

WEEKLY

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NEW COMPUTERS from Atari & Mattel stress games. TI home computer expected by many at Jan. CES. Hedgewood may be big power in coming hand-held computer business. (P. 11)

LATEST CHAPTER ON NETWORK INQUIRY: 'We think that responding at this time to comments submitted over a year ago would not materially advance the course of this inquiry.' This is what CBS told FCC last week in "reply" comments to some phases of network inquiry. NBC didn't bother to comment at all; ABC sent long document; Westinghouse Bcstg. updated figures of year ago—which started inquiry in first place—and MPAA cited network practices which it said should be prohibited and asked for immediate rulemaking.

MPAA said FCC "seems farther away from taking meaningful action that it was in Jan. 1977. [Then] the Commission made substantial findings regarding the dominance of the networks. The various comments...amply reinforce these views." Movie producers said Commission "should immediately issue" rulemaking to "prevent network abuses...The nature of such abuses...have been established...There is now more than enough evidence...to act upon and the proposed further study of network operations in the light of possible future changes in the structure of the industry does not excuse continued inaction to deal with existing abuses."

In separate letter week earlier, MPAA Pres. Jack Valenti wrote FCC Chmn. Ferris complaining because Commission has taken no action on June 1977 petition by Assn. seeking govt. action on restricting certain conditions networks allegedly place on program producers. Valenti

asked for immediate response, said action shouldn't be delayed for network inquiry. At week's end, he hadn't received response.

In Dec. 1 filing, MPAA complained about 5 network practices said to be against public interest: (1) Long-term options on programs at prices set before success of program has been established. (2) Internal production and direct deals for talent—"all for the purpose of cementing the networks' control over programming." (3) Exclusivity restrictions on independent producers. (4) "Spin-off provisions which give the... network the power to restrict the development of fresh & diverse programs." (5) "Tie-in arrangements" for use of network production facilities.

Westinghouse said that "basic economic trends" of networks which hurt independent producers are continuing, that increasing dominance of networks is "becoming more pronounced." Group said that network income in 1977 of \$406 million was up 37.4% over 1976—that one-year increase (\$110.5 million) "approximates total network income in 1972." Network income has shot upward dramatically since 1971, while sales and affiliate compensation have increased modestly, Westinghouse said. Group also attacked—once again—"the trend toward increased commercial content of network programs."

ABC said "healthy" relationships among program suppliers, networks & affiliates is confirmed by stations' comments, claimed MPAA criticisms are "not supported by the facts (they have sought to mislead the Commission as to financial circumstances), void of public interest rationale and little more than an attempt to use government process to secure a captive network market for their production... If the Commission intends to judge the fairness of the program licensee fees which ABC and other networks pay to the complaining MPAA companies, it has little choice but to go behind the costs which those companies allegedly incur... and examine their bookkeeping and other financial practices."

CBS cited as reason for not commenting further fact FCC's network inquiry staff already has gone to networks for further information. In Nov. 16 letter, staff asked networks for: Forms used by affiliates for compensation requests for cleared shows; network & national spot sale contracts on owned stations; rate cards used by network and owned-station salesmen; charges made to outside producers for use of network production facilities.

CARNEGIE II—WILL ANYONE LISTEN? Carnegie Commission this week will sit down for its final meeting, putting finishing touches on its report on public broadcasting's future. After 18 months, bigger question than what will be in \$1-million report is will anyone care when it comes out at end of Jan.

Unlike original report in 1967, this one won't arrive alone. Within the next 6 months, public broadcasters will have a half-dozen proposals before them ranging from House's rewrite of Communications Act to PBS's "system initiative," examining itself.

"The last one was in a vacuum," PBS official said, "This one isn't. The last one—the Congress was salivating, waiting for it. Some in Congress now believe they know what is right." Still, official said, if report is special, it will be accorded special treatment.

"I guess it depends on what the report is like. If it's eloquent, beautifully written, and cuts through all the crap, it could have a profound effect. If it tries to make everyone happy, it could be the biggest yawn of the 70s. I say it will be more on the yawn side."

Said James Fellows, NAEB pres.: "If it is distinctive and ingenious, it may have an effect. If it's not, it will go the way most task force reports go... Nobody is sitting around waiting for them to make a pronouncement from 6th Ave."

A CPB official sees Congress looking at report with complete apathy. "The people on the Hill are saying the Commission is so political it's ridiculous, and as for the report they're saying who cares." Official said that even though Congress probably will ignore report, it could have impact if Commission "sets up their ducks across the country and starts lobbying. The last thing the Commission wants is to have egg on its face."

Harry Shooshan, House Communications Subcommittee chief counsel, agrees that what's in

report will dictate its effect. "If the Carnegie Commission comes out with some innovative ideas, the time is ripe for these." However, he says, public broadcasting now is more mature than in 1967 and "parts of the system are thinking through their own ideas and alternatives... There's no question that no matter how innovative it is, it will not have the same impact as 1967, not to say it won't be an important contribution." Helping Commission, according to Subcommittee's public broadcasting specialist, Carolyn Sachs, is prominence of its members and its method of gathering information through hearings and interviews.

On Senate side, aide there sees little interest among members of Communications Subcommittee for "revisiting public broadcasting" after Public Telecommunications Financing Act passage this year. Although some smaller changes may be proposed in form of amendments to Communications Act, widespread restructuring as Carnegie may propose is pretty much ruled out, aide said.

Sheila Mahoney, Commission's exec. dir., agreed this report's impact will be "very different than in 1967." She explained: "Then, we had a strong President and a considerably weaker Congress. Lyndon Johnson's blessing associated with Carnegie, along with that of Pastore [former Senate Communications Subcommittee chmn.] virtually was most of the game. It's an entirely different situation. There are many more players. It's much more fluid."

Mahoney said although there are number of studies in works, Carnegie's will be first out "and will probably be a vehicle for discussion of some of the others. In addition, it's the only independent report... We come together and disband. That gives us a certain independence in respect to the consequences."

And Mahoney said she believes that although report's impact may not be felt very strongly by policymakers, on a national basis, it should get more attention than original report. And she said helping considerably will be prestige of Commission's members.

SON OF QUBE: Full-scale children's program service via satellite will be launched by Warner Cable Feb. 1-13 hours daily during week, 14 hours daily on weekends—offered to all cable systems at 10¢ per subscriber per month.

Offspring of Qube production center in Columbus, O., service will be named "Nickelodeon," include: "Videocomic Books," a "readalong" series of comics; "Nickel Flicks," cliffhangers; "Pocket Money," magazine series for 7-14-year olds; "Bananas," for teenagers; "Pinwheel," for pre-schoolers.

Service is separate from Warner's Star Channel pay-cable operation, which currently goes only to Warner systems—plus Palm Desert, Cal. system.

"Nickelodeon," said Warner Cable Chmn. Gustave Hauser, "is not violent. No vices. The PTA will love it." He said cable systems, which are becoming "very creative," may package "Nickelodeon" in variety of ways—perhaps combining it with Madison Sq. Garden events, adding it to HBO, etc.

In overall charge of new service, plus Star Channel, is James Cavazzini. Creative head is Vivian Horner, ex-Children's TV Workshop.

NOW has attacked FTC for its symposium on media ownership concentration (Vol. 18:43 p4) next week, saying there are no women as panelists or keynoters. "Maybe you are trying to make the point that media ownership and control are dominated by white males," Kathleen Bonk of NOW wrote FTC Chmn. Pertschuk. "After all, we are pressuring the networks and print media to integrate their ranks, and for a federal agency not to present a model program is unconscionable."

Ad hoc group of newspapers—all but one owning stations—will seek delay of Dec. 15 deadline for comments on NTIA petition at FCC, filed as result of D.C. Appeals Court reversal of WESH-TV Daytona Beach (Vol. 18:45 p5). Group has retained Washington lawyer Lee Loevinger, also is studying possibility of seeking legislation in Congress. "If the WESH decision is allowed to stand, the entire broadcasting business will be built on a base of quicksand," publisher told us. Group formed exec. committee composed of John Gallivan (chmn.), Salt Lake Tribune (which doesn't own station), Douglas Manship, Baton Rouge Morning Advocate & State-Times; Frank Martin, San Francisco Chronicle; Irwin Maier, Milwaukee Journal; Jack Harris, Houston Post.

Blanket music licenses of ASCAP & BMI are monopolistic, group of TV stations charged in class-action antitrust suit on behalf of 700 stations, filed in N.Y. federal dist. court. All-Industry TV Station Music License Committee, chaired by Leslie Arries, WIVB-TV Buffalo, complained about—among other things—being charged for all ASCAP & BMI music, whether they use it or not; about royalties based on station gross revenues; about paying more, proportionately, than other licensees. No monetary damages are sought; injunction against offending practices is requested.

Phoenix is next STV town for Oak Communications, said Pres. John Gwin, who reported on-air target of next July. Minority partner will be New TV Corp., which will be operating KNXV (Ch. 15). Gwin said Philadelphia & Miami will be added by 1980. He reported that L.A. operation has 90,000 subscribers, is adding 10,000 monthly.

COLSON & PUBLIC TV: Another example of Nixon Administration figures' efforts to pressure public broadcasting—in addition to memo from former OTP Dir. Clay T. Whitehead (Vol. 18:44 p6)—has come to light in form of memo from Nixon aide Charles Colson.

Memo was to Alfred Snyder, then White House contact with broadcast industry. Dated Sept. 16, 1972, it reads:

"How did we miss the fact that National Educational Television ran the full McGovern speech to the Security Analysts in New York? Not only do they run it once, but they re-ran it a second time. Somewhere along the line we're not watching these things carefully enough. Even though NET has a small audience, two runs of that speech is an outrageous violation of Section 315. The Corporation of Public Broadcasting also never made known to us that this had happened, so we would of course have found out about it only by monitoring. They damn well, as a public corporation, had an obligation to tell us and I would like you to take this up with whoever you deal with there.

"Also, I would very much like to know why our monitoring operation failed in this instance. We should have demanded and been given equal time to put on a spokesman. Even though the audience is limited, as I say, it would have been worth doing. It is too late now because we did not make a timely protest, but I think this reflects some real deficiencies in our operation somewhere.

"Incidentally, this was pointed out to me yesterday by Frank Stanton as an example of the kind of thing we should not miss."

We asked Snyder about it, and he said: "It seems like the kind of thing I used to throw in the wastebasket. Colson was trying to take over Herb Klein's job. He used to do a lot of stuff like that. Klein resisted it. As for his mention of Stanton, I think he was just dropping a name."

Stanton, then CBS vice chmn., told us: "I have no recollection of it at all. You know there are 2 other Frank Stantons in the media here. If I did say something, it would have been a defense against complaints against CBS News. It wasn't a practice of Colson to ask me for such things. My contacts were about complaints about CBS News."

Colson couldn't be reached for comment.

FCC members were briefed by staff last week on WARC 1979, were unhappy with written, 3-in. thick (double-spaced, one-side per page) explanation. "It was just not comprehensible," commissioner said, and staff was told to come back with 15-page digest for another closed meeting Dec. 5. FCC also is expected to hold press briefing this week on position to be taken at Sept.-Dec. 1979 WARC in Geneva: U.S. will go for expansion of AM band from 1600 kHz to 1800 kHz. Canada is expected to go along with expansion, at least to 1700 kHz.

FCC Chmn. Ferris and Comrs. Lee & Fogarty will attend international common-carrier conference at The Hague, Netherlands, Dec. 11-16.

ANA-AAAA, NAB CODE (cont.): Confrontation between advertisers, agencies and NAB on TV Code changes intended to reduce clutter have been put off until June—and may not take place at all. Advertisers & agencies are unhappy with changes—because of "clustering" and clearance for networks & stations to add program promotion announcements to fill out long-form programs—had asked to come to NAB board meeting in Maui next month to protest (Vol. 18:48 p1).

Now, after meeting last week in Madison, Wis. between NAB TV Chmn. Thomas Bolger and Peter Spengler of Bristol-Myers (for ANA), advertisers & agencies won't be going to Maui—although they still want explanation of clustering, still want maximum "non-program" material in prime time at 9-1/2 min., and, to enforce latter, want to monitor stations jointly with NAB. "I don't know of any problem" in joint monitoring, NAB Pres. Wasilewski told us.

* * * *

At ANA convention in Scottsdale, Ariz. last week, CBS Bcst. Group Pres. Gene Jankowski stressed that "at a time when advertisers are complaining about TV prices and clutter... it may seem strange for [a broadcaster to say] that all of us have some major concerns that are mutual." He cited consumer groups, govt. agencies, "the mood of Congress and the courts," as examples. "Perhaps the most disturbing aspect... is the effort by some... to remove certain programs from the air... No matter how well-intentioned the effort, that's censorship... Equally disturbing is the means to this end—pressure on the advertiser... We will not cave in to such pressure. But I would be less than candid if I did not deplore the action of the advertiser in withdrawing almost as much as I deplore the action of the pressure group."

D.C. Appeals Court Chief Justice David Bazelon and FCC Chmn. Charles Ferris headline Feb. 2-3 seminar on "Foreseeable Future of the TV Networks," sponsored by UCLA Communications Law Program. Bazelon will speak on networks & First Amendment, Ferris on role of FCC in delivery of programs. Other participants, at Ambassador Hotel in L.A., include PBS Chmn. Newton Minow, Group W Chmn. Donald McGannon, Producer Norman Lear, NTIA Chief Henry Geller, FCC Office of Plans & Policy Chief Nina Cornell, FCC network inquiry co-head Stanley Besen, economist Alan Pearce. For information: Charles Firestone, Communications Law Program, UCLA School of Law, L.A. 90024.

New and formidable name has been entered in sweepstakes for NAB's Distinguished Service Award—that of CBS News Pres. Richard Salant, who retires month after NAB convention next March. With his consent, Salant is being pushed by some CBS affiliates—including Mark Smith, KLAS-TV Las Vegas and member of NAB Convention Committee which makes selection. Other main contenders for award are Jack Harris, KPRC-TV Houston, and Stanley E. Hubbard, KSTP-TV Minneapolis (Vol. 18:41 p7).

TEST has licensed TOCOM to use pay-cable coder-decoder patent.

CPB-PBS WAR 'OVER': Hostilities between CPB & PBS are over, says PBS Chmn. Newton Minow, and PBS officials who take different posture are in trouble. "If I find anyone who is taking on a fight with CPB, they're asking for a fight with me," he told us in telephone interview.

Minow, half through his first one-year term, says he'll serve another, if asked, because, "I don't see how we can get [everything] done in a year." And, he says, if he had it to do over again, he "certainly" would have accepted chairmanship, although he expressed doubts about wisdom of taking job in his maiden speech as chmn. in Dallas last summer (Vol. 18:27 p3).

Here are thoughts of Chmn. Minow. On what PBS is: "PBS is owned and controlled by the stations. PBS is not going to do anything the stations don't want to do because PBS is the stations. The we-they [staff-stations] method of thinking baffles me."

On Congress's antagonism towards PBS: "[When he testified before Congress earlier this year] I felt public and viewers liked public TV... I didn't know the view the public has of us was not shared by Congress... When I say Congress, I don't mean all of Congress."

Public broadcasting's major problem: "Funding. We're operating on a shoestring compared with the mission we have. That's our major problem. Most of our other problems stem from that. The other problems get into how we raise money, the relationship between stations [and PBS officials]... the problems we have with independent producers finding better ways to find access to them, the problems we have on minorities. A big problem in the past is the attempted politicization of public broadcasting during the Nixon years."

On Sen. Goldwater's (R-Ariz.) complaint that PBS is too close to Carter administration: "I would take Sen. Goldwater's admonition seriously. It's very important whoever is President that we be independent. I believe we are. I'm not aware of any pressure from the Carter Administration, but we should always be on our toes."

On full funding of PTV by govt.: "The more the viewer contributes to public TV the better. I don't want to become dependent on govt. Our strength depends on one day telling the govt. to go to hell. We have got to be independent."

Douglas Communications Corp., formed by Douglas Dittrick, ex-Viacom Communications pres., is buying Classic Cablesystems, operator in Glens Falls, S. Glens Falls, Lake George, Whitehall & Ticonderoga, N. Y., with 8,000 subscribers, 12,500 homes passed. Investors include venture capital companies associated with Bank of America, First National City Bank of N. Y., First National Bank of Chicago.

Gerald Ford is keynoter for NCTA Las Vegas convention, leading off Sun. May 20. NCTA Pres. Robert Schmidt said a producer is being hired for first time—"it will be bigger & better than ever—real professional."

FTC WANTS FOOD AD RULES: FTC has proposed placing some strict limits on food advertising but also will consider forcing American Medical Assn. to allow doctors to advertise.

Food ad rules, if accepted, would (1) restrict use of words "natural" & "organic," (2) force ads claiming "food energy" to disclose caloric information, (3) ban use of term "health food" and (4) require ads that discuss fat & cholesterol to provide additional information so consumer will understand levels.

FTC says "these terms are currently used in misleading ways and are often misunderstood by consumers." First proposed in 1974, rules wouldn't go into effect until commission approves them. Vote is expected in about 6 months.

FTC must also decide whether to accept FTC Judge Ernest Barnes' ruling that the AMA's practice of allowing no advertising "constitutes unfair methods of competition and unfair acts or practices in violation of the FTC Act."

Barnes' order requires the AMA to "cease & desist" these practices. If FTC accepts decision, directives probably wouldn't take effect for a year.

ABC HITS NBC—AGAIN: Successfully striking again—this time in nation's 20th TV market—ABC-TV's affiliate raiders (network Pres. James Duffy, Vp Richard Beesemyer) have won over McGraw-Hill-owned WRTV Indianapolis from NBC. ABC's current affiliation contract with WTHR there expires May 31—and NBC will have choice of that station or independent WTTV Bloomington-Indianapolis. After NBC lost KSTP-TV Minneapolis to ABC last summer (Vol. 18:36 p3), it chose Metromedia's independent WTCN-TV as new affiliate.

