Div., joins

Bryan Martin, former Sony Canada radio & recorder sales & mkgt. vp, now responsible for sales & distribution of all products; Arthur Demasson, ex-TV & audio sales & mkgt. vp, now video, educational & business products sales & mdsq. vp; Nobu Watanabe, former video & business products sales & mkgt. vp, named mdsq. vp for all consumer products with added responsibility for service & technical operations for all products...James Conway, ex-WEMA & EIA, named pres. of new Electronics Assn. of Cal.; Edén Tisdale, ex-WEMA, appointed legislative programs dir.

Morton Jaffe advanced at MOS Technology from vp-treas. to pres., succeeding John Paivinen, who resigns as chmn.-pres., following acquisition by Commodore; Irving Gould, Commodore chmn., takes same post at MOS; Chris Fish, Commodore International vp-secy., adds duties as MOS vp & secy.-treas.; Robert Waller, ex-Texas Instruments, joins as gen. sales mgr...Dean Coleman appointed mkgt. dir., National Semiconductor International/Japan; Brent Wellig advanced to NS hybrid module & data conversion products mkgt. mrgr., succeeding Coleman.

Glenn Cubertson advanced at Sylvania Parts Div, from Connector Operations product line mgr. to business development mgr...Robert Schilling named product mgr. for new Components Div., of General Resistance, assuming some duties of Vp Jay Nadal, who retains responsibility for Instrument Div... Daniel Presser, Unitrex Australia managing dir., & Leslie Wagenheim, Unitrex Canada pres., named to board of parent Unitrex America...Eric Staniek, exec. vp of Telcor subsidiary Electro Rent, named acting pres., succeeding William Rollnick, resigned...Irwin Hold joins Tamurn Electric as western sales vp for Lumitime radio & clock lines.

Quasar reorganization will place international & service operations (Itoku Fujl, vp) and PR functions (Ralph Jones, dir.) under marketing operation headed by Vp Alex Stone. In addition, 2 unidentified vps will be put on "special assignment."

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during last week. Figures are in dollars. Parentheses denote loss.

<table>
<thead>
<tr>
<th>Company &amp; Period</th>
<th>Revenues</th>
<th>Net Earnings</th>
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<td>9,434,000</td>
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<tr>
<td>1975-qtr. to Sept. 30</td>
<td>11,394,000</td>
<td>7,261,000</td>
</tr>
<tr>
<td>1975-qtr. to Nov. 1</td>
<td>11,284,000</td>
<td>7,261,000</td>
</tr>
<tr>
<td>Lee Enterprises</td>
<td></td>
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<tr>
<td>1976-year to Sept. 30</td>
<td>69,770,000</td>
<td>141,100,000</td>
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<td>1975-year to Sept. 30</td>
<td>58,074,000</td>
<td>141,100,000</td>
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<tr>
<td>1975-qtr. to Sept. 30</td>
<td>18,304,000</td>
<td>7,301,000</td>
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<td>1975-qtr. to Nov. 1</td>
<td>15,008,000</td>
<td>7,301,000</td>
</tr>
<tr>
<td>Morse Electro Products</td>
<td></td>
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<td>1976-6 mo. to Sept. 30</td>
<td>48,409,000</td>
<td>3,040,000</td>
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<tr>
<td>1975-qtr. to Sept. 30</td>
<td>26,779,000</td>
<td>3,040,000</td>
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<td>Philips NV3</td>
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<td>1976-9 mo. to Sept. 30</td>
<td>8,459,100,000</td>
<td>141,100,000</td>
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<td>1975-qtr. to Sept. 30</td>
<td>7,321,500,000</td>
<td>141,100,000</td>
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<td>1975-qtr. to Sept. 30</td>
<td>2,892,500,000</td>
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<td>1975-qtr. to Sept. 30</td>
<td>2,560,650,000</td>
<td>49,100,000</td>
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<td>Teletronics</td>
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<td>1976-qtr. to Sept. 30</td>
<td>2,632,000</td>
<td>100,000</td>
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<td>1975-qtr. to Sept. 30</td>
<td>1,948,000</td>
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<td>1975-qtr. to Sept. 30</td>
<td>804,000</td>
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<td>1975-qtr. to Sept. 30</td>
<td>620,000</td>
<td>100,000</td>
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<td>Trans-Lux</td>
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<tr>
<td>1976-qtr. to Sept. 30</td>
<td>8,329,550</td>
<td>269,340</td>
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<td>1975-qtr. to Sept. 30</td>
<td>7,093,767</td>
<td>208,500</td>
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<tr>
<td>1975-qtr. to Sept. 30</td>
<td>2,719,128</td>
<td>76,315</td>
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<tr>
<td>1975-qtr. to Sept. 30</td>
<td>2,369,918</td>
<td>76,315</td>
</tr>
</tbody>
</table>

Notes: aIncludes special credit. bAdjusted. No comparable figures available. at 'guilder's current rate. 1976.