Nearly 2 years ago, McGraw-Hill shifted KGTV San Diego from NBC to ABC, which had been affiliated with Storer's UHF KCST-TV there. ABC also has exchanged U's for V's in Charlotte & Baton Rouge—both at expense of NBC. Since it gained prime-time dominance in 1976, ABC now has acquired new affiliates in 22 markets—11 from CBS (including Poole stations in Providence & Albany, N. Y.), 9 from NBC, 2 former independents. But, network has lost at least one—Storer's WITI-TV Milwaukee to CBS in retaliation for ABC's switch in San Diego.

Washington law firm Baraff, Koerner & Olender has asked FCC for declaratory ruling stating that all licensees which sell to minorities are entitled to tax certificate—not just those selling under "distress" situations (Vol. 18:45 p4). Firm said ruling is sought "on behalf of certain of our clients who are proposing to sell... to minority buyers... The availability of a tax certificate will enable a broadcast licensee to sell... at an even lower price which will benefit the minority buyer."

Michael McCormick, pres. of WTMJ-TV Milwaukee, is seeking seat on NAB TV board—so is James McCormick of Marsh Media. Television Digest reported that only one McCormick—James of WTMJ-TV—was running (Vol. 18:48 p3)—regrettably slighting either James or Michael.

Personals

Thomas Casey, recently asst. to chief of FCC Cable Bureau, previously Justice Dept. public utilities specialist and trial attorney, named special asst. to FCC Chmn. Charles Ferris.

R. Kent Replogle, vp-gen. mgr., KMBC-TV Kansas City, appointed to ABC TV affiliates' board, succeeding George Wallace, KGUN-TV Tucson, resigned. . . Alex Kennedy promoted to exec. editor—press information, CBS Entertainment, succeeding Harry Coren, retired; Bruce Weiner succeeds Kennedy as dir.—affiliate advertising & information. . . Charles Gerber, KNBC L.A. mgr., moves to vp-program development, NBC TV Stations, Div., new post.

Paul Warren advanced to assoc. editor, Television Digest, and managing editor, Public Broadcasting Report. . . Fred Osler, exec. vp-gen. mgr. of WHAS-TV-WAMZ(FM) Louisville, resigns in "basic conflict. . . of philosophy" with ownership. . . Luis Nogales promoted to senior vp-administration, Golden West Bcstrs.; Michael Schreter to vp-finance & planning. . . David Kenin, ex-WFLD-TV Chicago, joins KMBC-TV Kansas City as operations mgr. . . Edward Hippe, ex-Guam Cable TV, appointed dir. of engineering, Hubbard Bcstg. . . Alan Frank, ex-WJZ-TV Baltimore, appointed program mgr., WDIV Detroit. . . Robert Smith, DuArt Film Labs, elected SMPTE pres.; Charles Anderson, Ampex, exec. vp.

Nancy Cook named AP broadcast exec. for Ariz. & N.M., new post. . . Emmy winners Bud Rifkin & Jack Kaufman form own TV production firm, sign exclusive contract with Columbia Pictures TV. . . John Leonard promoted to exec. vp-gen. mgr., Moseley Assoc., mfr. of broadcast equipment. . . Gail Bondurant, ex-Video Data Systems, joins GTE-Sylvania CATV mfg. arm as senior sales rep, Dallas hq.

Valerie Rowley, ITC Canada gen. mgr., also named vp. . . William Eckenrode promoted to supervisor of distribution, Group W Productions; Robert Hagen, ex-KDKA-TV Pittsburgh, appointed supervisor of operations. . . Jeffrey Schadow, ex-NBC, named dir.—advertising & promotion, Arbitron.

Renewal of 2 UHF's—WUTR Utica & WEZF-TV Burlington, Vt.—has been granted by FCC, though each proposed less than 5% local programming. Commission said they "can reasonably be expected to meet ascertained community problems and needs. However. . . this action should not be interpreted as approval of, or guaranteeing approval of, any similar proposal in the future."

Ch. 39 WQRF-TV Rockford, Ill. has gone on air as nation's 997th TV station (723 commercial, 274 non-commercial). Station is owned by Lloyd Hearing Aid Corp., which also owns KDUB-TV Duquque. Marvin Palmquist is pres.-treas. and together with wife owns 50%.

Times Fiber reports first fiber linking of satellite dish with cable headend using 2,100 ft. of fiber. It was demonstrated at Pa. Cable Assn. convention in Harrisburg.

NAB funded study of Arbitron audience estimates has concluded: (1) Arbitron 1/4-hour estimates have smaller sampling errors. (2) Arbitron's cume estimates are less reliable than random sampling. (3) Sampling error in average & cume estimates may be large. Study, done by Committee on Local TV & Radio Audience Measurement (COLTRAM) & Arbitron, was "to develop a better understanding of the statistical reliability of the results of audience measurement surveys," according to NAB. Other findings: When 2 stations are ranked one unit apart, difference may be due to sampling error. However, when stations are ranked more than one unit apart, difference is likely to be real.

Press release by International Telecommunication Union: "A 600-page report will provide the technical information likely to be needed by [WARC] when it revises the Radio Regulations next year. The report has been prepared by a Special Preparatory Meeting (SPM) organized by the ITU's International Radio Consultative Committee (CCIR) which met in Geneva from 23 October to 17 November. Some 750 scientists and engineers from 87 countries took part in the meeting and over 400 documents were studied. . . The report is being distributed as a document for the 1979 WARC. It cannot be purchased and is not available to the public."

"Clear & convincing" standard of proof isn't needed in license revocation proceedings, FCC said last week; rather, it stated, "preponderance of the evidence" is adequate. Commission statement involved WSID(AM) Beaufort, S.C. FCC had revoked its license; station appealed, and court remanded case to Commission with instruction that it describe standard of proof used and state what would happen if "clear & convincing" standard were used in revocation cases.

Entry to cable ownership has been made by Tandem Productions (Lear, Yorkin & Perenchio) with agreement to buy Communications Services Inc.—nation's 27th ranked system owner, with some 91,000 subscribers in Kan., La., Mo., Okla. & Tex. (For details, see Television Factbook.) Sellers are Ralph Weir & Robert Weary. New head of CSI will be Philip Wilcox, now vp-gen. mgr. No price was announced.

At request of both sides, federal mediator has entered dispute between SAG-AFTRA and ANA-AAAA on new contracts for actors appearing in TV-radio commercials. Last contract expired Nov. 15, and unions are seeking 26% increase—raising daily minimum for on-camera actors to \$275, voice-only fee to \$206; advertisers have offered 10% increase. Negotiations resumed Dec. 1 with federal mediator.

Teleprompter announced commitments from 5 insurance companies for \$80 million 15-year 10% loan. Proceeds will be used to reduce bank debt from \$121.5 million to \$41.5 million, saving about \$4 million a year in interest. Insurance companies: Aetna, Hancock, Mass. Mutual, Travelers, Teachers.

FTC has voted to appeal court decision barring Chmn. Pertschuk from taking part in Commission's children TV ad rulemaking (Vol. 18:45 p1).

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 17 (46th week of 1978):

| | Nov. 11-17 | 1977 week | % change | Nov. 4-10 | 1978 to date | 1977 to date | % change |
|-----------------------|---------------|--------------|-------------|--------------|-----------------|-----------------|-------------|
| Total TV | 386,526 | 409,550 | -5.6 | 334,558 | 14,023,261 | 12,669,325 | +10.7 |
| color | 239,886 | 240,923 | -0.4 | 213,359 | 8,878,145* | 7,846,724 | +13.1 |
| monochrome . . . | 146,640 | 168,627 | -13.0 | 121,199 | 5,145,116 | 4,822,601 | +6.7 |
| Home VCR | 12,453 | — | — | 9,852 | 335,550 | — | — |
| Total radio | 769,491 | 969,576 | -20.6 | 692,383 | 41,007,244 | 47,816,939 | -14.2 |
| home, portable . | 521,367 | 718,697 | -27.5 | 435,932 | 29,718,815 | 36,612,340 | -18.8 |
| AM-only | 152,199 | 236,780 | -35.7 | 171,925 | 6,939,733 | 9,001,961 | -22.9 |
| FM & FM-AM . | 369,168 | 481,917 | -23.4 | 264,007 | 22,779,082 | 27,610,379 | -17.5 |
| auto | 248,124 | 250,879 | -1.1 | 256,451 | 11,288,429 | 11,204,599 | +0.7 |

Color TV 5-week moving average: 1978—243,109; 1977—247,599 (down 1.8%).

*Record for period.

ADMIRAL SELLS TAIWAN TV PLANT: Rockwell sold Admiral's Taiwan TV operation to group of Chinese investors for undisclosed sum last week. Deal was closed Dec. 1 in Switzerland, actually involved ownership transfer of Admiral S.A., Swiss holding company whose sole asset is Taiwan facility.

Transaction terms weren't revealed, but Admiral brand rights aren't part of deal. Full roster of new owners couldn't be obtained, but front organization is Hong Kong holding company, Valona Ltd. Negotiations were handled by 2 of its representatives, Loi Hoc Kim & Henry Yu, both well-known financiers with solid connections in Taipei. Reports from Taiwan say investors mostly are non-resident ethnic Chinese located in Hong Kong, Indonesia, Singapore & Philippines. Attorney handling U.S. paperwork for Valona told us some members of group have electronics interests, but couldn't be specific.

Sale comes just 10 weeks after Rockwell announced it was pulling Admiral out of U.S. TV business (Vol. 18:39 p8 et seq.). Rockwell is understood to have put \$30-million asking price on facility that employs more than 3,000 and turned out 500,000 color sets & chassis and about 200,000 b&w TVs for export to U.S. this year. In getting plant, Valona won out over U.S. investment groups headed by Olympic Pres. Herbert Kabat and by Frank DiLeo, who recently resigned as Admiral operations vp. Hitachi also was interested in plant, according to Taiwan govt.

Valona apparently does have assurances from Taiwan govt. that plant will get color export-to-U.S. quota allocation. Company has said it plans to retain present management, continue production of both color & b&w TV. Current Admiral plant staff doesn't include advanced product planning or high-technology expertise, both needed to stay competitive in today's TV market. So far there's no indication new owners have sought help from established U.S., Japanese or European producers.

There's also question of whom Valona will sell TVs to. In Taipei last week, Valona spokesman said: "We will maintain our business relations with both our suppliers & customers." But plant's only customer has been Admiral. Valona, we've been told, has no TV purchase orders lined up, but hopes to sign up such former Admiral private-label customers as Ward & K-Mart. Certainly DiLeo & Kabat groups had U.S. market plans, so tie-up by Valona with one of them

is possibility.

Valona is understood to have short-term contract to supply Admiral with color chassis needed to meet commitments to Montgomery Ward, so operation can run without new orders for month or so. If TV business doesn't work out, Valona can still show profit by liquidating production equipment and turning plant site into apartment complex.

HITACHI LEFT HANGING BY JD'S GTA VETO: Justice Dept.'s objection to GE-Hitachi plans for joint TV-making venture probably means U.S. will have 2 new Japanese-owned color plants in U.S. next year instead of one. At exactly same moment JD was releasing its determination that venture would be anti-competitive Nov. 28, Sharp Pres. Akira Saeki was holding N.Y. press conference at which he confirmed our report company would build plant near Memphis (see p. 11).

JD will "sue to enjoin the proposed transaction," GE was told in letter from Antitrust Div. Chief John Shenefield. Agency's business review showed venture "would eliminate significant existing & potential competition between GE & Hitachi," and by creating 3rd or 4th largest set maker in U.S., would "further increase concentration in the already concentrated domestic color & monochrome TV markets," letter states.

JD added that Hitachi had no need for venture. As 6th largest set maker in world and 3rd in Japan, "Hitachi appears to have the capability & incentive to attempt to increase its share of the U.S. market" on its own. In fact, letter said, before announcement of GE tie-in last Dec. (Vol. 17:50 p7), Hitachi was understood to be "seriously considering the construction of a new TV assembly plant" here. Atlanta, Ft. Worth & San Diego are believed to have been among sites under study.

Heading off any complaints over why JD is acting on GE-Hitachi when it didn't stop Matsushita's buy of Motorola's TV business in 1974 or acquisition of Warwick by Sanyo in 1976, letter said "we are not persuaded that the venture is necessary to maintain the viability of either party" in U.S. TV market. GE & Hitachi would have been 50-50 partners in new firm, General TV of America (GTA). GE would contribute TV facility in Portsmouth, color tube plant in Syracuse, TV circuit board operation in Singapore. Hitachi would put in cash & technology. GTA was to fill U.S. TV market requirements for both firms, be free to sell private-label sets & OEM tubes.

Extensive modernization program also was part of deal, we've learned. Although capitalization of GTA was to be only about \$3 million, parents were going to guarantee some \$100 million in long- & short-term financing. Half of that was to come from Japanese banks, rest from N.Y.-based institutions. About 9 banks in all were involved in financing program.

Challenge of JD ruling by either firm seems remote. Nor is it likely GTA could be restructured to meet objections. Both companies said they had letter under study—but considering GE's history of antitrust conflicts with JD, another one doesn't seem probable.

Turndown came as no surprise. Last July, we reported venture was on shaky ground (Vol. 18:31 p7). Any chance for approval apparently was killed by Admiral's decision to quit U.S. TV business. That opened whole new competitive situation in U.S. market, and GE has grabbed off chunk of Admiral's private label business with Montgomery Ward, improving its market share. Color sales boom this year didn't help, either. GE is selling color at record pace, operation has returned solidly into black, and own-brand market share is in 7% area, about full point ahead of last year.

Rejection doesn't change much for GE. Because JD spent nearly year before reaching verdict, GE was forced to continue normal product planning. Development of 1980-model line is complete, and 1981 models are in works. Only ominous note was sounded in statement by GE corporate office: "GE remains committed to the TV business and will continue to look at means to increase the volume & profitability of its TV receiver operations." That could be read as a threat to discontinue TV if business can't be made to meet GE's profit-center standards.

Hitachi, on other hand, is in bind. It's left without active plan for color production in U.S., and security of its foreign pipeline is in doubt. Hitachi is understood to bring in only 100,000 sets or so under quota from Japan, get about half its requirements from Taiwan (some 130,000

this year), will bring in about 50,000 from Singapore. But quota agreement with Taiwan (see p. 10) could put squeeze on. There's been no indication yet as to how Taiwan will allocate 350-370,000 annual limit on color exports to U.S. among set makers there, but expectations are that locally owned plants will be favored. If quota talks with Koreans fall through and U.S. is forced to impose unilateral restrictions, Singapore would be limited to fewer than 10,000 yearly based on its pre-1978 shipments.

Complicating Hitachi's position even further is Rockwell's sales of Admiral Taiwan TV plant (see p. 7). New owners wouldn't have bought facility without some sort of promise from Taiwan govt. of slice of quota pie. Admiral was Taiwan's biggest complete color set exporter, and on historic basis would be entitled to at least half of quota, Hitachi getting 2nd-largest share. How quota is allocated could be determining factor as Hitachi decides what to do now, and how fast to move.

While Hitachi seems to have no choice but to move quickly to set up own production operation here or face uncertain future in U.S. TV market, there is one other alternative. It could contract to have sets assembled here by existing U.S. manufacturer, and there seems to be nothing in JD letter that would rule out such an arrangement with GE.

DUMPING PAYMENTS: Sears apparently is first major TV importer to pay dumping assessment on sets brought in from Japan before June 1973. Retailer said it gave Treasury \$5.5 million under protest, and will challenge that levy, as well as larger ones expected on more recent imports. Sears apparently sent off check before it got word that Treasury extended payments deadline 30 days to Dec. 27 (Vol. 18:48 p6). At current money market rates, early payment may have cost company \$55,000 in interest.

Sharp Pres. Akira Saeki said at meeting in N.Y. that his company's initial TV dumping bill was \$7 million—"and we're not going to pay it." He said dumping penalty was raised from zero as result of what he termed Customs' unfair switch from traditional methods of computing value of imported TVs to new system based on commodity tax Japan collects on sets sold there. Other company officials later amended Saeki's position, explaining that Sharp would of course make any payments demanded, but would join in court suit to force Treasury to drop new assessment procedure.

Japanese have become increasingly vocal in complaints over Treasury action as it becomes more apparent agency will seek collection of \$48 million in dumping bills now outstanding, and move rapidly on unbilled backlog of more than \$500 million. Toshiba Exec. Vp Tsayoski Hamano issued statement decrying Treasury policy at recent official opening of firm's Lebanon, Tenn. color plant, and Matsushita Senior Managing Dir. Akiro Harada presented Japan's case against commodity tax system at Tokyo meeting with group of visiting U.S. congressmen.

No Customs Court suits have yet been brought by importers. Except for Sears, few if any have actually paid dumping duties, and Treasury still hasn't ruled on importer protests. Law requires that importers pay bills, exhaust administrative appeals before going to Customs Court.

Bell & Howell opens videocassette duplication & distribution facility in El Segundo, Cal. with capacity of 6,400 Beta & U-Matic cassettes weekly.

CHINA'S PAYMENT DEMANDS: Japanese & U.S. manufacturers are being rudely awakened from their dreams of lucrative electronics plant sales to China as mainlanders balk at paying in cash. Instead, Chinese are proposing barter deal. They want plant supplier to accept share of output in at least partial payment.

Production sharing has worked for Chinese on small scale with manufacturers in Hong Kong. Mainland output of cassettes, clock radios & radio-cassette recorders is slated to start next year, and bulk of production is earmarked for shipment to Hong Kong for re-export to world markets. Now Hitachi & Toshiba, which thought they had sewn up contracts worth \$310 million to supply color tube & IC plants, are being asked to accept similar arrangement.

Faced with excess color production capacity of their own as result of quota on exports to U.S. and establishment of color plants in U.S., Australia, Europe, Japanese set makers have no interest in buying either sets or parts from Chinese. They also feel Chinese-made sets would be difficult to re-sell. Japanese are not alone in situation. RCA is discussing sale of color tube & IC plants to China, and other U.S. firms are working on similar deals.