Morse reported losses for fiscal half & 2nd quarter to Sept. 30 (see financial table), didn't provide figures for same 1975 period. Accounting changes instituted since Morse was forced to report each quarter on a stand-alone basis are now taken into account. Morse reported losses for fiscal half & 2nd quarter to Sept. 30 (see financial table), didn't provide figures for same 1975 period. Accounting changes instituted since Morse was forced to report each quarter on a stand-alone basis are now taken into account. Morse reported losses for fiscal half & 2nd quarter to Sept. 30 (see financial table), didn't provide figures for same 1975 period. Accounting changes instituted since Morse was forced to report each quarter on a stand-alone basis are now taken into account.

Sylvania extended labor-exclusive warranty on Color Bright 85 (reconditioned) replacement color tubes to 5 years from one. Warranty on new & complete rebuilt replacement tubes remains at 2 years. One major marketer, including Channel Master, GE, RCA & Zenith, indicated no present plans to follow suit. New warranty is longest of type. Admiral's 5-year coverage on tubes in new sets (including 1 year labor), but customer must pay pro-rated price for exchange tube after 2 year.

Morse reported losses for fiscal half & 2nd quarter to Sept. 30 (see financial table), didn't provide figures for same 1975 period. Accounting changes instituted since Morse was forced to report each quarter on a stand-alone basis are now taken into account. Morse reported losses for fiscal half & 2nd quarter to Sept. 30 (see financial table), didn't provide figures for same 1975 period. Accounting changes instituted since Morse was forced to report each quarter on a stand-alone basis are now taken into account. Morse reported losses for fiscal half & 2nd quarter to Sept. 30 (see financial table), didn't provide figures for same 1975 period. Accounting changes instituted since Morse was forced to report each quarter on a stand-alone basis are now taken into account.
SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

NEW CB SERVICE proposal coming in spring, FCC says, probably in 900-MHz range. (P. 7)

TV CRISIS—RCA, Sylvania, Wells-Gardner extend holiday shutdowns for 'inventory reduction.' Zenith's Nevin warns of excessive inventories. (P. 7)

JAPAN COLOR EXPORTS to U.S. continued strong in Oct.; CB shipments softening. (P. 8)

COLOR PORTABLE production by U.S. manufacturers slowed 37% in 3rd quarter, console output rose 17%, industry data indicate. (P. 8)

RCA WITHDRAWS AM stereo system from consideration as economy move. Four systems ready for field testing; 2 more may be added. (P. 9)

FCC RE-TESTING CBs which failed receiver tests if they meet special requirements. FTC warns consumers on 40-channel conversion deals. (P. 10)

JAPAN'S EXPORTS of audio equipment to U.S. up sharply for most products. Home radios rise 51%, auto radios 577%, radio-phonos 81%. (P. 10)

RCA MICROPROCESSOR game approved by FCC, joining Fairchild VES as 2nd programmable unit offered for sale. GI strike continues. Channel Master bows out. (P. 11)

ON GROUP W SIDE; NETWORKS FIGHT BACK: Justice Dept. (JD) threw new wrinkle into Group W's request that FCC investigate TV networks by suggesting that networks 'should be required to divest some or all' of their owned TV stations. Such network ownership of stations, JD said, 'may well contribute importantly to the networks' ability to preempt program acquisition and, consequently, to distribute a disproportionate share of programming and to obtain a disproportionate share of broadcast revenues.'

JD also favored most of other points made by Group W in Sept. 3 filing (Vol. 16:36 p1), said that 'great economic power' of networks may have 'substantially eroded' ability of affiliates to 'exercise genuine independence' in program decisions. If Group W allegations are proven, JD said, 'they would raise serious issues both as a matter of communications policy and of antitrust policy.' Dept., however, told FCC it probably didn't have authority to freeze network programming at current levels or to sanction collective bargaining by affiliates with networks—as sought by Group W.

As expected, TV networks last week attacked all portions of Group W filing and immediately responded to JD position. CBS: "Just as we have maintained that the Westinghouse petition is based upon allegations that are totally without merit, we regard the position of the Justice Dept. without merit." ABC: JD "sets forth no new facts and [position] is based upon these
Executive Games has been quoted as saying it would halt production of ball- &-paddle games in first quarter, field cartridge version in 1977. Though Japanese have shown little interest in games field, there are indications some leaders are studying microprocessor end of business. Mitsubishi's semiconductor div. showed 15-game MELPS-8 microprocessor unit at recent Japan Electronics Show. Firm says it's not consumer product, and no marketing plans have been made.