First videodisc player shipments to Magnavox from Dutch Philips have arrived, and are causing classification problems for Customs because there's no place to tally them. For present, they're being logged as "TV apparatus not specifically provided for," and dutiable at 5%. This is catchall category, and only shipment value shows up in import statistics. Customs considered putting them with "record players & turntables," dutiable at 5.5%, but rejected idea because units contain video circuitry. Also turned down as unsuitable was their inclusion with videotape players at 5% or videotape recorders at 5.5%. It's understood most Magnavision players will be assembled in Greeneville, Tenn. from parts imported from Holland (Vol. 18:48 p8).

Dart is extending \$51-per-share offer for P.R. Mallory stock to Jan. 10. Dart said holders have already tendered 71% of Mallory.

KOREAN QUOTA TALKS: What should be final stage of trade negotiations to limit complete color imports starts Dec. 4 in Washington, when U.S. & Koreans are slated to renew export quota talks. Sides are still far apart on how many sets Korea should be allowed to ship, but time is running out quickly.

Koreans still look on themselves as unfortunate victims of situation created by flood of color exports from Japan & Taiwan, feel that with their small share of U.S. color market they should be left alone. Just as Japanese seem to believe Treasury will not press for full collection of estimated \$550 million in TV dumping duties, Koreans think U.S. trade officials won't impose onerous quota limits. Both may well be wrong.

Koreans can expect to face firm stance by U.S. trade team. Agreement for 350-370,000 limit worked out with Taiwanese (Vol. 18:48 p6) is supposed to go into effect Feb. 1, but implementation hinges on similar pact with Korea. Deadline for voluntary agreement with Koreans appears to be Jan. 1, and that doesn't leave much time.

U.S. trade officials also have to worry about finalization of multinational agreements being worked out in Geneva, so patience is starting to wear thin. Koreans will have to settle for a lot less than the 300,000 they'll ship this year, and not much more than the 48,000 U.S. is offering. Option would be imposed quota based on 1972-77 shipment average, or about 20,000. Mandated quota also would put ceiling on imports from other countries such as Canada & Singapore, but wouldn't affect existing agreements with Taiwan & Japan.

Indications are that Korea will for first time accept concept that quota is necessary. Its key bargaining point in effort to get allocation in 150-200,000 range at least is likely to be fact that Korea doesn't export chassis kits or subassemblies, while Japan & Taiwan do. This, Koreans are expected to contend, should entitle it to bigger slice of complete-set pie.

Imports of incomplete color (kits & chassis) is problem which hasn't been tackled yet, and has potential for creating whole new set of headaches next year. Jacob Clayman, COMPACT co-chmn. & pres. of AFL-CIO Industrial Union Dept., told us he's not happy with Taiwan limit—COMPACT wanted 270,000 maximum—and is disturbed agreement doesn't cover incompletes. They're supposed to be subject to separate negotiations, but Clayman isn't optimistic. Nothing is being done to restrict incomplete imports from Mexico, he points out. "We're getting closer and closer to a state of complete frustration," he said. Administration hasn't been receptive to COMPACT's complaints because import restrictions run against other international interests of State & Treasury, he said, adding industry-union group will press its case for effective import relief in Congress next year unless satisfactory & comprehensive worldwide color TV import limits are worked out.

New Philco distributors: Bimel-Walroth, Cincinnati (Charles Walroth, pres.; Donald Buck, sales & promotion mgr.); T & T Distributors, Nashville (P.A. McHugh, vp-gen. mgr.; Ken Russell, sales mgr.).

NEW RCA TV PRICE HIKE: RCA is scheduled to announce another small across-the-board color TV price increase at distributor meeting this week, making official 2nd round of domestic TV-maker price hikes in 6-month period. In addition to RCA, Zenith & Sylvania have instituted small increases twice this year. Except for 13" sets and some leader models, RCA's sets went up \$10-\$30 Aug. 9. Zenith's 2nd increase this year was straight \$10 on retail prices of all color models (Vol. 18:46 p7). GE has increased prices once this year.

At distributor meeting last week, Sylvania boosted 19", 21" & 25" color sets \$10-\$20 in suggested list price effective Dec. 1, except for "a few promotional models." GTE's Philco operation took similar action. Sylvania's boosts were expected, having been revealed here Nov. 13 (Vol. 18:46 p7). At presstime, specific price list wasn't available.

On import scene, biggest news is not who's increasing prices but who isn't. Sanyo, which hasn't had hike since last June, passed up opportunity at last week's rep meeting in L.A., kept TV prices unchanged. Sanyo introduced big new car stereo line with power up to 120 watts, revised & expanded entire audio line, added decks capable of accommodating metal tape.

MGA has increased color prices \$10-\$20, left b&w line largely unchanged pending addition of complete new Singapore-built monochrome line. Color TV prices: 13" at \$370 & \$420 (both up \$20), remote at \$460 discontinued; 15" at \$470, remote \$570 (both up \$20), remote at \$500 discontinued; recently introduced 17" unchanged at \$480; 19" at \$500 (up \$10), former \$570 model dropped, step-up at \$580 unchanged, remote \$680 (up \$10); 21" remotes at \$770 & \$860 (both up \$20). Projection TV system, scheduled for Christmas delivery, has been increased \$100 to \$3,700.

In another instance of firming prices, Magnavox will forego its Dec. "pre-Annual Sale sale" and defer start of Annual Sale itself to Jan. 20. Actual sale normally starts right after Christmas and prices to dealers are reduced before that.

On audio price front, component maker Kenwood joined parade of compact manufacturers in price increase (Vol. 18:47 p7), increasing prices 8% across board Dec. 15.

Note: Dollar's value rebounded to 200-yen level last week. If this level is maintained for any length of time, it could soften some price increases planned for CES.

Low-cost standards converter has been developed by Sony, which will convert PAL videocassettes to NTSC videocassettes, initially in Japan through subsidiary Sony PCL. Initial cost will be about \$150 for 30-min. Betamax cassette and \$250 for U-Matic, starting in Jan.

Sharp will spend \$50 million on new IC plant in Japan, its 3rd, to double current 1.7-million monthly output. New plant will concentrate on production of VLSI, MPU & CCD devices. Sharp now exports about 20% of output to Europe & Far East, plans to sell in U.S. after facility starts production at end of 1979.

COMPUTER GAMES: Big names are slipping into home computer business through video game back door. Game leader Atari announced 2 new home computers, Mattel revealed details of long-awaited computer-high-end-video-game and speculation about Texas Instruments home computer is becoming increasingly widespread.

Atari feels personal computer is natural extension of video game business. "We think our new computers are better games-players than any others on the market right now," said Atari Chmn. Nolan Bushnell. "What people want most out of a home computer is quality games-playing ability." Computer move is something of reversal for Bushnell & Atari—last year Bushnell called home computer "a tremendous solution looking for a problem" (Vol. 17:24 p12). Atari will introduce \$450 basic computer and \$900 specialized model at Dec. 14 N.Y. news conference. Basic model has slot for RAM cartridges, 8K-bit memory, audio speaker; advanced model memory is expandable to 48K bytes, hooks up to optional Atari-designed floppy disc & printer units. Atari plans over 25 cartridges, including games, home financial management, mini-courses, etc. User can record own programs on audio cassettes with BASIC & FORTRAN cartridges.

Much-discussed Mattel video game, scheduled to be unveiled at CES, will also be offered in high & low-end models. Basic unit is \$230 programmable video game; modular add-on & programming language cartridge turn it into \$500 game-computer. Company hopes to have "Intellivision" on market by 2nd quarter 1979, over 20 cartridges by fall. Mattel is counting on its marketing muscle for big send-off in highly competitive video game-home computer business.

Strain of competition may be getting to some companies. Bally Pres. William O'Donnell sent letters to distributors last week apologizing for damage to business done by early reports (Vol. 18:48 p10) that Bally will fold video game business after Christmas season. Bally spokesman emphasized that decision to quit hasn't been made, company was satisfied with volume of business, expected to do 50% of business in 4th quarter, and that company strategy was not to over-produce Arcade game to keep retail margins firm.

Speculation about Texas Instruments home computer abounds; most industry sources we contacted believe TI will show computer at Jan. CES. Company itself remains quiet on subject. TI is scheduled to introduce \$15 "Vowel Power" add-on module to "Speak & Spell," which expands unit's vocabulary by 150 words, and credit card-sized \$30 "Data Card" calculator at CES.

Hedgewood could be big name in future of hand-held "computers." San Francisco firm designed and is building Craig pocket language translator (Vol. 18:48 p10). Hedgewood Pres. & former Atari exec. Ron Gordon said Hedgewood's intention has been to design & build product, leave marketing to others. Hedgewood \$200 language translator will be marketed by several firms world-wide; Craig is U.S. consumer marketer.

SHARP'S MEMPHIS PLANS: Sharp has acquired 88-acre site in Shelby County, Tenn., just outside Memphis, where it will construct color TV & microwave oven plants, Pres. Akira Saeki announced in N.Y. last week, confirming our report of 8 weeks ago (Vol. 18:41 p9).

Construction program calls for 247,000-sq.-ft. color TV plant, 290,000-sq.-ft. MW oven facility, both to be operational next fall. Initially, color plant will have single assembly line, 10,000-unit monthly capacity; MW oven plant will have 3 lines, 30,000 monthly output; combined employment will be about 700.

Each will provide about 30% of Sharp's U.S.-market requirements when they go on stream, eventually will turn out all but most technologically advanced products, which are likely to continue to come from Japan, Saeki stated. Color plant, he said, will start with 19" models, expand to other sizes. About 60% of color TV value will be represented by U.S. labor & parts, including picture tube—Sharp has decided to source tubes in U.S., hasn't picked supplier—while MW ovens will be 70% U.S.-made, though magnetron will come from Japan.

Saeki declined to put pricetag on Tenn. investment, said decisions on equipment are still being made, indicated figure would be made available when all cost determinations are in. Long-range plan, he said, calls for 3rd plant, about same size as others, for production of audio equipment & business machines.

Sharp's current U.S. sales of more than \$300 million makes production facility here practical, Saeki said. Sharp claims 4% share of U.S. color market, says it's "strong number 3" in MW ovens. Added production capacity afforded by U.S. plants will also give Sharp better chance to compete for private-label business, Saeki stated. He said Sharp spent year looking for plant site, settled on Memphis last Aug. Final negotiations with Tenn. officials were concluded only recently, and land purchase contract wasn't signed until Nov. 27. Saeki said tax breaks aren't part of incentive package.

Organizational battle between service shop owners and dissident technicians remains in limbo until Jan. 26-28, when NESDA-ISCET members vote on status of 2 groups at national meeting in San Diego. Chief question is whether ISCET will be allowed to split off from larger NESDA. At stake is control of CET technician certification program. NESDA-ISCET friction came to head last month when NESDA Pres. Bob Villont fired ISCET Chmn. Jesse Leach & Exec. Dir. Ron Crow, ordered all ISCET mail be sent to NESDA Indianapolis address, temporarily halted certification program. Leach calls action "asinine," claims Villont has no legal authority to fire him or Crow, says he accepted chairmanship of new ISCET rival Electronic Technicians Association only after final break. If ETA survives, manufacturers face ticklish situation of choosing between 3 certification programs instead of 2—NATESA runs other. Leach asks manufacturers to "be neutral until ETA has proved itself" but adds that if NESDA allows ISCET to separate he will recommend elimination of ETA.

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

Phone: 202-872-9200

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

| Company & Period | Revenues | Net Earnings | Per Share |
|------------------------------------|-------------|--------------------------|-----------|
| Canadian Cablesystems ^a | | | |
| 1978-year to Aug. 31 | 35,760,000 | 10,620,000 ^b | 2.64 |
| 1977-year to Aug. 31 | 26,320,000 | 7,732,000 | 1.94 |
| Electrohome ^a | | | |
| 1978-9 mo. to Sept. 29 | 69,028,000 | (555,000) ^b | -- |
| 1977-9 mo. to Sept. 30 | 69,886,000 | (2,893,000) ^b | -- |
| 1978-qtr. to Sept. 29 | 24,157,000 | 156,000 | -- |
| 1977-qtr. to Sept. 30 | 21,374,000 | (779,000) ^b | -- |
| Morse Electro Products | | | |
| 1978-6 mo. to Sept. 30 | 47,580,000 | (2,494,000) | -- |
| 1977-6 mo. to Sept. 30 | 48,286,000 | (1,226,000) | -- |
| 1978-qtr. to Sept. 30 | 25,536,000 | (1,072,000) | -- |
| 1977-qtr. to Sept. 30 | 27,729,000 | 52,000 | .01 |
| Outlet Co. | | | |
| 1978-9 mo. to Oct. 31 | 199,709,000 | 4,093,000 | 1.38 |
| 1977-9 mo. to Oct. 31 | 140,230,000 | 3,231,000 | 1.30 |
| 1978-qtr. to Oct. 31 | 70,038,000 | 2,320,000 | .83 |
| 1977-qtr. to Oct. 31 | 63,909,000 | 1,955,000 | .80 |
| Tenna | | | |
| 1978-9 mo. to Oct. 31 | 41,039,986 | 377,259 | .13 |
| 1977-9 mo. to Oct. 31 | 42,627,145 | (1,918,465) | -- |
| 1978-qtr. to Oct. 31 | 13,999,252 | 205,292 | .07 |
| 1977-qtr. to Oct. 31 | 17,638,102 | (198,499) | -- |
| UA-Columbia Cablevision | | | |
| 1978-year to Sept. 30 | 29,599,000 | 3,296,000 | 2.01 |
| 1977-year to Sept. 30 | 23,764,000 | 2,674,000 ^b | 1.61 |

Notes: ^aIn Canadian dollars. ^bIncludes special credit.**Consumer Electronics Personals**

Roger Pryor, former special project development mgr. at Sony's Palo Alto Video Technology Center, named to head new Sony Digital Audio Products Div. . . Norman Rosen, RCA senior counsel for patent & technology licensing, named staff vp. . . Mike Peak resigns as VideoBrain mktg. services mgr. to take mktg. post with Intel. . . Roy Mollard, ex-National Semiconductor & Fairchild, joins Apple Computer as mfg. dir.

John Pecoraro, ex-Lafayette Radio, joins Akai as west region sales mgr. . . Jon Passini, Motorola Auto Products Div. aftermarket radio products mgr., adds responsibilities of mktg. dir. for autosound & CB products. . . George Garnes retiring as N. American Philips ad dir. after 33 years with company.

Donald Yockey, Rockwell vp, appointed Electronics Operations pres.; Kent Black, formerly Collins Div. vp-gen. mgr., replaces Yockey as Electronic Systems Group pres. . . Wesley Thrash, ex-Mohawk Data Sciences, joins National Semiconductor as field engineering vp, succeeding Dan Flynn, who has left company. . . Terry Trumbull, ex-NEC America, appointed Fairchild discrete products distribution mktg. mgr., assuming former duties of Dennis Riccio, who retains responsibility for OEM mktg.

Morse reports loss on lower sales in fiscal 2nd quarter (see financial table), increased loss & reduced sales for half. Company says it plans to pay \$4 million of \$16.9-million debt maturing early next year, is negotiating new arrangements for balance. Morse says it has enough additional funds to handle trade creditors and provide working capital. . . Dutch Philips reported lower sales & earnings for 3rd-quarter & 9-month periods, but said consumer electronics operations showed improvement.

VCR software notes: Allied Artists Video now is delivering entire 100-film catalog in both Beta & VHS formats. Gene Kahn, Columbia Video, big Chicago area dealer, reports he sold 27 titles in 5 days. He says Columbia has sold 303 VCRs this year, will total 420-450 for year. . . Magnetic Video has ordered PAL system duplication equipment from Japan with 20 slave units, plans only small-scale operation for Europe, anticipating license operations there eventually, according to Pres. Andre Blay. . . Fotomat is seeking mktg. mgr. to handle expansion of VCR blank & recorded tape sales. . . First reduced-price sale of video programming we've seen is Niles Cinema's 20%-off promotion—11 feature films or shorts selections, including "Flying Deuces" (Laurel & Hardy) & Beatles' "Magical Mystery Tour," at \$39.95, "It's a Wonderful Life" (James Stewart) \$55.95. . . College football bowls—Sun & Peach Bowls—will be released by CBS-TV to Overseas News & Information Service (Vol. 18:41 p13) for non-broadcast distribution, principally on cassettes.

Pornographic videocassettes preoccupy trade press this week. Nov. 27 HFD carries major article linking heads of X-rated cassette houses to Mafia, quotes claims by VCX of 37,500 monthly cassette capacity and by Leisure Time Cinema (with Hustler magazine connections) of 75,000 and sales force of "1,000 home demonstrators." Nov. Consumer Electronics Monthly, meanwhile, finds few dealers admit to handling cassettes, but quotes VCX as estimating pre-recorded porn will be \$30-million retail business within few months.

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Broadcast

WESTERN SHOW FEATURES GOVT., pay-cable & new technology before record crowd. Govt. spokesmen promise deregulation plus protection from states. Van Deerlin outlines cable portions of new rewrite. Shooshan & Bortz warn about new competition. Brown sees FCC relaxation. (P. 1)

NEWHOUSE SELLS TVs to Times Mirror for \$82.4 million. Storer divesting radio to concentrate on TV stations & cable. (P. 3)

WARC PROPOSALS—AM, UHF, SATELLITES: FCC recommends adding to top of AM band, mobile sharing in entire UHF-TV band, opening possibility of direct-to-home satellite TV. (P. 4)

WESTEN SAYS FTC 'PRO-ADVERTISING': FTC official tells Washington group Commission isn't restricting professionals from advertising. Five from Capitol Hill support children's TV ad proceeding. (P. 5)

BROWN URGES RADIO DEREGULATION: Comr. calls for elimination of ascertainment, commercial time limits, programming guidelines, logging. (P. 5)

NAB'S REWRITE PROPOSAL: NAB coming up with counter-proposal to rewrite. Purpose seen showing interest to Van Deerlin, satisfying members. (P. 6)

Consumer Electronics

FOTOMAT TO OFFER own videocassette movies for sale & rent through 3,400 kiosks, is negotiating with major studios. Blank tape & transfer ventures called big success. (P. 7)

KOREA COLOR QUOTA agreement seen near, with indications annual limit will be about 300,000. Taiwan negotiations on unfinished sets seen covering 250-500,000 range. (P. 7)

RCA RAISES PRICES of color sets \$10 across-board following identical move by Zenith, brings VCR starting price to \$1,100, raises cameras, cassettes. (P. 8)

RECORD COLOR SALES in Nov. up 11% from 1977 figure. First Dec. week sees 25.7% rise bringing 48-week sales past record for any previous full year. Nov. VCR sales to dealers down from Oct. (P. 8)

TV & VCR IMPORTS set records in Oct. at 1.1 million & 61,100. B&W shipments at all-time high. (P. 9)

CHANGES AT SEARS detailed in internal memos showing appliance-entertainment group goal of \$4.7 billion by 1983. (P. 10)

METAL AUDIO TAPE standards deferred in Japanese talks until Jan. at earliest, as effort to standardize before CES fails. (P. 10)

WESTERN SHOW—GOVT., PAY, TECHNOLOGY: Generally speaking, more than 1,500 cable operators attending Western Show in Anaheim, Cal. last week—where temperatures reached record lows—heard just about what they wanted and hoped for from govt. regulators, programmers, manufacturers, and themselves. Nearly everything said—from podium and in corridors—was positive & upbeat. "There's just damned near nothing to complain about," MSO exec. told us.