Nationwide franchised retail video operation is planned by Amvid Network Div. of Amvid Communication Services, Manhattan Beach, Calif. Recently named pres. of new Div., Samuel Gale (ex-Video- record Corp.), told us network concept involves establishment of stores offering products covering "whole home TV environment"—TV sets, projection TV, home VTRs, videodiscs & players, plus other accessory & complementary products. Dealerships will include storefront operations and "video boutiques" in existing outlets. Dealers will handle specific brands & products, purchased either through network or individually—"whichever is most beneficial to the dealer." First test market will be in L.A. first-quarter 1977, Gale said, with national selected markets by 1978-79. Parent Amvid, headed by James Spencer, currently produces audio-visual training material, could eventually produce or co-produce consumer videodiscs & tapes.

Joint venture of 6 capacitor producers to develop substitute for polychlorinated biphenyl (PCB), has gotten clearance from Justice Dept. in letter saying it won't challenge venture on antitrust grounds, agency told Aerovox, Universal Mfg., Mallory, Jard, Electrical Utilities & Cornell Dubilier to go ahead but with understanding non-venture companies would have royalty-free access to any patentable development by paying equal share of research cost. GE, which produces some 40% of PCB-filled capacitors, isn't venture member. Environmental Protection Agency has labeled PCB as health hazard. Monsanto, sole current PCB manufacturer, says it will halt production by end of 1977.

Negotiations to acquire U.S. marketing rights to Zygma projection TV system were discontinued last week by Worldwide Entertainment System, Exec. Vp Lee Girson said, after he learned that Zygma Electronics of London was headed by William & David Stirling, who were indicted in N.Y. last July on security-fraud charges (Vol. 16:47 p10). "We were very impressed with the product when we saw it [at Vidcom] in Cannes, and we started preliminary talks," Girson told us. "We never talked with the principals or even knew who they were. Now we have no intention of getting involved." He said Worldwide is continuing its own development of 3-tube Schmidt system projector.

Suit against Sony by Universal & Disney, seeking to block Betamax sales on copyright violation grounds (Vol. 16:46 p7), may be followed by petition to FCC. It would ask Commission for rulemaking to put jamming signal into TV transmission, then seek injunction to stop Sony from putting anti-jamming circuits into Betamax machines.
Western Cable Convention is almost always upbeat, and this year was no exception. Pay cable again was main driving force, as some 2,200 delegates met in Anaheim, Cal.—attendance up 10% from last year. Also contributing to good spirits was almost unanimous support cablenmen got from their congressmen—in several speeches and panel discussions—plus excitement over clear hint from FCC Chmn. Wiley that Commission will approve small satellite earth stations (4.5 meters, maybe even less, see below), and announcement of new fiber optics company by industry pioneers Irving Kahn & Lawrence De-George (Vol. 16:48 p5).

Now that industry has fair amount of experience with pay cable, panelists are beginning to find some patterns, but not many. Worried about "churn" (loss of pay subscribers after start-up honeymoon), operators stressed need for constant promotion on every front. As several panelists pointed out, operators are now in "showbiz"—an unfamiliar role to many operators.

From film producers came following: (1) Peter Kuyper, Paramount—Pay cable can become a mass medium only through lower prices. "You lower your prices and we'll lower ours." But real "quantum leap" will come, he said, when per-program system arrives. "It will solve virtually all problems." Furthermore: "You should pray for the health of theaters. They create the market for pictures."

(2) Gordon, MGM—Producers need more cooperation from cablenmen in promotion.
NEW CB LINES: E.F. Johnson & Cobra unveiled new channel CB lines last week, both promising availability of all models by Jan. 1 pending FCC approval. Johnson 7-channel model lines ranges $130-$360 ('similar to 4-channel model line'), includes 6 mobiles (1 SSBB and one 1200hz station), all with phase-locked loop (PLL) circuitry. Key features include tapered automatic noise limiter (TANL), which automatically adjusts to level of noise. Most models feature LED readout. SSBB has color-coded mode lights.

Cobra 10-model line ranges $150-$520, includes 2 AM & 2 SSBB mobiles, 2 AM & 2 SSBB base stations. High-end AM mobile ($280) has scan feature which automatically tunes in emergency call 902 if signal is received and built-in SWR meter. All SSBB mobiles have LED readout, RF gain control. Also now includes 2 in-dash FM-AM-SSBB units which will be added later.

CB market will hit 10-12 million units in 1977, including 2-3 million 25-channel models, Cobra predicts. Karl Korn predicted, totaling $2 billion at retail. Of total, 1 million will be in-dash combination units. Units sold in 1977 will finish at 11-12 million level. Cobra now has 600-700 warranty stations, plans sales incentive trip to London for 2,500 dealers in summer.

Latest 40-channelistributions: Dymacan (211XR, 211XL, 131XR & 131XLR), GM (GM-101X, 101X, 270X, 270X), Ray Jefferson (CB740), Rockford (KC740), Argo (KC 4005), Kris (XL45), Mars (Con 400 & 360), Microphone M 361, 375, 375 & 375, Meoleh (ME 400), etc.

Caribbean (1000B, 2300CA & CB-166), Pierce-Simpson (Super Cat 40 & Tiger 40), Penney's (2637), President (Bill D), Radio Shack (21-1521 & 21-1524), Royce (1-468), SBE (Brute 40), Sears (CM26000), Sony (CB7500), Standard (Horizon 2900), Supercar (CB-340), Toyota (008260-00020).

Game plans: Magnavox got FCC approval for Odyssey 500 (Vol. 16:48:1411), will ship half of unfulfilled orders by Dec. 17, remainder after Christmas. Strike by 400 workers at GI's Hicksville, N.Y. plant was settled (Vol. 16:48:111), with production of game chips and other components back on schedule. GI shipped 5-millionth game chip last week, "well ahead of the original target date," from Chandler, Ariz. plant, one of four chip-production facilities worldwide. ...Fairchild VES programmable game is being test-marketed by Penney (Chicago, West Coast) & Wrds ("selective markets"). VES will hit 40 major markets by Christmas, show up at Macy's, Bamberger, A&S & Bloomingdales in N.Y., Broadway & May dept. stores in L.A. Three of 4 new VES cartridges will be shown at CES... Other FCC approvals: Accurate Electronics (Hong Kong), TVG 101-4 & 101-2.

FCC has proposed revision of rules for security & remote-control devices & garage-door openers. Planned are authorized frequency changes, including move to 900-Mhz band, tighter operating & emission specifications, certification of receiver portions of devices. Comments are due Dec. 27, replies Jan. 6.

Mergers & acquisitions: Sprague management recommends holders accept $19.50 per share acquisition offer being made by General Cable. In addition to being one of industry's leading capacitor suppliers, Sprague owns 40% of semiconductor producer Mostek. This is 2nd recent merger attempt by both firms. Earlier this year, agreement between Sprague & Cabot Corp. fell through, while General Cable was outmaneuvered in attempt to acquire Microdot. ...Commodore has completed acquisition of MOS Technology in exchange for some $450,000 in stock, notes & cash... Holders approved merger of Intersil into Advanced Memory Systems. AMS will issue shares worth about $17.6 million at current prices in exchange for outstanding Intersil stock... Raytheon has agreed to acquire Switchcraft, terms undisclosed. Switchcraft is expected to continue under present management after deal is concluded early next year... RCA won't sell U.K. food company after all, will treat $20-million pre-disposal writeoff as drop in value of investment (Vol. 16:35:p12). RCA says subsidiaries are currently profitable.

Active videogram: (disc & tape) software program, budgeted in "5 figures sterling," is underway at EMI, London-based electronics-entertainment combine, which produces "one in every 5 phonograph records sold around the world" (Capitol Records in U.S.). So said EMI Audio-Visual Services Managing Dir. Donald MacLean at recent Videodisc Programming Conference in N.Y. EMITE Div., headed by Garry Pownall, is responsible for developing software. It now has 5 camera crews shooting sequences for 30-min. films. MacLean forecast 1/2: VTRs will "build up a significant level of activity in Japan, Europe & U.S. by the end of 1978." He added: "We are absolutely certain that, 10 years into the videogram business, there will not be one feature film among the top 20 sellers." MacLean's videodisc assumptions: (1) "RCA and/or Philips/MCA will have launched players in the U.S. by the end of 1978." (2) "Discs may be viable in runs of 20,000 or less." (3) "Software production might begin to break even with a player population, in a single [country], of one million. This will take 4-5 years to achieve in U.S."

RCA hopes to adapt technology developed for defunct Holotape SelectaVision home videoplayer system to military-commercial use. It received $100,000 Navy contract to build prototype of moving map display for cockpit. System uses cartridge of plastic tape embossed with image holograms which can be reconstructed by incandescent, rather than laser, light and provide multicolored display. Cartridge holds 500 maps. Method of producing & replicating tapes is same as that planned for videoplayer RCA unveiled in 1969 (Vol. 9:40 pp 7 & 10).
SUMMARY-INDEX OF WEEK'S NEWS

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Consumer Electronics

STRONG FINAL WEEK capped healthy Nov. TV sales, reduced color inventories modestly from end of Oct. level. Dec. off to good start. (P. 7)

SANNO GETS 70% of Sears’ TV requirements if purchase of Warwick’s TV business goes through. Sanuo would be among 4 vying for 3rd place color suppliers. (P. 7)

CB SALES PICK UP as dealers offer Christmas shoppers bargain prices on low-end 23A, package deals. Sales aren’t back to pre-expansion level. (P. 8)

QUasar Home VTR to compete here with Sony’s Betamax in selected markets at $995 in Jan. Sony expanding Ala. tape plant. (P. 10)

CB ‘DE-LICENSING’ is one of 9 options proposed to FCC by internal CB review committee. (P. 10)

JAPAN CB COUNCIL to monitor export quality control to erase ‘cheap imports’ image. FCC says 60-channel-models testing to be finished by Jan. 1. New approvals listed. (P. 11)

TV GAME PATENT Infringement suit filed by Magnavox against Allied Leisure, Radio Shack. (P. 11)

WILEY'S CHRISTMAS LIST: FCC commissioners & top staffers may be late in completing their Christmas shopping as Chmn. Wiley has scheduled heavy slate of meetings beginning Dec. 13, running until Christmas Eve. Announcing this week’s schedule, Wiley warned colleagues: “I also take this opportunity to tell you that we will have important meetings on the 26th-23rd of December.”