Bullish conditions were attributed to relaxed regulations, with more easing of rules expected, pay cable, earth stations and other new technology, reduced satellite rates and many program options to choose from—including children's, news and C-SPAN's planned coverage of House. HBO and Showtime provided entertainment—former with Tina Turner, latter with Willie Nelson—along with numerous press releases, in competition for attention & affiliates. There was little concern expressed over churn or disconnections, as usually is case at cable conventions.

Exhibitors—software & hardware—said Anaheim last week was one of their best shows ever (although there's unrest brewing among NCTA and its associate members). Nearly all sessions attracted capacity audiences and—at same time—traffic was heavy in exhibit area.

Members of Congress—5 strong—promised deregulation through legislation and, at same time, protection from state & local regulations, in same bill. Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee, outlined for first time cable portions of new draft of rewrite bill except for CATV-phone company relationship. FCC Comr. Brown and others warned cable must adapt to new competitors (Xerox, IBM, phone companies) with new technology—a warning not many cable operators seemed to take too seriously.

Van Deerlin said proliferation of small earth stations (300 now in operation, 1,400 applications processed) "is a perfect example of the marketplace taking over when the government gets the hell out of the way... I cannot help wonder what the statistics would be if the FCC were to end all regulation of these receive-only earth stations. I intend to find out, and I have asked the FCC not only to justify its present regulatory program but also the... costs and benefits of such regulation."

In new rewrite bill, he said: "I intend to seek federal deregulation and preemption of pay cable... prohibiting rate regulation at all levels..." Franchises could not contain anti-pay cable provisions. "It's high time," Van Deerlin said, "that we got this national communications law into shape," and he promised that "never again" will future FCCs be able to place restrictions on cable like those of the 1960's that he said retarded industry's growth. New version also "probably" will preempt regulation of signal carriage, program exclusivity and "must carry" local signals, he said.

Cable's copyright liability also should be reassessed, Van Deerlin said, and "I am fully prepared" to tie rewrite into Judiciary Committee repeal of Sec. 111 of copyright bill and re-examination by Copyright Tribunal. And, he said, he will seek changes by Judiciary Committee and Tribunal which tie signal carriage and exclusivity to copyright liability.

On other points of rewrite, Subcommittee chmn. said FCC should stay out of regulation systems' interconnection and the setting of technical standards—"I do not believe that the federal government need substitute its wisdom for the forces of the marketplace." On telephone company:

"The key issue... has not been resolved. This subject raises some of the most difficult issues facing the rewrite. Its resolution involves not only the future of the cable TV industry but the future of our narrowband switched voice network and broadband services as well... Our resolution of the problems they present may be far more important than many of us realize."

Subcommittee Chief Counsel Harry Shooshan told cable operators—as did NTIA's Paul Bortz next day—their biggest competition will come from phone companies and such recently announced telecommunications networks of Xerox & IBM. Shooshan asked if cable will accept competition from new technology—"as you wanted broadcasters to accept your competition"—and let market place decide, or will industry seek regulatory protection, as did broadcasters. He noted that some systems now are seeking protection from STV and "this brings your credibility into question." Bortz warned that technology just around corner could put cable out of business, that new developments will make "Qube look like a Model T."

At congressional panel, 3 members of House Commerce Committee—Eckhardt (D-Tex.), Waxman (D-Cal.), Russo (D-Ill.)—told cable people just about what they wanted to hear: Remove federal impediments to allow full development of CATV; impose federal guidelines to preempt state & local regulation. Waxman said rewrite "must contain the words cable TV" and Congress should adopt a national & comprehensive cable policy. Russo saw nothing wrong with permitting phone companies to wire rural areas and proposed "some kind of federal cap" on local franchise fees.

FCC Comr. Brown compared cable history "to that of the oldest profession... castigated by the established order, restrained by government—you have nonetheless survived because you provide a service which will not be denied." He predicted Commission will "continue to loosen the shackles [but] the changes... will be less sweeping than some of you expect."

He said "public interest is not served by artificially insulating the broadcast industry from competition with cable. In the long run, both industries will survive only if they are able to

adapt to changes in technology and to respond to shifting consumer demands." However, Brown added: "I do not believe we will continue to see the preservation of monopoly profits for the broadcast industry as a whole under the guise of assuring the survival of local program service in particular markets. And, I do not believe the Commission will continue to impose restrictions on cable based on undocumented presumptions of harm." Specifically, he predicted elimination of distant signal restriction and syndicated exclusivity rules.

On EEO, commissioner said cable has "the worst record of industries regulated by FCC. Far too many cable companies have no minorities at all and far too many have no women in management." He said record is "particularly disappointing considering that cable is a young industry."

Ted Turner, WTCG Atlanta, was given convention time to try to sell his proposed 24-hour "Cable News Network" slated for Jan. 1980 start. "The news thing will work," he promised—but MSO's we talked to expressed major reservations. Of broadcasters, he said: "Don't forget, you're at war with them... They would like to stamp you out [but] you're stronger than you think you are." Turner said service will be delayed unless he has 7.5 million subscribers by Jan. 31. He plans to charge 15¢ per month per subscriber. He said WTCG now is on 20% of U.S. cable homes, expects to add another 25% within year.

At programming panel, Y&R Vp William Donnelly predicted historians will identify 1978 as year of "the huge turning point" in success of cable TV—"the year of the revolution." Citing several reasons for believing this (pay, govt., technology, etc.) he said "the future is bright & dynamic." Producer Norman Lear told cable operators pay cable "is exciting and there's no end to its vistas." Bernice Coe (Coe Film Assoc.) praised Warner's Nickelodeon children's programming concept, cited need for more attention by CATV to children's shows.

NCTA Chmn. Robert Hughes said battleground of future will lie in state legislatures. He noted that 61 state bills now are pending which would regulate cable, said state associations must get totally involved and seek professional legal & lobbying help. Among programming activities in Anaheim:

(1) HBO announced new offices to serve affiliates in L.A., Chicago & Atlanta along with 10-year affiliation agreement with Suburban Cablevision (31 franchises in N.J.). (2) Showtime and 20th-Century Fox entered multi-special agreement with first output to be Debbie Reynolds feature from Las Vegas. Showtime also announced "substantial" expansion of programming starting Jan. 1, when Teleprompter pay subscribers come aboard—doubling number to 600,000. (3) Southern Satellite Systems revealed major reduction in rates to cable systems, with further reductions as number of subscribers goes up. Maximum per system was dropped from \$3,000 per month to \$2,000.

NEWHOUSE SELLS TV, STORER DIVESTS RADIO: Newhouse pointed finger at govt. last week, selling its 5 TV stations to Times Mirror for \$82.38 million, while Storer said it simply wants to concentrate on telecasting & cable, as it announced plans to sell its radio stations—presumably to highest bidder.

Newhouse stations are WSYR-TV Syracuse, WYSE-TV Elmira, WTPA Harrisburg, WAPI-TV Birmingham & KTVI St. Louis. In announcement, Samuel & Donald Newhouse said: "We decided to sell these stations primarily as a result of federal regulatory policies in opposition to ownership of newspapers & TV stations in the same communities. In the beginning of the TV era, the govt. encouraged newspapers to apply for TV licenses in their communities. Now the climate is changing. Some question the policy of permitting common ownership, even if the newspaper & TV station are separately and independently managed. The stability of our 5 TV stations could be unsettled..." Newhouses said they're keeping their radio, cable & microwave facilities.

Times Mirror owns KDFW-TV Dallas-Ft. Worth & KTBC-TV Austin. Purchase gives it ceiling of 5 VHF's, 2 UHF's.

After 51 years in radio, Storer surprisingly announced it's pulling out of it to concentrate on TV stations and cable. Company said it will set prices on radio stations about Dec. 15, begin

negotiations Jan. 5. Why the withdrawal? Said Chmn. Bill Michaels & Pres. Peter Storer in statement:

"But the world has changed, particularly the broadcast business, and the complexion of our company has changed with it. We are a publicly owned company and we feel that this move is in the joint interest of the stockholders and the public in the communities involved, enabling us to concentrate our management and capital efforts in the most effective direction for the foreseeable future..."

Company reminded that it had committed itself to \$100 million expansion in cable, said its cable revenues are up 40% from last year. Its subscribers totaled 240,000 Oct. 1. Radio stations are WHN(AM) N. Y., WSPD(AM) Toledo, WLAK-FM Chicago, WGBS(AM) & WLYF(FM) Miami, KTNQ(AM) & KHTZ(FM) L. A. Sale of L. A. stations was announced several weeks ago. Sale of Chicago station can't be achieved now, because it hasn't been owned by Storer 3 years.

WARC PROPOSALS—AM, UHF, SATELLITES: FCC announced its proposals for consideration at next Sept. WARC, and here are elements of interest to broadcasters: (1) Addition of about 8 AM channels in 1615-1800 kHz (balance going to various other services) and exclusive use of 6 AM channels in 1800-1860 kHz. (2) Sharing of entire 470-890 MHz UHF TV band with fixed & mobile services. (3) Allocation of 12-14 GHz to broadcasting & fixed services in Western Hemisphere—broadcasting use being a potential for direct-to-home service.

Though FCC announcement said new AM bands would allow addition of some 700 stations, experienced Commission staffer termed this "a wild guess... forget it." He said that the 700 assumed some 50 local stations per channel—but that there are so many imponderables (possibility of regionals, power & height factors, etc.) that there's no telling how many stations will be accommodated.

Canadians have been complaining about UHF-TV sharing with land-mobile by U.S., are likely to resist latest proposal. FCC has already given top 14 UHF channels completely to land-mobile, and it shares lowest 6 in various areas. However, Canadians have been talking lately about possibility of some sharing.

Among other FCC proposals: (1) Addition of 865 kHz—about 27% increase—to high-frequency broadcasting. Comrs. Washburn & Quello issued statement objecting, favoring additional 800 kHz, as proposed by International Communications Agency (formerly VOA) and Board for International Bcstg. (Radio Free Europe & Radio Liberty). (2) "Large-scale, user-oriented satellite systems in a number of bands"—to provide such services as electronic mail, facsimile, slow-scan TV, etc. direct to user (no common carrier). (3) Land-mobile satellite using 20 MHz in 806-890 MHz band. (4) Improved technical standards—principally in frequency tolerance, spurious emission and pointing accuracy of satellites.

FCC pointed out that changes, if approved by WARC, are permissive, saying: "The FCC's underlying policy goal... has been to minimize the international constraints placed upon the FCC... Thus, it should be noted that merely because the FCC's GWARC position provided for the possibility of implementing a service in some band in the frequency spectrum, the Commission is not required in any future domestic proceeding to actually implement it."

Asked about prospects of WARC action, Konnie Schaefer, FCC's foreign affairs advisor, said: "I think our chances of getting our proposals across are pretty good."

Revenue loss due to audience loss because of cable has been proven, NAB said, submitting to FCC a report by Charles River Assoc. Said NAB: "The CRA study now has proven the Commission's intuition faultless. Audience loss causes revenue loss and a generally proportional revenue loss at that." Among points of study: (1) Closer the audience, greater the gain or loss in revenue. (2) UHFs are more affected than VHF's. (3) Affluent viewers are more valuable. (4) Station with more audience gains more with each added viewer than station with less audience.

FCC-designate Anne Jones spent 3 hours at FCC Dec. 3 (Sun.) being briefed by Chmn. Ferris and top staffers—including Gen. Counsel Robert Bruce, OPP Chief Nina Cornell and Frank Lloyd, chmn.'s administrative asst. Most of time, we're told, was spent discussing cable economic inquiry.

White House began providing free taped reports for about 600 commercial radio stations. Stations call toll-free number to hear news recorded by former Chicago disc jockey Richard Nelson.

WESTEN SAYS FTC 'PRO-ADVERTISING': Who is advertising's biggest fan and also its best friend? The FTC, according to Tracy Westen, deputy dir., FTC's Consumer Protection Bureau. For without FTC, he told Advertising Law Conference of Federal Bar Assn. and AAF in Washington last week, there would be trouble.

Said Westen: "To accuse us of being 'anti-advertising' is like telling the umpire he [or she] is 'anti-sports.' By keeping the players honest, the umpire is really the team's biggest fan."

Westen said it has 'become chic these days to accuse the FTC of being anti-business, and anti-advertising in particular. . . But if one looked carefully, one saw, not the FTC, but private trade associations barring advertising by doctors, dentists, accountants and even veterinarians. . . One saw states suppressing advertising for prescription drugs, eyeglasses. . . One saw the TV networks rejecting 'comparative ads' for products and 'controversial' spots by Mobil and Allstate. . . And one saw the NAB code prohibiting the broadcast of ads for liquor and contraceptives and restricting the scheduling for 'personal' product commercials."

Meanwhile, 5 majority members of House Communications Subcommittee, including Chmn. Van Deerlin (D-Cal.), have written Commission expressing support for continuation of children's TV advertising rulemaking. In joint letter, they said: "We are especially disturbed at the nature and extent of the lobbying by certain interests determined to stop this inquiry before it has been completed. . . In our judgment, the questions of whether advertising directed at children constitutes an unfair or deceptive trade practice or whether certain food products are demonstrably harmful to the health of our children, deserve close scrutiny and, if warranted, remedial action. . . We wish to stress, however, that we are not at this time persuaded that regulation of these matters is necessary or desirable." Also signing letter were Reps. Wirth (D-Colo.), Waxman (D-Cal.), Gore (D-Tenn.), Markey (D-Mass.) & Murphy (D-N. Y.).

RCA TO LAUNCH 3RD BIRD: RCA Americom is moving a year ahead of schedule its plans to launch 3rd satellite because of increased demands for transponder time. Satcom III will primarily serve cable; will be launched in about a year.

Plans are to put all CATV on new satellite, assuring it 24 channels. Americom says it has captured all cable TV business. Company had reserved use of space shuttle in 1980 for Satcom III, but officials say Satcom IV will now go on that launching.

CBS's Walter Cronkite has bought 10% interest in Camden (Me.) Herald. Principal owner is Whitney Communications.

ARTEC decision by FCC relaxing cable distant-signal rules (Vol. 18:45 p2) is subject of petitions for reconsideration by, among others, NAB & MPAA.

FCC has begun inquiry into possibility of deregulating use of receive-only earth stations.

BROWN URGES RADIO DEREGULATION: Bandwagon for radio deregulation has found significant passenger in FCC Comr. Brown, who last week found himself in what he said was embarrassing position of agreeing with NAB—and going further.

Speaking at Southern Cal. Bcstrs. Assn. Public Service Workshop in L.A. Brown outlined his proposal for widespread deregulation; namely, eliminate: (1) Ascertainment and limits on commercial time. (2) Programming guidelines. (3) Logging requirements.

Brown said, however, that he would want required a "minimum fixed percentage of public service programming." He also said he would want continued EEO enforcement and personal attack and equal time rules. He said proposal "would give radio broadcasters greater discretion in meeting their public interest obligations to their communities of service. They would also substantially reduce the paperwork burden on both the FCC and its licensees." He said his proposals "can be achieved without congressional action. And most importantly, they can be achieved without sacrificing legitimate public interest objectives."

He stated that radio is indeed different from TV in that it is very competitive. Competition in radio has yielded variety of formats, he said, saying that's not possible in "oligopolistic environment in which TV operates."

NAB Pres. Vincent Wasilewski was instrumental in molding Brown's opinion, Brown said. Recent Wasilewski speech in New Orleans on radio influenced "my change of heart about radio deregulation," he said, noting, however that "when I find myself agreeing with Mr. Wasilewski, I go back and double-check my analysis." Commenting on FCC's plans for experiment in deregulation, Brown said he doubts if test will prove much.

FCC Comr. Joseph Fogarty announced he won't participate in rulemaking considering setting up "community service" program category. He issued statement explaining that he had discussed issue with members of groups favoring proposal; that Broadcast Bureau had recommended denial of petition; that he had given copy of Bureau's recommendation to the Rev. Ellwood Kieser, of Paulist Fathers (a petitioning group); that Fr. Kieser later wrote Fogarty, commenting on Bureau's analysis. Said Fogarty: "At the time, because of my openly stated and strong interest in having the Commission address the issues. . . and because I had personally pressed the staff to prepare a document dealing with the question, I regarded the item as essentially my own. Because of this, and because I believed the document did not represent the Commission's views and thus had no significance, I felt free to release it to an interested member of the public. This was a mistake of judgment and I sincerely regret it." Chmn. Ferris responded: "The other commissioners and I concur with your own assessment that this violation is one of very serious institutional concern and reflected a clear error of judgment on your part. . . I believe that you have dealt with this matter in a candid, forthright and open manner."

NAB'S REWRITE PROPOSAL: NAB for first time is putting together detailed positions for a "National Communications Policy," a counter-proposal to rewrite, although it's not expected to be in form of a bill.

NAB staff was directed by exec. committee to put together specific proposal to be examined by exec. committee. "As a practical matter, it's to let [House Communications Subcommittee Chmn.] Van Deerlin [D-Cal.] know we're not ignoring his bill," NAB official said. In past, that's just what NAB was accused of, although association did issue a general "statement of principles" as its position on what was wanted in a new Communications Act. Statement was attacked as too vague, and Van Deerlin once said it read "like the report of a committee project co-chaired by King Midas and Marie Antoinette."

New drive toward developing NAB proposal also is aimed at satisfying membership. NAB official said some members felt that "if we don't have a bill, at least we should take the initiative." Official said: "There is a general impression that NAB has not come forward with a position."

Van Deerlin, asked for comment, expressed pleasure at NAB's plans. "They're not alone," he said, "The same thing is happening in the telephone industry where at last we've gotten some serious movement." He said he believes NAB's actions are a sign that it is now putting more credence in idea that rewrite may become law. And he said: "If I were [writing] for the trade press, I couldn't help noting there was considerable pressure from the industry, radio particularly."

Times Fiber announced, during Western Cable Show, completing systems: (1) "A precedent-setting 8.4 kilometer, 12 channel" system for Teleprompter in Lompoc, Cal. serving 1,200 subscribers. Only 3 repeaters were required for entire system; 12 would have been needed using regular cable, according to Times Fiber. Lompoc system cost just under \$10,000 per mile. (2) Ky. system was turned on Dec. 8—part of state-wide network for ETV, emergency warnings, public information & training. First telecast was session of Ky. legislature. When fully operational, system will include 28 miles of 2-way fiber. Also at Western Show, Comm/Scope announced it had obtained patents on low-loss, foam-injected polyethylene cable and bonded, laminated dropwire. Comm/Scope Pres. Frank Drendel called patents "a very significant advance," said that other manufacturers had "been put on notice." He said "current intent" is not to grant licenses to other companies.

Radio profits rose 37.8% to \$246.1 million in 1977, FCC reported, as revenues increased 12.6% to \$2,274.5 million. Network was up 28% to \$118.1 million, spot up 5.3% to \$521.3 million, local up 14.2% to \$1,873.1 million. Networks achieved profit of \$25.3 million on revenues of \$84.5 million vs. loss of \$5 million in 1976. Network owned stations achieved profit of \$19 million, up 24.3%, on revenues of \$98.4 million, up 23.8%. FM revenues rose 29.8% to \$543.1 million.

WEEKLY

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with

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EDITORIAL & BUSINESS HEADQUARTERS

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

Phone: 202-872-9200

WASHINGTON HEADQUARTERS

Albert Warren Editor & Publisher
Dawson B. Nail Executive Editor
Paul L. Warren Assistant Editor

NEW YORK BUREAU

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

Television Factbook

Mary Appel Editorial Director
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Business

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John W. Thompson Circulation Mgr.

Personals

Robert Flanders, McGraw-Hill Bcstg., receives NAB Engineering Achievement Award... **Sam Zelman**, ex-WJLA-TV Washington, named exec. news dir., CBS owned stations... **Alfred Smith** promoted to dir., daytime sales, ABC TV; **Jerry Solomon** advanced to new position of mktg. dir., ABC TV... **Scott Michels**, ex-ABC TV, named dist. mgr., affiliate relations, CBS TV... **Norma Welch** promoted to dir., TV operations, production planning & control, broadcast operations & engineering, ABC West Coast... **Tom Plant** advanced to vp-eastern sales mgr., ABC Radio.

Joe Canty, ex-Top Market TV, named national sales mgr., WFSB-TV Hartford... **David Bieber**, ex-WDIV, named programming dir., WJBK-TV Detroit... **Nessie McKee** promoted to mgr., program practices & film dept., KMOX-TV St. Louis... **Art Rossbach**, engineering supervisor, WTAJ-TV Altoona, retires... **Carol Bauer**, ex-Field Communications, appointed creative services dir., KGO-TV San Francisco.

William Sprague, veteran broadcast newsman who served with Voice of America, NBC, Republican National Committee, among other assignments, joins RTNDA to edit Communicator newsletter, serve as legislative liaison and assist Managing Dir. **Len Allen**... **James Keegan**, from FCC Cable Bureau, named acting legal asst. to Comr. **White**... **Harlan Kleiman**, ex-Warner Cable & Qube, joins Marble Arch Productions in N.Y. as vp-special projects; he'll concentrate on first-run pay-cable programming.

Seymour Friedman & **Edward Grading** named senior vps, Columbia Pictures TV; **Phil Cuppett** named to new post of administration dir., CPT Distribution... **Frank Marshall** advanced to pres., Visual-scope TV, div. of Reeves Teletape; **Harriett Levin** appointed Reeves information services dir.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 24 (47th week of 1978):

| | Nov. 18-24 | 1977 week | % change | Nov. 11-17 | 11 mo. 1978 | 11 mo. 1977 | % change |
|-----------------------|---------------|--------------|-------------|---------------|----------------|----------------|-------------|
| Total TV. | 441,958 | 441,818 | +0.0 | 386,526 | 14,465,219 | 13,111,143 | +10.3 |
| color | 257,825* | 232,344 | +11.0 | 239,886 | 9,135,970* | 8,079,068 | +13.1 |
| monochrome . . . | 184,133 | 209,474 | -12.1 | 146,640 | 5,329,249 | 5,032,075 | +5.9 |
| Home VCR | 13,564 | — | — | 12,453 | 349,114 | — | — |
| Total radio | 635,426 | 1,401,047 | -54.7 | 769,491 | 41,462,670 | 49,217,986 | -15.4 |
| home, portable . | 432,878 | 1,138,217 | -62.0 | 521,367 | 30,151,693 | 37,750,557 | -20.1 |
| AM-only | 169,923 | 602,613 | -71.8 | 152,199 | 7,109,656 | 9,604,574 | -26.0 |
| FM & FM-AM . | 262,955 | 535,604 | -50.9 | 369,168 | 23,042,037 | 28,145,983 | -18.1 |
| auto | 202,548 | 262,830 | -22.9 | 248,124 | 11,490,977 | 11,467,429 | +0.2 |

Color TV 5-week moving average: 1978—251,580**; 1977—245,600 (up 2.4%).

*Record for period. **All-time record.

FOTOMAT TO OFFER OWN VIDEOCASSETTE MOVIES: Fotomat is now negotiating with major movie studios for video rights to feature films for sale & rental at its 3,400 kiosks. Scheduled to start in first quarter, venture will be biggest effort to date in any kind of marketing of pre-recorded cassettes and first major trial of rental through retail outlets.

Cassettes will be replicated by outside houses, according to Video Operations Vp Steve Wilson. Although Fotomat doesn't particularly care about exclusivity, he told us he expects titles will mainly be those "nobody else will have." X-rated films won't be handled. Rental operation will work through computerized central ordering system—customer will call on phone, order sale or rental cassette from catalog and pick it up at his neighborhood Fotomat dealer next day, Wilson said.

Fotomat has no reason to fear for future of its new operation on basis of reaction to its first 2 ventures into video. "We're selling blank tape like it's going out of style," says Wilson. As to its film-to-tape transfer business, "we've pulled back our ads—we'll double capacity [of our Fountain Valley Cal. plant] Dec. 15 and redouble it in the first quarter." Despite rising cassette prices, Fotomat hopes to hold price line on blank cassettes & transfers.

AGREEMENT NEAR ON KOREAN COLOR QUOTA: Four days of marathon sessions between Korean & U.S. negotiators last week brought new proposal for limits on Korean color set shipments to U.S. for next year and first-half 1980 which will now be submitted to both govts. There are strong indications that number will work out to about 300,000 a year.

Although there was no actual agreement at quota talks in Washington, figure of 300,000 would mean splitting difference between limit of 400,000 asked by Korea (to match record number it will ship this year) and 200,000 sought by U.S. Latter was significant rise from opening proposal of about 48,000. Korea made major concession by agreeing for first time that its exports should be restricted. As part of negotiating strategy, Koreans said they wanted increased allowance because they don't export any incomplete sets, and also demanded assurances that U.S. would prevent massive growth in color imports from Singapore & Canada.

Agreement could come without any further negotiations if both govts. accept figure. Meanwhile, talks with Taiwan probably will resume in Washington Dec. 19 or 27, this time on subject

of shipments of incomplete color sets in addition to negotiated 350-370,000 limit on finished sets. Taiwan will supply about 800,000 incompletes this year, and current quota proposals cover 250-500,000 range.

There are only 2 exporters of incomplete sets from Taiwan—RCA & Admiral—and latter, which accounts for 1/3 of shipments, has sold plant. RCA is assumed to be pressuring both sides to protect its interests. Meanwhile, there's still no indication what new Hong Kong-based owners will do with former Admiral facility (Vol. 18:49 p7). Taiwan newspapers report there have been substantial layoffs at plant and other manufacturers in labor-short Taipei area are right at factory gate with new job offers for idled workers.

Japanese manufacturers, meanwhile, continue to assume defiant—or unbelieving—posture with regard to Treasury Dept.'s determination to collect \$48 million in dumping duties now outstanding and to bill for over \$500 more. EIA-J (& Matsushita) Pres. Toshihiko Yamashita was quoted in Japanese press as saying color TV industry there had "no intention to comply" with Treasury order—same view expressed in N. Y. by Sharp Pres. Akira Saeki (Vol. 18:49 p9)—"we're not going to pay it."

RCA RAISES COLOR TV, VCR PRICES: RCA matched Zenith's 2nd price increase of 1978 last week with \$10 across-board hike of its own on color TV and raised VCR & accessory prices at Miami distributor meeting.

Color TV price increase, forecast here last week (Vol. 18:49 p10), affects all sets except 3 step-up models—13" at \$340, 17" at \$390 and 19" at \$450. Rise is exactly same amount as Zenith's (Vol. 18:46 p7), averages 1.2% at factory level. RCA led first round of hikes this year in Aug. (Vol. 18:33 p7), was matched by Zenith, which instituted 2nd round last month.

VCR price increase was attributed to adverse yen-dollar relationship by Mktg. Vp Jack Sauter, who said base dollar cost of imported VCR products is still 30% higher today than in Aug. 1977 when RCA entered business. Although VCR model VCT201 (with on-off timer) was raised only \$25 to \$1,100, floor of RCA VCR line is now up \$100 because leader model VCT200 (with timer which doesn't shut off) was discontinued. Programmable VCR was hiked \$25 to \$1,300. Sony last month raised current Betamax VCR by \$55 to \$1,150 (Vol. 18:47 p7). All other VCR marketers are expected to fall into line with new prices quickly.

Other RCA price increases: Two-hour cassette, up \$1 to \$19, four-hour up \$2 to \$27, color cameras up \$25 to \$875 & \$1,300. For most of RCA's VCR line, hike actually is 2nd—prices for programmable VCR & cameras were up in Aug. from those announced last May (Vol. 18:33 p9). While conceding that abandonment of \$1,000 price point could affect sales, Sauter said RCA would "continue to implement major promotional activities beginning in the first quarter."

RECORD COLOR SALES RESUMED IN NOV.: Color TV sales to dealers pushed ahead to another high in Nov., rising 11% over record Nov. 1977. It was 9th record month of 11 this year, pick-up over sagging sales pace which saw Oct. fall 2.4% shy of 1977 record (Vol. 18:45 p8, 18:46 p9).

Sales for Nov. work out to annual rate of just over 10.2 million, up from 9.3 million in Oct.—making it 5th best month this year. For year's first 11 months, sales pace was 10.26 million. The 11-month total of 9,135,970 color sets sold exceeded every full year except record 1973. At end of first week in statistical month of Dec. (48th week of year), 1978 officially became record color year, year-to-date sales having exceeded every previous full year. Dec. started off with huge bang—first week's sales will be announced next week as around 241,000, up 25.7% from same 1977 week.

Thus 1978 is certain to become first 10-million-color-set year. If Dec. continues strong, our 10.3-million-set forecast (Vol. 18:42 p8) still seems on target. In final week of 11th month, color TV 5-week moving average hit historic all-time high of 251,580.

Inventory levels at end of Nov. were acceptable, factory plus distributor supplies totaling something under 13 weeks at current sales rates, slightly better than one month earlier, but longer than the 10-week estimate at end of Sept. At both levels, inventories totaled about 2,322,-

000, up 3.9% from year earlier but down 7.5% during month. Factory stocks came to some 1,345,000, up 6.6% in year, down 8.6% in month. At distributor level, supplies of 978,000 were down 7.1% in year, 2.5% in month.

While decisively setting record for the month, Nov. had less solid feel than some previous record months—possibly because Nov. 1977 was tough target to beat. Only 2 of the month's 4 weeks set records. Color TV was only area of improvement over last year in Nov.—monochrome down 8.4%, total radio down 34.3%.

Home VCR sales for Nov. were just short of 50,000, down from 56,545 in 4-week Oct. and 56,759 in 5-week Sept. Thus, on weekly-average basis, Nov. (at 12,495 a week) was 2nd only to Oct. (14,136 weekly). With 349,114 home VCRs sold in first 11 months, full year sales probably will come to just about 400,000. Here are EIA sales-to-dealer figures for Nov.:

| Product | Nov. 1978 | Nov. 1977 | % change | Nov. 1976 |
|------------------|-----------|-----------|----------|-----------|
| Total TV..... | 1,611,684 | 1,612,595 | - 0.1 | 1,408,249 |
| color | 990,331 | 934,004 | + 6.0 | 827,546 |
| monochrome... | 621,353 | 678,591 | - 8.4 | 580,703 |
| Home VCR | 49,980 | — | — | — |
| Total radio..... | 3,236,103 | 4,925,378 | -34.3 | 3,616,502 |
| home, portable. | 2,241,584 | 3,859,380 | -41.9 | 2,574,482 |
| AM-only | 683,043 | 1,314,744 | -48.1 | 1,136,285 |
| FM & FM-AM . | 1,558,541 | 2,544,636 | -38.8 | 1,438,197 |
| auto | 994,519 | 1,065,998 | - 6.7 | 1,042,020 |

TV, VCR IMPORTS AT RECORDS IN OCT.: Oct. was strong video month for importers—VCR, total TV and b&w TV all hit historic monthly highs, Commerce Dept. figures show. While color imports were below monthly high for year set in Sept., they were well ahead of Oct. 1977, thanks to record shipments from Korea.

Total Oct. TV imports of 1.1 million were up 13.6% from last year, and just barely topped previous monthly high of 1.09 million set last July. Color imports of 462,200 complete & incomplete sets were up 68.4%, while b&w rose 20.1% to 640,600, besting earlier high of 637,700 set last Aug. Oct. imports of VCRs were up 79.3% to 61,100, nearly 10,000 higher than record of last Dec., and brought 10-month total to 415,100, up 229.8%.

In year through Oct., total TV imports were up 23.2% to 9.03 million, with color up 27.3% to 4.04 million, b&w up 20.1% to just under 5 million. Month's imports of complete color sets were up 50.5% to 277,700, while incomplete sets doubled to 184,500. For 10 months, complete color imports were up 5.6% to 2.28 million, incomplete up 73.2% to 1.77 million. Japanese complete color imports were up 17.9% in Oct. to 137,700, for cumulative total of 1.25 million, down 29.1%, while month's incompletes were up 32.1% to 24,700, for total of 182,200, up 4.6%. In Oct., Taiwan supplied 51,100 complete color (up 7.2%), 65,900 incomplete (up 151.5%), raising 10-month color total to 508,100 complete (up 86.2%), 707,900 incomplete (up 998.7%).

Overall TV import results for Oct. by country, with 10-month totals in parentheses: Japan, total 290,900, down 9.2% (2.66 million, down 18.9%); color 162,500, up 19.9% (1.44 million, down 26.1%), b&w 128,400, down 30.5% (1.22 million, down 8.6%). Taiwan, total 447,800, up 36.7% (4 million, up 58.1%); color 117,000, up 58.4% (1.22 million, up 260.6%); b&w 330,800, up 30.4% (2.78 million, up 26.9%). Korea, total 243,300, up 179.3% (1.21 million, up 86.9%); color 65,000, up 954.8% (297,500, up 394.3%); b&w 178,300, up 120.3% (915,400, up 55.5%). In color only, Canada supplied 21,700 in Oct. (up 66.4%) for 10-month total of 174,500 (up 328.7%). Singapore 5,500 (up 860.4%) for 41,800 (up 294.7%), while Mexico was source for 88,100 incomplete sets in month (up 99.4%), raising total for year to 856,700 (up 11.5%).

CHANGES AT SEARS: Major changes in Sear's emphasis & direction over next 5 years are spotlighted in internal documents obtained & abstracted by Crain's Chicago Business and its sister publication Advertising Age. Plan sets as goal 82% increase in sales by Home Appliance-Home Entertainment Group from \$2.602 billion in 1977 to \$4.733 billion in 1983. Program sees Sears as "family store for middle-class, home-owning America," reflecting world of middle America but not leading it. Sharp cutback in staff, expenses & paperwork is anticipated.

Proposals included in documents: (1) Cutback in number (now 12,000) of domestic suppliers, committing "buying strength to fewer sources." (2) Marketing national name-brand products of other companies, while continuing private brand as "cornerstone of our line structure." (3) Committing Appliance-Entertainment Group to "employment of assets designed to extend our business in color TV, VCRs, floor care & induction cooking."

Past problems with promotional markdowns, according to report, involved necessity of increasing regular prices, partly because of "constantly rising rates of overbilling." Appliance Group in future "will continue to employ reduced-price promotions & strong advertising... but [allocation] will be re-directed to bring a better return in the areas of greatest opportunity. Retail selling-price reductions will total 8.6% of sales, while hq advertising will fall between 0.5% & 0.8% of total sales. The field is expected to continue promotional advertising as 2.5% of sales."

One document appraises Sears' business strength in white goods as "high," but characterizes its position in consumer electronics as "less than average strength." Market attractiveness is rated "high overall for home entertainment, although this is a close judgment call, considering the number of lines with low or medium attractiveness." Documents express doubt there'll be significant new-product developments in consumer market in next 5 years. "While there will be activity in such things as the home computer, it would be foolish to base our growth on a rapid change in the new-product environment."