Among more important matters to be considered are small earth-station policy (see p. 2), TV program review (see p. 10) and VHF drop-ins (Vol. 15:49 p5). Scheduled for Dec. 21 special meeting, drop-ins were put off from Dec. 15 to accommodate Commr. Lee, who will be attending electronic funds transfer seminar in San Francisco this week. Lee leaves for Washington on WARC conference Dec. 23, won’t return until mid-Feb., and is expected to try to stall any decision on VHF drop-ins rulingmaking until after WARC conference. However, it's known majority of commissioners will favor staff proposal to issue rulingmaking.

Note: FCC launched investigation last week into letter written to several UHF stations by Joel Audet Assoc., Bethesda, Md. Audet is reported to be consulting engineer, wrote stations in their cities “would have a better chance of obtaining FCC approval” for VHF drop-ins. He asked that they retain his firm at "regular rates...minimum $1,200 a month" and "immediately" pay Audet $100,000—minus monthly payments—if UHF receives VHF grant. FCC officials confirmed that investigation is underway because Audet’s son James is engineer in Test. Facilities Div. of Best. Bureau. James Audet has been suspended from his regular FCC duties.)
MAGNAVOX GAME SUIT: Allied Leisure & Radio Shack parent Tandy Corp. were charged with infringement of Magnavox video game patents in suit filed last week in Miami Federal Dist. Court. Suit is similar to one filed last year against Atari & Midway, asking that production & sale of games by both firms be halted. Atari dispute ended in cross-licensing agreement (Vol. 16:25 p11); Midway (subsidiary of Bally) signed Magnavox license (Vol. 16:21 p12). Suit against Seeburg & Chicago Dynamics remains alive.

In addition to Atari & Midway, following firms have signed worldwide licensing agreements: Coleco, (U.S.); Videomaster Ltd. (U.K.); Zanussi (Italy); Epoch & Y.S.A. (Japan); Olympos (Korea); Interton Electronics & N.V. Philips (W. Germany); Radofin, Promoters Ltd., E&P Electronics & Concept 2000 (Hong Kong).

Magnavox won't discuss licensing details, but terms of Coleco agreement (Vol. 16:21 p12) are thought to represent general guideline to arrangements with others: $100,000 against 5.5% royalty on net selling price of first 100,000 units, moving downward to base of 3% after 350,000 units.

FCC approvals: Allied Leisure (A100 & A300), Coleco (6300), Atari (C200), APF (401T), First Dimension (BG 7703).

Electrohome's decision to drop bulk of portable-color production in favor of importing, while concentrating on 25" consoles, clears last major barrier to Canadian govt. approval of industry-wide production rationalization scheme. Plan gives manufacturers right to duty-free importation of TV in screen sizes they can't produce economically. Aim is to keep domestic producers viable, encourage importers to establish assembly operations in Canada. Electrohome was blocking plan because as only independent still operating in Canada—all others are owned by foreign (U.S., Japanese & Dutch) TV manufacturers—it was only company without ready access to foreign-made sets. Electrohome, which has color component assembly operation in Malaysia and gets b&w from South Korea, said it will buy color imports from Japan.

Motion to suspend investigation into Sylvania's unfair color TV import competition complaint is expected to be on agenda for International Trade Commission's first public meeting Dec. 13, when agency starts operating under "Sunshine in Gov't. Act." Bid for delay by Japanese was approved by Administrative Law Judge Renick & ITC's investigative attorney, is unopposed by Sylvania. Sylvania is seeking deadline extension anyway to gain more time to gather deposits. Japanese are asking that proceedings be held up until ITC probe into industry-labor request for import quotas is finished. ITC discussed motion Dec. 8 & 9, put off vote Dec. 10.

Admiral's loss in year to Sept. 30 exceeded that of preceding year; group isn't expected to show profit in 1977, probably won't for several years, Rockwell Pres. Robert Anderson said last week. While there have been talks with foreign companies about possible tiueps, he said, there haven't been any "serious discussions about disposing of Admiral."
Trade Personal

Ronald Glese promoted at Magnavox from Milwaukee sales mgr. to Great Plains Div. sales mgr...


Marvin Fried, ex-Soundesign, joins ERC (Electra Radio) as eastern sales vp, succeeding David Silverman... Ralph Setton, ex-Solar Sound Systems, appointed Krypton Electronics national sales mgr., succeeding Terrence Sexton, now with Chelco Sound... Selwin Kent, ex-Tapp Electronics, joins Kendale Technology as vp.