Members of Senate Antitrust Subcommittee will attend Jan. CES to gain perspective on auto sound industry, according to Custom Automotive Sound Assn. Pres. & Audiovox Senior Vp Philip Christopher. Subcommittee under Sen. Kennedy (D-Mass.) is looking into charges of monopolistic practices by auto makers in auto sound. Depending on number of senators in attendance, CASA luncheon at CES Jan. 7 may be opened to press.

Mini b&w TV tuner about half size of available tuners has been developed by Murata for small portable & combination sets. Available now in Japan, it will be offered to other Asian manufacturers in late spring when monthly factory output reaches 100,000.

Hi-fi TV tuner component will be introduced at CES by Finney Co. at \$180 for Jan. delivery.

TAPE STANDARDS POSTPONED: Hopes for some standards for magnetic audio tape cassettes in time for Jan. 6-9 CES have been abandoned, as members of Japan's Magnetic Tape Assn. (6 tape makers) & EIA-J (virtually all tape deck makers) were unable to reach agreement. No standards now are seen possible before mid-Jan.

Hardware & software manufacturers have been meeting on subject since July 26. Even if agreement had been reached as planned by end of Nov., there wouldn't have been time to display "standard" tapes & decks at CES—but existence of standards and promises to deliver standard hardware & software next spring would have helped get these new products off to auspicious start, tape industry members believed.

Although non-Japanese tape & hardware manufacturers (other than 3M through its joint venture with Sumitomo) aren't represented in Japanese standards talks, any standards reached in Japan obviously are going to apply to U.S. market, which looks to Japan as main source of tape equipment. Metal tape decks have been shown already by Aiwa, JVC, Lux, Marantz, Nakamichi, NEC, Pioneer, Sony, Tandberg & Toshiba. Virtually all other hi-fi makers plan to premiere metal-tape decks at CES. Sanyo, Sharp & Technics (Panasonic) have already announced upcoming metal tape decks.

Decks which will be shown at CES won't be production models because of lack of standards. Tandberg showed metal-tape deck last May (Vol. 18:23 p7) and recently proposed audio cassette standards of 3,300 gauss retentivity, 1,000 oersted coercivity, 3.5-4 micrometer coating thickness, based on existing 70-microsecond playback equalization.

Major reorganization is under way at Quasar, but it probably will be 30-60 days before final decisions are made. One aspect is expected to be establishment of separate marketing, sales & service subsidiary under Mktg. & Sales Vp Alex Stone. No changes are planned in distribution & manufacturing setup. Asked about reports he would leave company, Pres. Robert Bloomberg told us: "We are considering changes in organization. I endorse these programs. I have not resigned or been terminated and I won't leave in the near future." Bloomberg conceded that under new organization "there might not be need for a president." He said there were "no serious policy problems" which would cause him to leave and that he was contributing to reorganization which would bring more efficiency. "A more effective organization is what I'm shooting for."

Videotape report on videotape: Taped on-the-spot interviews with VCR dealers in their stores and users in their homes will be feature of April 1-4 "Audio/Video Update" seminar at Hilton Head, Ga. Report will be made by Bell & Howell Video Pres. Robert Pfannkuch using projection TV to show interviews conducted in several parts of country.

Sony's new 100,000-sq.-ft. parts center in Kansas City has been opened... Sansui moves to new larger (56,000-sq.-ft.) hq & eastern warehouse at 1250 Valley Brook Ave., Lyndhurst, N.J. 07071.

METAL VIDEOTAPE: Despite all the hoopla about metal audio tape—expected to build to crescendo at CES—many hardware & software insiders see new tape formulation's most important use in video, where it could be instrumental in leading to true revolution, giving birth to "2nd-generation" home VCRs.

"The metal tape era will really come with its application to video." So said TDK Electronics Corp. (U.S.) Pres. Sho Okiyama at recent seminar in Tokyo sponsored by parent TDK Electronics Co. Ltd. of Japan, which describes itself as "probably the biggest tape manufacturer in the world in terms of volume & product development." First application of metal tape to video won't be directly in consumer field, but should have implications in prerecorded software market. It's known that both TDK & Fuji—and probably other major tape makers—are developing metal master tape with extremely high coercivity (around 2,000 oersteds) for use in high-speed contact videotape duplicators. Coercivity is measure of magnetic force; standard audio tape has coercivity of 400 oersteds, highest quality videotape 600.

Most significant use, of course, will be in new ultra-compact VCRs, possibly built into miniature solid-state CCD color cameras for portable use. TDK's Okiyama forecasts that metal tape will make possible "compact videotape recorder the size of automobile stereo." While TDK and other tape makers are reluctant to forecast when new metal VCR decks will be available—insisting that's up to hardware makers—there are some indications that tape manufacturers believe new hardware & tape could be developed as early as 1980.

As we reported last June (Vol. 18:23 p7), serious developmental work is being conducted toward video-cassettes of audio cassette size. These could provide fairly long playing time because use of metal tape can result in fourfold reduction in amount of tape required, and metal tape itself is thinner than oxide tapes (TDK's metal-powder coating is about half thickness of its oxide coatings). While all hardware manufacturers are understood to be working on metal-tape VCRs, Sony is believed by some to be most advanced in this field. Sony's work is probably more secret than that of some others because company makes both hardware & tape and therefore doesn't have to work with outside firms.

Metal tape's impact on audio may not be as significant as it would appear at first glance because: (1) The new tape is incompatible with all current decks & players, whose performance with existing tapes is more than adequate for vast majority of public, including most audio addicts. (2) Decks designed to accommodate both metal & oxide tapes will be relatively high-priced, as will metal tape itself. (3) Rapidly advancing digital technology may overtake metal tape, and most experts see digital recording far more of a panacea for audio than any change in tape formulation.

Before arrival of metal videotape, TDK sees other improvements coming in videocassettes. Its Super Avilyn (cobalt-absorbed iron oxide) videotape now has coercivity of about 600 oersteds. On visit to TDK main tape plant in Chikumagawa, Japan, we

saw developmental samples of fine-particle oxide coating with claimed coercivity of 750 oersteds and were told this or similar formulation could show up in year or 2 in Super Avilyn videocassette line, with signal-to-noise improvement of as much as 6 dB. Forecasts TDK's top video engineer Tsuneaki Nara: "We will announce new video products in 1979 & 1980."

Conventional VHS videocassette with 50% more playing time to provide 6 hours on 2-speed VCRs and 3 on single-speed machines is one of possibilities for 1979. Company official said, however, that such thin-based tape is "political issue" rather than technological one—presumably referring to differences in approach by the 2 main VHS proponents, JVC & Matsushita.

* * * *

Worldwide home videocassette (Beta & VHS) production now totals about 2.2 million cassettes monthly or 26.4 million annually, representing factory value of around \$250 million, we estimate on basis of data from Sony & TDK. Sony has stated it is now producing million Beta cassettes monthly in Japan & U.S. TDK says it is making tape at rate of 750,000 cassettes monthly for its own brand and other manufacturers (some of which assemble tape into cassette shells themselves). We estimate other tape makers turn out 300,000 VHS & 200,000 Beta cassettes monthly.

TDK is constructing new videocassette facility at Chikumagawa. Upon completion, it expects to have capacity equivalent to production of 1,370,000 Beta or million VHS cassettes monthly. As we reported last May (Vol. 18:21 p9), TDK, which has audio cassette assembly plant in Irvine, Cal., plans to build U.S. videocassette plant this spring. Among areas mentioned as possibilities are Ga. & Va.

* * * *

Possible breakthrough toward low-cost digital recording and more compact, slower tapes for video was outlined in Japan by Shunichi Iwasaki of Tohoku University, chmn. of Institute of TV Engineers' Video Recording Committee, credited with being inventor of metal-particle tape. Iwasaki described new "perpendicular" recording system, utilizing head consisting of 2 poles on opposite sides of tape. He said he had already recorded at density of 100 kilobits per in., compared with 8 kB for conventional magnetic recording.

Royce will raise CB prices 6-8% Jan. 1, citing increased manufacturing costs, yen-dollar situation as reasons for hike... Personal communications seminar Jan. 7 at CES in Las Vegas will feature Antenna Inc. Pres. Milton Friedberg, Motorola Autosound & CB Mktg. Dir. Jon Passini, SBE Pres. Paul Robichaux, EIA's Mark Rosenker.

Hi-fi market will grow 7.5% annually to \$1.4 billion at factory by 1983, according to report by Venture Development Corp., Wellesley, Mass. Report sees compatible audio-video PCM-disc player as "component of the '80s" and technological advances such as metal tape & MPU circuitry as key to hi-fi sales success.

EIA'S NEW LOOK: EIA Consumer Electronics Group will invite some 150 non-members to join its meeting Jan. 9 during Consumer Electronics Show when it unveils its new dues structure, services & organization, all designed to appeal to smaller manufacturers & marketers than it has been able to attract in past, as well as to larger manufacturers in non-TV field.

EIA's new basic dues schedule (Vol. 18:45 p10) sharply lowers cost to small companies which are members of only one div. or group; CEG's new dues make membership particularly easy for companies which join its Audio Div. only without belonging to Video Div. too. In many cases, dues have been halved. EIA bylaws have been re-interpreted liberally to make most electronics importers eligible for membership. Although they still provide that members must manufacture in U.S., word "manufacture" is now interpreted to include virtually any type of assembly or R&D.

Video Div. is being reorganized into 2 sections or subdivisions—(1) TV, (2) VCRs, games & computers. Audio Div. tentatively will be divided into 4—(1) components, (2) compacts & radio, (3) auto audio, (4) telephone devices. CEG plans to increase lobbying activities on federal & state levels, particularly in audio, as part of "dramatic" expansion of services. Big lure to new members, of course, is availability of proceeds of CES for educational & promotional campaigns.

IHF also has restructured dues schedule to attract small manufacturers, has goal of doubling membership in 1979. After examining IHF's new dues schedule, one CEG official commented: "We're cheaper."

"We've got at least a year's head start on everyone else in this field." So said Jerrold Sales & Mktg. Vp Colin O'Brien of his company's deal with Mattel to develop first cable-video game system. GI subsidiary Jerrold & Mattel signed letter of intent to work together in June. Agreement calls for Mattel to supply game software (Mattel \$230 "Intellivision" is scheduled for introduction at Jan. CES), Jerrold to develop cable technology, GI to supply chips. System design has special cartridge connecting to cable subscriber's converter box; video game programs stored in head-end computer are loaded into home unit on user's request. O'Brien sees system as basis for home data service. Lawyers are working out details of contract between companies. Jerrold is in process of picking cable system for 6-month test hookup.

GE & Hitachi, whose agreement to form joint TV manufacturing firm was bombed last week by Justice Dept. (Vol. 18:49 p8), have reached agreement on VCRs, according to reports in Japan. Under terms of reported deal, Hitachi would supply GE with 2,000 VHS 2-speed recorders monthly starting in Feb. Matsushita currently is GE's VCR supplier. Neither GE nor Hitachi would comment on report.

Shark Electronics, Brooklyn-based audio compact firm, will change name to "Lenox" in Jan., ending trademark infringement dispute with Sharp.

Financial Reports of TV-Electronics Companies

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

| Company & Period | Revenues | Net Earnings | Per Share |
|------------------------------------|---------------|----------------------|-------------------|
| Pioneer Electronics ^a | | | |
| 1978-year to Sept. 30 | 1,066,323,000 | 69,200,000 | 1.61 ^b |
| 1977-year to Sept. 30 | 1,059,574,000 | 76,190,000 | 1.79 ^b |
| Seaport | | | |
| 1978-9 mo. to Sept. 30 | 17,266,000 | 80,000 | -- |
| 1977-9 mo. to Sept. 30 | 14,738,000 | 387,000 ^c | .14 |
| 1978-qtr. to Sept. 30 | 5,986,000 | (19,000) | -- |
| 1977-qtr. to Sept. 30 | 5,231,000 | 146,000 ^c | .05 |
| Starr Bestg. Group | | | |
| 1978-qtr. to Sept. 30 | 9,484,060 | 630,211 ^c | .41 |
| 1977-qtr. to Sept. 30 ^d | 8,603,074 | 391,998 | .26 |
| Tektronix | | | |
| 1978-24 wk. to Nov. 11 | 338,636,000 | 32,460,000 | 1.81 |
| 1977-24 wk. to Nov. 12 | 260,699,000 | 25,528,000 | 1.43 |
| 1978-12 wk. to Nov. 11 | 179,786,000 | 18,296,000 | 1.02 |
| 1977-12 wk. to Nov. 12 | 140,287,000 | 13,570,000 | .76 |

Notes: ^aIncludes consolidated subsidiaries; computed at 195 yen=\$1. ^bPer ADS. ^cIncludes special credit. ^dRestated.

Consumer Electronics Personals

Edward Garland resigns as Toshiba mktg. vp to form rep firm in Houston... **Ken Emmer**, ex-Sharp & Grundig, named Morse national account mgr... **William Hegyi**, ex-GBC, Capehart & Olympic, named dir. of purchases, United Speaker Systems, E. Orange, N.J... **Dean Cochran**, ex-Avanti R&D, appointed Mura national accounts vp & chief of new Chicago sales office... **William Fritton** promoted to Sylvania Entertainment Products financial planning mgr., succeeding **Lawrence Zidow**, named GTE Communications Products budgets mgr.; **Edgar Gareau** appointed Sylvania Canada Electronic Components & Systems vp-gen. mgr.

Carl Lindholm named senior vp-gen. mgr. of new Motorola Automotive & Display Systems Group; **Levy Katzir** succeeds Lindholm as Automotive Products Div. vp-gen. mgr.; **William Connor** takes Katzir's former job as vp-dir., corporate multinational operations; Senior Vp **Homer Marrs** named asst. to chief operating officer... **James Kilduff**, ex-Fairchild, named to new post of Semi international mktg. mgr.; **Randall Crume** resigns as national sales mgr... **Maurice Valente** shifts from ITT pres. of European operations to exec. vp for consumer products & services; **Gerhard Andlinger** becomes pres. of European operations... **Joan Steen**, ex-Glendale Savings & Loan, named Pioneer America market research dir... **David Berns**, formerly William Esty production coordinator, joins Video magazine as national ad dir.

Ad notes: GE TV Dept. appoints BBD&O for TV & consumer print, replacing Grey Adv. & Norfolk-based Lawler Ballard Little; latter retains trade print account... **Fotomat** names Chiat/Day, L.A., to handle estimated \$10-million account, including introduction of prerecorded videocassettes.

WEEKLY

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Broadcast

DROP-INS, CLEAR CHANNELS—AGAIN: Commission expected to accept staff recommendation to break up clears, dispute is in area of protection. Proposed drop-ins in 4 markets more controversial. (P. 1)

NAB EXEC. COMMITTEE CONSIDERS rewrite, budget, Canadian relations, TV Code. Staff has 'objectives' to be met in new legislation. Income of \$6.2 million expected in 1979. (P. 2)

FTC & MEDIA OWNERSHIP: FTC symposium rich in academic discussion. Broadcasting less emphasized than newspapers. (P. 4)

RADIO DEREGULATION GAINS: Broadcasters rush to keep trend accelerating, plan Washington rally. NAB files petition to remove restrictions. (P. 4)

UNUSUAL SWITCH FINDS Black Media Coalition opposing petitions by 2 black groups to deny sale of WDAS-AM-FM to National Black Network. (P. 4)

QUELLO IDEAS FOR PUBLIC BCSTG.: Educational commissioner would satellite 'super' public TV station to cable systems to help in fund-raising, form advisory committee to FCC. (P. 5)

START IN CABLE FIBER made by Siemens & Corning in Cablecom Joplin system. Used for link to headend. (P. 5)

DROP-INS, CLEAR CHANNELS—AGAIN: For about umpteenth time, FCC meets next week on 2 proposals which have been around agency in one form or another for generations—AM clear channels and VHF drop-ins. This go-round, commissioners will have before them firm recommendations on both from Bcst. Bureau: (1) Issue new rulemaking to break down remaining 12 Class 1-A clear channels with other nighttime service throughout U.S. (2) Deny all 4 proposed VHF drop-ins—Ch. 8 Knoxville, Ch. 8 Johnstown, Ch. 11 Huntington, Ch. 13 Salt Lake City.

Commissioners are expected to be near-unanimous in breaking down clears with only question expected to be whether to afford 12 stations 750-mile nighttime protection (half mil, 50% contour) as proposed by Bureau. Since further comments are required, final decision is expected to be at least year away—and then courts probably will become involved. In 1961, Commission broke down half of Class 1-A stations—but each only in single U.S. market at nighttime—and those 12 stations also face additional nighttime duplication under proposal expected to be approved this week.

Some of 12 clear channels not broken down in 1961 actually have nighttime stations on their frequencies through waiver of rules or foreign assignments. They are KFI L.A. (640 kHz),

Consumer Electronics

TV DUMPING DUTY showdown comes next week when importers are due to make initial \$46-million payment. Treasury says it has ordered Customs to collect. Japanese say that they won't pay by deadline. (P. 7)

MAGNAVISION VIDEODISC players & Discovision discs go on market in 3 stores in Atlanta as thousands vie for estimated 25 players in stock. Software catalog lists many top features. (P. 8)

MINI-COMBO SALES growth bolstering b&w business. Marketers lured by big ticket, growing demand. But field grows crowded. (P. 9)

QUASAR SPLIT into separate production & marketing units under Kraft & Stone. Takeoka returns as overall supervisor with ex-Pres. Bloomberg as staff advisor. (P. 10)

CES PRODUCT HIGHLIGHTS expected to include new hand-held information storage devices, Atari home computers, stereo mini-components, metal-tape & digital audio recorders, b&w minis at Jan. show in Las Vegas. (P. 11)

HITACHI BUYS WAY into U.K. through acquisition of 50% interest in GEC consumer electronics operation. Pioneer taking over own European distribution. (P. 12)

duplicated in Canada & Cuba; WNBC N.Y. (660 kHz) in Fairbanks; WSB Atlanta (750 kHz) in Anchorage; WJR Detroit (760 kHz) by KFMB San Diego; WCCO Minneapolis (830 kHz) by WNYC N.Y. Non-duplicated clears are WSM Nashville (650 kHz), WLW New Orleans (700 kHz), WBAP Ft. Worth (820 kHz), WHAS Louisville (840 kHz), WWL New Orleans (870 kHz), WHO Des Moines (1040 kHz), KSL Salt Lake City (1160 kHz).