James Aldrich advanced at Memorex Audio Products from Seattle zone sales mgr. to mkgt. mgr. for Asia, Latin America & Canada, with added responsibility for special mkts. development, succeeding James McBurney, now mkgt. dir. for Europe, Africa & Middle East, with hp in London; Al Pepper appointed product mgr. responsible for U.S. consumer & professional audio tape & accessories mkts., replacing Carl Yankowski, now heading new product & acquisition activities.

Richard Toth named GE Tube Products Div. industrial distribution sales mgr. ... James Hornung promoted at Sylvania Components Products Group to product sales mgr. for renewal & OEM receiving tubes... Shigehiko Murase, former Rockwell International Far East rep, appointed National Semiconductor Japan distributor sales mgr. Todd Davidson named 3M Electronics Products Div. sales mgr.; Robert Applewhite appointed microelectronics mkts. mgr.

Patrick Ryan advanced at Stackpole Components to consumer electronic products mkts. mgr.; Charles McGill promoted to professional electronic products mkts. mgr. Both assume duties of Clyde Robinson who resigned as sales vp to join Luscombe Engineering, West Coast sales rep. Richard Steinberg advanced at Antenna Inc. to field sales coordinator, assuming some duties of Randall Friedberg, who continues as sales mgr.; Herbert Concor, ex-Dearborn Stove, joins as R&D mgr., new post... Lester Weidman appointed President Electronics central region mgr.

Import impact aid was approved by Labor Dept. for those who lost jobs when RCA closed Woodbridge, N.J. receiving tube plant last year. Agency also opened eligibility investigation for employees at GE Semiconductor Products, Syracuse.

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Toshiba has agreed to join calculator manufacturing ventures in Egypt, Spain & Czechoslovakia, is negotiating for similar ventures in Iran & Latin America, has opened discussions in Poland & Hungary. Ventures will use parts supplied by Toshiba, gradually develop parts-making capability... Sharp introduces solar-powered 8-digit LCD calculator at $100 in U.S., $85 in Japan. Full battery charge, which takes 2 hours of direct sunlight, runs calculator about 50 hours.

Increased competition is expected in home fire-smoke detector market next year, spurred by Sears introduction of first under-$20 model. GE claims to be leader, says it will provide over half of 4 million corporate account this year, estimates wholesale market will climb from present $127 million to $200 million by 1980. Growth is helped by strong ad campaigns, increase in communities requiring devices in all new homes.

Ad notes: RCA names Ted Bates & Co. for $10 million corporate account, succeeding J. Walter Thompson, which resigned in Sept. ...Audovox names Baron, Costello & Fine... Magnavox launches annual sale Jan. 9 with TV spots during Super Bowl telecast. is preparing spots for dealers, plus mailers, newspaper supplements... GE will offer price reductions up to $50 on TV & appliances in Jan.-Feb. "GE Sale Days."

WEMA will sponsor first industry seminar & show for microprocessors in Chicago Oct. 17-21 at O'Hare Exposition Center. Called Microfair International, event will be held semiannually to demonstrate uses of microprocessors outside electronics field... NESDA will hold national convention in Orlando Aug. 16-20... NARDA holds annual convention March 27-30 in Atlanta.
**Broadcast**

**HUGE FCC FEE REFUND** expected as Appeals Court orders revision of entire schedule, return of excess charges. Broadcasters alone may get up to $20-$30 million. (P. 1)

**HOOKS LIKELY FCC INTERIM HEAD:** Tells Carter spokesman he'd like job until July. No concentration on FCC appointments by transition team yet. VHF drop-ins, automatic transmitters, cable definition, up this week at FCC. (P. 2)

**RTNDA—GROWING LIKE NATPE:** Network personalities are prime attraction for 900 in Miami Beach. Cronkite seeks support for expanded news; Brinkley says forget it. Salisbury hits 'slant & bias' of broadcast news critics. (P. 4)

**HOLLINGS CHOICE** all but final for Senate Communications Subcommittee chmn. (P. 4)

**CODE BOARD'S 'CONCERNS'** over TV violence to be relayed to networks via special committee; NAB prescreening, post-screening, rating service and Code rewrite are rejected. NCCB finds NBC, 'Quest' and Chevrolet most violent. (P. 5)

**'DON'T STONEWALL'** House Communications Subcommittee's Communications Act rewrite, Shooshan advises broadcasters. (P. 5)

**COURT RULING PROJECTS HUGE FEE REFUND:** Many millions in refunds are expected by industries regulated by FCC—particularly broadcasters—following 4 D.C. Appeals Court decisions Dec. 16 ordering Commission to develop whole new, lower schedule of fees and to return excess to those who paid since 1971.

Citing 1974 Supreme Court decision upholding NCTA, Court said fees must be based on Commission's costs and related to "value to the recipient." Court said that there's no indication FCC followed those criteria; that it believes fees are too high.