In Dec. 1 letter to NAB Pres. Wasilewski, Rep. Findley (R-Ill.) disputed NAB contention that it's neutral in daytimers' attempts to get nighttime operation on clear channels. Stated Findley: "In your own Radio Active publication... Jim Hulbert [NAB senior vp for station services] delights in belittling the daytimers' (and all rural Americans') desire for local radio service. [Radio Chmn.] Walter May has been quoted... as questioning the ability of daytimers to provide nighttime service. Far from being impartial, the NAB has led the attack on daytimers... Even if NAB had managed to remain strictly neutral, I must confess I would question the wisdom... of a position that permits 45 million Americans to go without local radio service for half of their lives."

VHF drop-in proposal is much more controversial—and veteran FCC watchers aren't predicting how it will go. Here's one analysis: "The only sure vote is Lee—against. Couple probably will join him and there probably are couple more strong votes for the drop-ins. Commissioners to watch are Washburn and Brown... Johnstown has best chance because of the black involvement, but then, how do they deny the other 3?"

At urging of then weak No. 3 network (ABC-TV) Commission first began considering VHF drop-ins in late '50s. It has undertaken several go-rounds, has actually dropped in only couple of channels—and many claim these weren't pure "drop-ins." Current effort began in early spring 1975 when OTP study purported to show that 88 drop-ins were feasible (Vol. 15:14 p4). During consideration at FCC, that number constantly dwindled until only 4 were proposed by agency in early 1977 after Washburn broke 3-3 tie (Vol. 17:10 p4). At that time, Lee & Quello dissented.

Bcst. Bureau reportedly would deny drop-ins for technical reasons, and because they allegedly would hurt UHF development and wouldn't really advance cause of black ownership. Lawyer pointed out that even if Ch. 8 is added to Johnstown, black group which sought drop-in will face long & costly comparative hearing.

AMST, long-time foe of all drop-ins, recently told Commission that pending proposals are flawed because of 4 recent developments: (1) There are serious defects in more than 30% of data base used by Rand in study of proposals. (2) Application has been filed for UHF in Huntington. (3) Ch. 20 KSTU Salt Lake City went on air in Oct. (4) Ch. 26 KTVK Knoxville, which sought drop-in there, now opposes it.

* * * *

Commission meets Dec. 19 on drop-ins and clear channels, next day on 5 matters designed to improve UHF reception (see p. 10). Dec. 21, FCC has heavy agenda for regular meeting, including: Reimbursements to Citizens Communications Center; WRIK-TV Ponce, P.R. transfer; tax certificate in sale of WAWA-AM-FM Milwaukee; WTRA(AM) Latrobe, Pa. renewal; EEO sanctions on several stations.

NAB-REWRITE, BUDGET, TV CODE, CANADA: Objectives that "broadcasters can reasonably expect to accomplish" were presented to NAB Exec. Committee by govt. relations staff last week—but no action was taken. Committee, while it didn't object to "objectives" within 9-page statement, did object to fact goals were directed toward HR-13015—Van Deerlin-Frey rewrite bill in just-ended 95th Congress.

Donald Zeifang, NAB senior vp-govt. relations, was told to come up with new draft avoiding mention of old rewrite bill and list objectives that would be applicable in arguments before Senate & FCC. "We weren't unhappy, but we didn't want to rush it through at the end of a long meeting," according to NAB Chmn. Donald Thurston. "The [full NAB] board is going to have to set the final position." Exec. Committee will consider new Zeifang draft at Jan. 4 meeting; full board will meet on objectives Jan. 16-19 in Maui. Among staff objectives:

(1) Bill directing FCC to "provide increased unlimited time AM facilities." (2) Assurance that "technical integrity of the present broadcast system" won't be compromised. (3) Indefinite license for radio; indefinite license for TV "after 2 five-year renewal periods." (4) Prohibit FCC from considering ownership (group, newspaper) at renewal. (5) No ascertainment procedures. (6) Prohibit consideration of competing applications for TV renewals.

(7) No fees based on value of spectrum used. (8) Fee should be based only on cost of regulation to licensee. (9) Pay no fee "that is dedicated to the support of other federal programs" (public broadcasting). (10) Prohibit FCC from adopting "ownership regulations more stringent than those now in effect." (11) All present ownership, "regardless of ownership in other media, be allowed to continue. (12) Prohibit any federal agency from restricting advertising for any legally sold product. (13) Prohibit FCC from setting time standards. (14) Eliminate FCC requirement of lowest unit charge for political advertising. (15) Exempt from Sec. 315 all state-wide races (including President & Vice President). (16) "Some safeguard must be enacted to prevent the use of a petition to revoke as a method for extortion and harassment."

(17) Give FCC authority to regulate cable as "ancillary" to broadcasting and "to secure a legislative finding that cable can and does affect broadcast service." (18) Assure continued program exclusivity rights over cable. (19) Give FCC authority to regulate pay cable, but "no restrictions on the ownership of cable facilities" unless Commission makes specific finding that ownership by broadcaster or cable company would be adverse to public interest. (20) "Prohibit the owner of the cable hardware from controlling the cable programming except under certain circumstances." (21) Prohibit any possibility for FCC or Congress "to disclose the financial details of any broadcasting operation." (22) Prohibit FCC from considering or establishing "quotas of programming, percentages of programming or interfere in any way with the scheduling of programming."

Exec. Committee also met half-day with their counterparts from Canadian Assn. of Bcstrs. in follow-up of June meeting in Toronto (Vol. 18:27 p1), and CAB agreed to co-host Oct. 1-3 IAAB sessions in Washington. They also discussed border problems, WARC, Class 4 AM nighttime power (U.S. stations want to increase it, need Canadian permission), Organization of American States, NARBA and other common problems. They'll meet again next Sept. in Canada.

NAB fiscal 1979 income (starting April 1) is expected to be \$6.2 million. Expenses will be decided at Jan. Exec. Committee meeting; \$100,000 already has been set aside as legal contingency fund. Intended salary "adjustments" (increases) will be changed because staff was told to stay within President's 7% guidelines overall (although some individual increases may exceed that amount); Committee also gave go ahead to substantial improvements in health care, pensions and fringe benefits.

For current year, NAB now is expecting surplus of \$200,000 on income of \$5.8 million. For 8 months through Nov. 30, Assn. had income of \$4.2 million (\$174,638 more than expected), expenses of \$3.5 million (\$154,635 under budget). TV dues have brought in \$1.5 million, radio \$1.42 million, convention income (over expenses) \$788,940, associate dues \$188,000.

NAB will test solar screening on south (front) side of hq building to eliminate excessive summer heat. If total project is approved by board in Jan., it'll cost \$32,000, save estimated \$3,700 annually in electric bills.

On another front, NAB TV Board Chmn. Thomas Bolger has reached accommodation with advertisers & agencies which objected to changes in TV Code (Vol. 18:47 p5). Joint ANA-AAAA committee originally had wanted to go to Maui board meeting to protest, now will work jointly with Code Authority and wait until June to make presentation. In exchange, Bolger agreed that Code wording on clustering of commercials will be rewritten "to more accurately reflect the intent of the Code board"; that advertisers & agencies will be permitted to jointly monitor Code subscribers with Code Authority, and Bolger promised to reestablish Time Standards Subcommittee of Code board, which had been disbanded after Code changes were approved by telephone vote in Nov.

Only stumbling block to agreement: Joint advertiser-agency committee is individually contacting NAB TV board members seeking reversal of Code changes at Maui meeting; changes become effective Jan. 1, 2 weeks before board meeting.

FTC & MEDIA OWNERSHIP: Last week's 2-day FTC symposium on media ownership (Vol. 18:43 p4) was rich in academic and theoretical discussion, but bottom line question mark after symposium was what will FTC do with information?

Whatever it does, FTC Chmn. Pertschuk made it clear Commission has more than passing interest in media concentration. "We know we cannot in good conscience ignore the apparent trend or pace of developing concentration among media. We also know that we have yet to comprehend the impact of that development upon performance and the independence of the media—in terms both of industry structure and the free flow of diverse speech."

Pertschuk, in opening address to conference, also noted he's moving into an extremely sensitive area. "For if there is an American institution more chronically ill-tempered at any form of external scrutiny than the media we have not encountered it. Nor is the sensitivity ill-founded..."

Noting sensitivity, Pertschuk said: "Given the pattern of media mergers and commentary on it, the commission could have simply directed its Bureau of Competition to open a broad industrywide law enforcement investigation. But we are acutely aware of how much we do not yet know about both the economic and free speech implications of trends toward concentration of the media. Thus, we chose to proceed with deliberation, determined to educate ourselves and the public."

Later in speech, Pertschuk touched on public education again when he said: "This symposium is designed not only to assist a law enforcement agency answer questions which will help us determine our own enforcement policy, but also to raise the level of public consciousness and the quality of public debate..."

Overall, symposium seemed to be geared more toward newspaper ownership than anything else. Pertschuk's speech, for instance, when citing specific cases, cited newspapers and book publishing. Broadcasting got only couple references. Toughest one was this: "There are those who believe that TV as it is structured in this country has become a marketing device for selling audiences to advertisers."

Catching heavy criticism during symposium was Gannett Co., which plans to merge with Combined Communications. Rep. Udall (D-Ariz.) said that JD has shown "dismal performance" in enforcing anti-trust laws in media cases, added "I am not an alarmist as to legislatively mandate Justice Dept. action in the seemingly apparent violations of the Clayton Act in the mass communications industry—though the Combined Communications-Gannett merger is almost a provocation."

Other highlights: (1) Sen.-Elect Pressler (R-S.D.) told group he plans to introduce legislation to break up conglomerates and newspaper groups. He cited both Gannett and Time as targets for trustbusting. (2) Study by Bruce Owen of Duke U., presented at symposium, found that debate on network power "had far too long focused on alleged behavioral evils and corresponding administrative solutions. The

real 'problem' with the TV networks is not that they behave badly but that there are only 3 of them. There are only 3 of them because of FCC policy. The major cost of this policy is that the TV audience is denied that range of choice and quality in programming that a more competitive system would provide."

(3) NAB Research Vp John Dimling said that "the evidence on the effects of cross-ownership does not indicate that cross-ownership per se causes any very substantial problems; more importantly, the decline in newspaper ownership of TV stations has been so substantial that if cross-ownership ever were a problem, the problem can be eliminated with the passage of additional time, not the passage of additional legislation."

RADIO DEREGULATION GAINS: Tide of radio deregulation is accelerating with a rush—given great impetus by FCC Comr. Brown's extraordinarily pro-deregulation speech (Vol. 18:50 p5)—and broadcasters are striving vigorously to increase its speed.

"Broadcasters' Rally Against Over-Regulation"—sparked by NRBA—is set for Feb. 28. Participants include NAB, Daytime Bcstrs. Assn. & National Religious Bcstrs. It will include breakfast meeting, sessions with members of Congress & FCC, coincide with NAB's state presidents' conference.

NRBA Pres. James Gabbert has written to all members of Congress, complaining about regulation generally, about FCC's ranking-by-salary rule particularly. He reports receipt of many favorable responses.

NAB has filed formal petition with FCC, asking for repeal of radio regulations, as urged by Comr. Brown, controlling: (1) Commercial limits. (2) Ascertainment. (3) Non-entertainment programs. (4) Local public service programs. (5) Program logs.

Unusual switch finds National Black Media Coalition opposing a petition to deny. Two Philadelphia groups—Concerned Communicators and Universal Communicators—petitioned FCC to deny sale of WDAS-AM-FM to National Black Network on grounds seller hadn't looked hard enough for local black purchaser. NBMC said petitioners "have simply chosen the wrong target" because "the sale is likely to further the very goal of media accessibility which the petitioners themselves ascribe to." NBMC admitted it's "highly unusual" for it to oppose petition to deny, noting it had filed nearly 80% of such petitions since 1969. Meanwhile, FCC has scheduled closed meeting Dec. 21 to discuss field investigation of WDAS-AM-FM, didn't say what's involved.

Warner Cable is buying Coaxial Communications, serving 32,000 cable homes within franchised area with 72,000 in Columbus. Warner already serves 37,000 subscribers in 105,000-home area of city. Warner also noted that 29,000 of its subscribers take Qube, an increase of 5,000 in a month. Coaxial's facilities will be modified for Qube, and first installations are expected about mid-1979. Warner will give Coaxial unspecified amount of cash & notes plus systems with 15,500 subscribers.

QUELLO IDEAS FOR PUBLIC BCSTG.: Public TV "super station"—to be carried by hundreds of cable systems via satellite—as a "super" boost for fund-raising and contributions by corp. advertisers. That's idea to be proposed this week by FCC Educational Comr. Quello.

And, in effort to get more & better communication going between agency & non-commercial broadcasting, he plans to propose that his colleagues establish public broadcasting advisory committee to Commission. It would be composed of about 20 persons (educators, reps of groups such as PTA & religious organizations, public broadcasters, members of Congress &/or key congressional staffers, etc.), meet monthly or bi-monthly. Commercial broadcasters? "Probably not."

Such a committee, Quello feels, would eliminate need for lobbying FCC and greatly improve communications and exchange of ideas. He'll propose that membership of advisory committee rotate annually or bi-annually to assure flow of fresh ideas.

To attract wide public audience, Quello would devise plan to put a major public TV station on satellite—he mentioned WNET N.Y. or WGBH-TV Boston—for cable systems. He saw such an operation attracting "very significant money" from corp. underwriters and other advertisers disillusioned with commercial TV. Selling point to such underwriters obviously would be huge potential audience via satellite & cable distribution, Quello believes. He also expects all of public TV to benefit, not just originating station or stations.

Quello has Dec. 18 session in N.Y. with Carnegie Commission Chmn. William McGill (at McGill's request) to discuss upcoming Carnegie report on public broadcasting. Commissioner said he'd try his plans out on McGill and would have some other ideas as to what should be in final Carnegie report—now due late Jan.

Ex-KAKE-TV Wichita reporter Joseph Pennington has asked U.S. Supreme Court to review his contempt of court conviction for refusing to name confidential source of rumor which was never aired. Pennington's 60-day sentence has been upheld by Kan Supreme Court. Case involved trial of Milda Sandstrom, convicted of murdering her husband Thad, who was broadcasting vp of Stauffer Publications (WIBW-TV Topeka and other stations).

Licensees selling stations to minority group pursuant to a "distress sale" should be entitled to tax certificate, according to Washington law firm Baraff, Koerner & Olender, which asked FCC for declaratory ruling. Commission policy is to grant such certificates in non-distress sales to minorities; we had incorrectly reported that tax relief would be granted only for distress sales (Vol. 18:49 p5).

WMGC-TV Binghamton (formerly WBJA-TV) appoints Avery-Knodel rep. ABC affiliate recently was purchased by Pinnacle Communications (Philip Marella, pres.). In other rep appointments, Katz picks up KOTA-TV Rapid City, S.D. and KEYT Santa Barbara, Cal.; WPSD-TV Cape Girardeau, Mo. names Blair.

A FIBER 'FIRST': World's longest fiber-optic cables and "only permanently operating fiber-optic super-trunk" have been installed on phone poles in 2 days by Cablecom General in Joplin, Mo. in joint project with Siecor Optical Cables (Siemens-Corning venture) and Siemens Corp. Two continuous 3-km lengths of unspliced cable now are being used to carry locally originated shows to Joplin cable system's headend. Although each of the 4 fibers carries only one video channel, officials of the companies involved said at N.Y. news conference that each could carry up to 60 or even more upon development of necessary electronic equipment.

The 2 lengths of cable are joined by fusion splice with repeater-amplifier. Next step, said Siecor Pres. John Gailey, will be to remove amplifier and splice ends together, making 6-km length of fiber without amplification. Experts at news conference said they thought optical fibers could be run for 14-27 km without repeaters, as opposed to one repeater every 2,000 ft. required for conventional cable.

Meanwhile, it's understood major new optical cable installation in N.Y. is scheduled within year, featuring new type Corning fiber with vast improvement in capacity.

NATPE conference March 10-14 in Las Vegas will be keynoted by Post-Newsweek Stations' Pres. Joel Chaseman. FCC Chmn. Ferris speaks at March 12 lunch; other commissioners participating include Washburn, Fogarty, Quello & Brown (they'll hold joint news conference opening night). Sessions will include "children & TV": "the critics are revolting"; "new frontiers in worldwide TV": "the superstations: implications & complications," and next 5 years in program development. Entertainment headliners include Donnie & Marie, Phil Donahue, Merv Griffin, Mike Douglas and preview of movie "The Promise."

"TV: Your competitive medium"—designed to win clients from other media—will be shown to local advertisers in 164 markets Jan. 10, sponsored by stations & TvB. Videotape stars Bess Myerson & Leslie Nielsen. "Jan. 10 will be most significant for our industry... a major national event," according to TvB Pres. Roger Rice. TvB also plans following regional sales meetings: Dallas, Feb. 6; Atlanta, March 1; Philadelphia, March 22; L.A., April 3; Portland, Ore., April 5; Kansas City, May 17; Chicago, June 7. Registration is \$75.

Tom Brokaw of "Today Show" received clean bill of health in Small Business Administration loan guarantee of \$345,000 to acquire WTOQ(AM) Rapid City, S.D. (Vol. 18:47 p4)—as Senate Small Business Committee staff said they found nothing wrong. According to staffer Allen Neece: "From Brokaw's point of view, he did everything according to the book. We've seen the SBA's internal files on the case and find nothing wrong." FCC approved sale Dec. 6.

HBO's new "Take 2" "mini-pay" service signed its first 6 operators at Western Cable Show, company reports. It also added 62 new systems, with 252,000 basic subscribers, to its regular pay-cable service.

Personals

Comedian **Bob Hope** receives Distinguished Communications Medal (first entertainer so honored) from Southern Baptist Radio-TV Commission March 1 in Ft. Worth; 8 Abe Lincoln Awards also will be presented to broadcasters... **Nina Cornell**, chief of FCC Office of Plans & Policy, addresses FCBA luncheon Dec. 20, Capital Hilton Hotel.