From 1971 to last Sept. 30, FCC collected total fees of $155,340,651—annual, application, grant, etc. Broadcasters paid $46,253,956, common carriers $30,233,975, cable $5,774,665, balance all other services. CATV got $4,129,018 of its payments back, following NCTA's 1974 victory in Supreme Court.

No one knows how much will be refunded, obviously, until FCC comes up with new fees satisfying court order. However, Ernest Jennes, attorney who handled litigation for NAB & many broadcast groups, guesses it could run $20-$30 million for broadcasters alone. One beauty of case, he pointed out, is that FCC can make refund without going to Congress, because it put fees in special Treasury Dept. account just in case industry won refunds, and Court said "the power to refund fees that are unlawfully collected is implicit in the power to assess fees."

**Consumer Electronics**

**SANYO TAKEOVER** of Warwick's TV business, okayed by Justice, set for Dec. 29. Zenith's Nevin hints acquisition may be challenged in court. (P. 7)


**MPAA EYES ACTION** against home VTR in war on piracy. Movie trade group won't join anti-Sony suit, but contracts with Bell & Howell to explore copyproof broadcast techniques. (P. 8)

**VIDEO GAME 'BURN'** being probed by FTC. Warning issued by Canadian govt., U.S. mail-order house, but manufacturers & Better Business Bureau report no consumer complaints. (P. 10)

**FCC CHANGES CB** definitions & rules, meets for 5 hours over 2 days on licensing & enforcement changes, approves 82 new 40-channel units for Jan. 1 sale. Shooshan criticizes FCC's CB spectrum management. (P. 11)

**COMPONENT IMPORTS** up sharply in first 9 months with strong gains shown for both active & passive devices. Value of parts imports topped $1 billion in period. (P. 11)
Decision threw FCC into a swivet, and it began discussions with staff immediately. One commissioner was exceptionally bitter, blaming Congress for confusing law which ordered agencies to aim for financial self-sufficiency through fee collection. Commission has several options, including: (1) Refund everything collected, as it did with cable. (2) Set up new fee schedule, ask for industry comments on it. (3) Set up new schedule, ask for comments, immediately refunding excess—then refund more later if schedule is finally revised after comments are received. (4) Ask Court for rehearing en banc. (5) Appeal directly to Supreme Court.

Top-of-the-head speculation around Washington was that alternatives (1), (4) & (5) are least likely—because: (a) FCC can undoubtedly charge something, and (b) Supreme Court's NCTA decision was so clear-cut that high court is unlikely to accept appeal.

Largest refunds are expected to go to those who bought & sold stations. Fee has been 2% of sales price or related to gross revenues, and Court made it clear it can't visualize FCC spending 100 times the effort to process $100 million sale that it does for $1 million.

FCC began collecting fees in 1963. They were rather nominal, designed to equal 25% of Commission's budget. In 1970, new schedule was set, to cover entire FCC budget. NCTA challenged that, won in Supreme Court. FCC refunded all cable fees (30¢ per subscriber)—and though Supreme Court said it could collect up to 50% of previous fee, Commission decided to collect none from cable. It continued to collect from everyone else. The 1970 schedule could cost single station up to $72,000 in annual fee. In 1975, FCC reduced fees; station annual fee, for example, was cut to 35% of previous rate. But just about everyone appealed. And everyone benefits—even "freeloaders," as one party put it, referring to those who didn't chip in for appeal.

In decisions written by Judge MacKinnon, court held among other things: (1) Fee should be based on "value to the recipient," not on "public policy or interest served [or] other pertinent facts." Otherwise, it would be a "tax," and FCC has no power to tax. (2) FCC devised schedule backwards. First, it figured total costs of a bureau, then applied percentage to arrive at "application processing costs." Court said FCC didn't explain how percentages were developed. It said Commission must identify each cost item and explain how it's related to "the service or benefit for which the fee is assessed." For example, Court said: "It strains the limits of credulity to value the services rendered to applicants or grantees at 94% of the annual budget of the Common Carrier Bureau."

Court told FCC how to go about revising fees: (1) Justify fee by statement of benefit conferred. (2) Calculate costs involved by adding all expenses, explaining what these are, excluding "any expenses incurred to serve an independent public interest." (3) Set rate "which reasonably reflects the cost of the services performed or value conferred upon the payor."

HOOKS LIKELY FCC INTERIM HEAD: Carter transition spokesman has talked to Comr. Benjamin Hooks about becoming interim chmn. of FCC after Jan. 20 and he said he's interested in job. No commitments were made, however. Hooks has agreed to replace Roy Wilkins as NAACP exec. dir. (Vol. 16:46 p2); latter doesn't retire until July 1, and Hooks has made no bones about fact he'd like to stay on Commission until Wilkins departs.

NAACP board meets Jan. 10 to confirm Hooks appointment (considered a formality) and he reportedly told Carter people he couldn't make commitment to serve as interim chmn. until he gets clearance from NAACP—if Assn. wants him earlier than July, he'll go. As interim chmn., he reportedly believes that he could have major influence on matters FCC considers for months after he leaves and that he could accomplish much for his black & public interest constituency without pressures he'd face as regular chmn.

"The simple thing is to take Hooks and make him interim chairman since there'll be no vacancies at FCC Jan. 21," prominent Carter advisor told us. He said transition team won't concentrate on FCC appointments for some time, that new commissioners with strong public broadcast leanings will be sought.

Another Democratic commissioner, Joseph Fogarty, also has told Carter team that he'd be willing to serve as interim chmn., then return to regular status. Through such course,
**FTC PROBES GAME 'BURN':** FTC is looking into possibility that video games may cause picture-tube damage—and if they do, what to do about it. It's known that some game, TV set & picture tube manufacturers have been questioned. Asked about subject, Peter Eglick of FTC's Consumer Protection Bureau, replied: "Where did you hear about that? No comment." He said if there is such a probe, public will be informed in due time.

But FTC already has been in touch with EIA Consumer Electronics Group, game & TV producers, and statement issued by Canadian Consumer & Corporate Affairs Dept. last week is forcing controversy into open. "Frightened use of the games may cause the game pattern to remain as a ghost during regular TV viewing," statement said, tracing apparent cause to "phosphor exhaustion." This isn't problem when it occurs at even rate over entire screen, but can be harmful if games with fixed lines cause uneven "exhaustion" rate, Dept. said.

There's no indication of any widespread problem so far, but Canadian statement, picked up by several U.S. newspapers, plus initial contacts from FTC, is causing some game producers to worry that issue could erupt into serious consumer scare. Atari Sales Dir. Malcolm Kuhn said his firm hasn't received a single consumer complaint about tube burn, but it will give out pamphlet at CES discussing situation and will display undamaged TV set used for full year on production line to test games.

Even if game marks are burned on set, Atari said, marks can be seen only when set is turned off. It also said: (1) Biggest problem is intensity of white used in b&w games, and Atari uses only grey lines. (2) Continuous moving pattern which appears on Atari screen after game is finished prevents problem.

EIA CEG will cooperate with FTC, Staff Vp Jack Wayman said, acting as catalyst between agency and set manufacturers. Wayman added that EIA is not aware of any problem consumers have experienced with TV set damage from games, that scattered complaints so far have involved stores leaving games on for long time. Wayman said EIA committees would meet on issue in first week of Jan. Council of Better Business Bureaus said it had received no consumer complaints on subject.

Some set manufacturers already are looking at problem and considering whether to exempt game burn-in problems from warranty coverage. Magnavox says it has had "a couple of dealer complaints, but nothing at all from consumers," has alerted dealers not to keep games running permanently.

Service Mds. Co., midwest catalog house, sends warning to its game customers stating that "continuous extended use of a TV game with a TV set could result in the permanent marking of the TV screen with the outline of the game score or game perimeter." Letter says game manufacturers are conducting tests, suggests that normal viewing habits be maintained and games be turned off when play is completed. Canadian govt. also urged users to turn games off when not in use, suggested that TV set be adjusted to low brightness & contrast while being used with games "until full technical information is available."

In other game news: (1) First Dimension is shipping private-label version of Odyssey 300, carrying FD name, through contract with Sentinel Div. of Magnavox. Firm hopes to offer new 4+6 microprocessor unit next year after lining up outside production source. (2) FCC approved games from Diamond Electronics, Japan (to be sold under Diamond, Federal Transistor & B&B Import-Export brands), and from Radoin and Concept 2000 (Hong Kong).

(3) Financially strapped Systek of Japan (Vol. 16:48 p11) will exhibit color games at CES, resumed production at 2 plants Dec. 5. Systek is being backed by Tokai bank. (4) Magnavox added additional video game licensee to the 14 we named last week (Vol. 16:50 p11)—Centronics Data Computer Corp.


**Inefficiency** is key reason U.S. industries aren't competitive with imports, says Columbia U. Prof. Seymour Melman in N.Y. Times article. He says companies here are too accustomed to operating on war economy basis, claims lack of incentive to minimize costs on military contracts carries over to consumer activities. Noncompetitiveness cost 37,700 jobs in TV-radio industry, 11,800 in semiconductors and 9,700 in communications equipment through 1972 alone, he asserts.

**Watch watch:猶** LDCs will account for half of digital watch output next year, vs. 26% this year, if LCD supplies are adequate, Beckman Instruments says. Believed to produce more than half of LCDs currently used in watches, Beckman estimates worldwide digital watch production this year at 16 million, forecasts 25-28 million for 1977... **American Microsystems** has established LC watch-display subsidiary in Taiwan, expects to employ 300 there by end of 1977.

**Bankruptcy** is big business. Legal fees for administering liquidation of W.T. Grant have so far run $2.7 million, appraisal costs $102,000, and accounting firm Price Waterhouse is due $898,000. Totals exclude some $300,000 in related expenses.