Edmond Ryan promoted to eastern sales mgr., ABC-TV; **Jack Neitlich** to dir. of TV broadcast operations & engineering, West Coast... **Elizabeth Davenport**, ex-Miles Labs, joins NBC as senior attorney, will handle standards & practices, licensing & contract negotiations for Stations Div.; **Sheila Reilly** promoted to commercial policy mgr.-broadcast standards, NBC; **Shannon Hack** joins NBC as dir.-corp. planning; **Noel Engler** shifted from N. Y. to West Coast as dir.-advertising & on-air promotion.

Sen. **James Abourezk** (D-S.D.) joins Washington law firm **Shack & Mendenhall** and Rep. **Paul Rogers** (D-Fla.) joins **Hogan & Hartson** when their congressional terms end in Jan. (neither sought re-election)... **Howard Topel** elected member of **Mullin, Connor & Rhyne** law firm... **Christopher Coursen** joins **Dempsey & Koplovitz** law firm... **George Stepanenko**, ex-FCC Office of Opinions & Reviews, joins legal dept. of **RCA Globcom**, N. Y.

N. Y. atty. **Leonard Pack** joins **Metromedia** as secy.-asst. gen. counsel, succeeding **George Etkin**, retired; Washington counsel-Vp **Thomas Dougherty** and **Arthur Harvey**, west coast legal affairs & labor relations counsel, promoted to **Metromedia** assoc. gen. counsels.

Paul Schwedler, ex-Defense Dept. and onetime FCC Common Carrier Bureau, appointed NCTA gen. counsel, succeeding **Stuart Feldstein**, now with Washington law firm **Wilner & Scheiner**... NBC's **David Brinkley** & **Jane Pauley**, CBS's **Robert Schiefer** and FCC Comr. **Margita White** headline Ga. Assn. of Bestrs. Radio-TV Institute Jan. 30-Feb. 1, Athens.

George Griswold, ex-AT&T, joins **Sheldon Satin** Assoc. (management consultant for CATV and other industries) as vp-senior management consultant... **Jearld Leonhardt**, ex-Comm-Scope, joins affiliate **Valtec Corp.** as vp-finance; **Ishwar Aggarwal**, ex-Optical Cable Research & Development, named **Valtec** optical fiber R&D dir... **Robert Corrao** advanced to **Jerrold** western sales mgr., Denver hq.

Alan Frank, ex-WJZ-TV Baltimore, named program mgr., **WDIV** Detroit... **Lois Matheson**, ex-KOMO-TV Seattle, joins **WCAU-TV** Philadelphia as program mgr... **Sadie Adwon** promoted by **KTUL-TV** Tulsa to regional sales mgr... **Phyllis Green**, ex-WBZ-TV Boston, appointed retail mktg. mgr., **WABC-TV** N. Y... **Charles Pride**, ex-WXYZ-TV Detroit, moves to **WLS-TV** Chicago as promotion mgr... **Arnold Klinsky**, ex-KTVI St. Louis, named **WVIT** New Britain-Hartford news dir... **Bob Gilmartin** resigns as **KHOU-TV** Houston news dir. to join **Reynier & Gersin** Assoc., Detroit TV news consulting firm.

Nancy Cook named AP broadcast exec. for Ariz. & N.M., new post... Emmy winners **Bud Rifkin** & **Jack Kaufman** form own TV production firm, sign exclusive contract with **Columbia Pictures TV**... **John Leonard** promoted to exec. vp-gen. mgr., **Moseley Assoc.**, mfr. of broadcast equipment... **Gail Bondurant**, ex-Video Data Systems, joins **GTE-Sylvania** CATV mfg. arm as senior sales rep, Dallas hq... **Marilyn Talley** promoted to advertising & sales promotion mgr., **Hughes** microwave communications products.

Mary Healy, ex-NET-TV Ann Arbor, appointed gen. sales mgr., **Group W** TV syndication, Pittsburgh hq... **James Kraus** promoted to western sales mgr., **MGM-TV**, succeeding **Ben Wickham**, retired... **Jesse Hill**, pres. of **Atlanta Life Insurance Co.**, and **Joan Tobin**, pres. of **Tobin Enterprises** in Washington, appointed dirs. of **Comsat** by President Carter.

"AREAPOP" TV coverage measuring technique, according to its public TV sponsors, shows 87% of U.S. population lives "within potential reach of a moderate strength" (Grade B) PTV signal. It's estimated 72% are within Grade A. Some engineers question percentages, saying standard deviation of 13 dB would vary those percentages by substantial amount; one said his hunch is that coverage is actually greater than stated. Sponsors were CPB, PBS & HEW. Computerized drawing of coverage maps was done by **Electromagnetic Compatibility Analysis Center (ECAC)**, Annapolis. using tapes on terrain from **Defense Dept.** on population from **Census**.

CATV's impact on viewers is subject of major study by **Young & Rubicam** and **Nielsen** to be released this week in joint news conference. **Nielsen Station Index Exec.** Vp **Roy Anderson** will announce plans for additional research in measurement of imported stations, pay TV and other "CATV-impacted media." **Bill Donnelly**, Y&R vp for new electronic media, is expected to discuss ad opportunities in cable.

Multi-channel TV sound subcommittee of **EIA** Best. TV Systems Committee held organizational meeting at last week's end, electing **Tom Keller** (**WGBH-TV** Boston) as chmn. Parallel ad hoc committee on teletext standards is headed by **CBS's** **Robert O'Connor**.

WXYZ-TV Detroit has refused to air commercial for **Estelle Parsons'** show "Miss Margarita's Way" opening at local theater. Station called 30-sec. spot, winner of **Clio Award** last year, "lewd and sexually suggestive." Two other Detroit stations agreed to run it.

AWRT & NAB jointly sponsor Jan. 15 seminar in Washington designed to help women wanting to acquire TV-radio stations. Cost is \$25 for **AWRT** members, \$40 for non-members. For information—**Kay Nettles** 202-737-9277.

President Carter has proposed law to protect newsrooms from unannounced searches. Bill is designed to reverse Supreme Court's **Stanford Daily** decision. **RTNDA** praised proposal.

WTHR Indianapolis will become **NBC-TV** affiliate, replacing **WRTV**, which plans shift to **ABC** (Vol. 18:49 p5).

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 1 (48th week of 1978):

| | Nov. 25- Dec. 1 | 1977 week | % change | Nov. 18-24 | 1978 to date | 1977 to date | % change |
|-----------------------|--------------------|--------------|-------------|---------------|-----------------|-----------------|-------------|
| Total TV. | 429,036 | 333,625 | +28.6 | 441,958 | 14,894,255 | 13,444,768 | +10.8 |
| color | 241,074 | 191,776 | +25.7 | 257,825 | 9,377,044* | 8,270,844 | +13.4 |
| monochrome . . . | 187,962 | 141,849 | +32.5 | 184,133 | 5,517,211 | 5,173,924 | +6.6 |
| Home VCR | 10,268 | — | — | 13,564 | 359,382 | — | — |
| Total radio | 983,551 | 1,733,853 | -43.3 | 635,426 | 42,626,221 | 50,951,839 | -16.3 |
| home, portable . | 685,191 | 1,447,231 | -52.7 | 432,878 | 30,836,884 | 39,197,788 | -21.3 |
| AM-only | 169,997 | 361,594 | -53.0 | 169,923 | 7,279,653 | 9,966,168 | -27.0 |
| FM & FM-AM . | 515,194 | 1,085,637 | -52.5 | 262,955 | 23,557,231 | 29,231,620 | -19.4 |
| auto | 298,360 | 286,622 | +4.1 | 202,548 | 11,789,337 | 11,754,051 | +0.3 |

Color TV 5-week moving average: 1978—246,281**; 1977—225,156 (up 9.4%).

*Record year. **Record for period.

TV DUMPING DUTY SHOWDOWN NEXT WEEK: First moment of truth in 7-year dumping duty conflict between Treasury & Japanese TV importers comes next week when bills totaling \$46 million, covering levies for unliquidated entries through June 1973, come due. Treasury insists it will collect, while spokesmen for Japanese say they won't pay, some adding they couldn't afford to, anyway.

Treasury spokesman was terse & firm in outlining agency's position. "Our collection procedures were all laid out in our Oct. 27 letters to importers and Customs collectors. On Nov. 21, we sent letters to postpone the collection date [from Nov. 27] to Dec. 27. We have no further statement to make on procedures."

At last week's end, just 6 working days from deadline, Customs official told us no new instructions had been issued by Treasury, "though that's not to say we won't get something at midnight on the 26th. They've done that before." As of now, however, importers "are supposed to be in here with their checks on the 27th," he said. "We've been ordered not to negotiate the terms of payment. We can't accept notes or instalments," concessions often allowed when amount owed is large. If importers don't pay on time "we're to go to the surety" to collect on dumping bonds.

Less than 10% of current dumping duties owed are covered by bonds. In 1971, when bond posting was first demanded to cover potential dumping assessments, they had to cover only 1-2% of total value. In April 1977, Treasury ordered bond value increased to 20-100%. That was when it began experimenting with new, controversial system for setting "fair values" on Japanese TV imports. Use of system, based on commodity tax set makers pay in Japan, resulted in sharply increased dumping assessments. Importers, of course, remain liable for any difference between bond coverage and duty owed, also have to pay back surety companies.

Importers can't challenge assessments in Customs Court until after duties are paid. Some companies may ask federal district court to accept jurisdiction—move which presumably would force Treasury to suspend collection until case moves through courts. Meanwhile, Treasury has started mailing out 2nd round of assessment notices, understood to be for more than \$100 million, covering imports through Dec. 1974.

THOUSANDS SEEK FIRST 25 MAGNAVISIONS: Never have so many done so much for so few videodisc players. They drove from distant states, phoned from Europe, waited all night in front of stores—to buy one of first Magnavision optical videodisc players, which went on sale last Fri. (15th) at 3 Atlanta locations. Although stores could have sold thousands, actually only about 25 changed hands—that's all there were. Frustrated would-be customers then converged on videodisc displays and bought up virtually all available software (presumably an indication they intended to come back for players).

The 3 dealers were McDonald's, Allen & Bean (both exclusive Magnavox dealers) and Rich's dept. store, each of which demonstrated players in 150-sq.-ft. or greater display space in one store only (Magnavox supplied demo personnel). Rich's sold first player to customer who got in line at 9:30 p.m. night before. Allen & Bean's first customer got by security guard at locked shopping mall at 2 a.m. so he could sign order list pasted to door of shop (due to open at 10 a.m.). McDonald's first in-person customer waited from midnight.

Before players went on sale, Allen & Bean said it had more than 800 calls "from as far as Paris & Acapulco," refused to take orders before Fri. McDonald's took paid-in-full orders before opening, tried to weed out manufacturer & out-of-town orders, set one to a customer limit. All 3 stores were swamped Fri. Magnavox didn't deliver players to stores until Thurs. night, presumably for security reasons.

The 3 stores were allotted maximum of about 75 players for Dec. 15-Jan. 15, we estimate, but received total of perhaps 25, took orders to cover deliveries through much of Feb. (perhaps 150 total), then stopped.

Opening day's gross sales by Magnavox & MCA together probably wouldn't cover cost of kickoff N.Y. news conference Dec. 13. That meeting largely confirmed what we've already reported—players \$695, discs \$5.95, \$9.95 & \$15.95. Magnavox Consumer Electronics Pres. Kenneth Meinken forecast player & disc sales would approach \$1 billion annually by 1982, declined to give other specific information (quantities, break-even date, etc.).

National distribution is planned for early 1980, said Senior Vp Kenneth Ingram; he declined to state when & where next market expansion would be or how many cities would be covered in 1979. He said Atlanta was picked because it was cosmopolitan high-income area with high-quality retail outlets, high color penetration. Dealers selected have total of 16 stores—Rich's 14, Allen & Bean 3, McDonald's one—and Ingram said about 10 of these stores would have Magnavision next month.

MCA's Discovision 80-page catalog, released at news conference, contains 202 titles, including 108 movies, many of them top-notch (see p. 10 for sample of titles), not only from MCA—Universal, but from Warner, Paramount, Disney & American Film Theatre, as we forecast. Recent features are \$15.95, TV movies & oldies \$9.95, sports, how-to & educational programs \$5.95 & \$9.95. Currently, according to Discovision Program Vp Norman Glenn, who was at conference, 72 of catalog's titles actually are available now; there'll be 150 in Jan. Discovision plans to add 100 new titles to the 202 in catalog during 1979, print new catalog for Jan. 1980. (Most popular premiere titles, according to Atlanta dealer, were "Jaws" and "Smokey & the Bandit"—"Animal House" would have been the biggest seller if we'd had it.)

Only 3 selections in catalog—"Animal House," "House Calls" & "Destry Rides Again" (latter a \$9.95 oldie)—are on "extended-play" one-hour-per-side discs, Glenn said. Remainder are 2-sided 30-min.-per-side records.

Opening day's results mean nothing, of course, except that Philips & MCA kept their word (at least, their latest word) to enter market in 1978. It will be long, long time until there's any definitive word from the marketplace. But Magnavox's cockles should be warmed by comments of one customer who watched demonstration of disc player then walked over and plunked down \$900 on color console, commenting: "Anybody who can make a product like that must make a good TV set."

Note: Paramount Pictures, presumably including some of same features in Discovision catalog, are expected to enter pre-recorded videocassette market via Fotomat, which is understood to have signed pact with Paramount.

MINI-COMBOS BOLSTERING B&W: B&w mini-combos are making tinyvision respectable business—and giving shot in arm to sagging b&w figures. Former novelty item, popular in Japan & Europe, is now being offered here by growing number of companies.

Mini-combo is generic term for 9"-and-under b&w TVs with any combination of FM-AM radios, cassette recorders & clocks. They offer portability & multi-function at low price to consumers, solid margins to dealers, free market access to Japanese importers saddled with color import quotas. Spokesman for leading importer said he sees mini-combos as 2-tiered business, with 5" & 9" bought as 2nd sets for bedrooms, recreational vehicles or boats, those with smaller screens mainly novelty items.

Mini-combos have fueled b&w sales this year, as Commerce Dept. figures indicate: 10"-and-under was fastest growing import category for first 9 months of 1978, jumping 34.2% to 787,700, with shipments from Japan, main source of mini-combos, up 32.4% to 383,600. Several manufacturers report difficulty in keeping distribution pipeline filled to meet demand. Sony Vp Joseph Lagore says mini-combos are "30-35% of our black-&-white sales." At Panasonic, traditional market leader in field, TV Div. Gen. Mgr. Stan Hametz claims 25% share of U.S. market.

Demand has brought significant increase in number of brands & models available. During past 6 months, Quasar introduced 3 different minis (Vol. 18:5 p10); first quantities just arrived from Far East. Same is true for Sampo 3" mini-combo, introduced at June CES. Major catalog chains all offer them. Companies most established in business, Panasonic & JVC, each offers 3 sets, as does Sharp.

JVC is particularly optimistic about mini-combos, expects 50% increase next year. Pres. Harry Elias noted big reason for proliferation is increasing acceptance by traditional TV-appliance dealers: "At first we considered the minis a specialty item, but the appliance people have found them to be very hot." Dept. store interest also is up. But aspects of novelty-specialty distribution remain. Large manufacturers, as well as importers such as Webcor & Unisonic, do thriving mini-combo business with mail-order houses & oil company credit card operations.

Toyomenka is entering TV business through mini-combo category. Company will display 3 new ones (2 under new TMK label, one under Invicta label, being phased out) at Jan. CES. B&w 5" with radio is \$180, 3" Invicta model with radio & cassette is \$240, and 5" with radio & cassette is \$280.

Screen size is important variable in mini-combo trade. No one has come out with 7" combo. Arnold Maxin of Toyomenka said: "We sold 50,000 7" combos in Germany. But I won't bring them here yet. When you get up to 7", you're adding quite a bit of weight, which defeats the whole purpose of the mini—portability. Besides, while there's a dramatic difference in picture quality between 3" and 5", the difference between 5" and 7" isn't so great."

While 3" is smallest combo today, JVC unit due at Jan. CES has 2" screen, FM-AM. At opposite end of spectrum, J.C. Penney offers unique 12" b&w TV with cassette recorder. But Panasonic's Hametz is doubtful of 12" combo idea. "A unit like that's too big, presents too many design problems," he said.

Two reservations about mini-combo business remain: (1) Is market big enough to sustain all companies now jumping in? (2) Will mini-combo business cut into other sectors of b&w trade? Manufacturers are uniformly confident that there's room for everybody right now. Second question is trickier, but other b&w manufacturers aren't worried. Spokesman for GE, company with no mini-b&w and no immediate plans to build any, said: "They're still a small percentage of the b&w market. Twelve-inch is going good and we'll stick with it for right now."

Mini-combo business may not be exclusively b&w for long. Sampo & Toyomenka have plans for 5" color combos next year. JVC may introduce color combo late in 1979; Hitachi & others are already marketing them in Japan.

MECA REVAMPS QUASAR: In major structural change last week, Matsushita Electric of America (MECA) split its subsidiary Quasar into separate manufacturing & marketing units, essentially freeing each to operate independently. Change is effective Jan. 1.

Alex Stone, former Quasar sales & mktg. vp, becomes pres. & chief operating officer of new Quasar Co. as forecast here last week (Vol. 18:50 p10). Unit will handle distribution & sales of Quasar-brand products in U.S. & Canada. Richard Kraft, former Quasar engineering vp, is now pres. & chief operating officer of Matsushita Industrial Co. (MIC), responsible for most production & engineering activities in North America. Operations of Panasonic, MECA's 3rd unit, are unaffected.

Returning as honcho for both Quasar & MIC is Keiichi (Tex) Takeoka, senior managing dir. of parent in Japan. Official announcement calls him "principal representative" of Matsushita (Japan) Pres. Toshihiko Yamashita. Current Quasar Pres. Robert Bloomberg becomes "staff advisor" to Takeoka. When Matsushita acquired Quasar (then Motorola's TV business) in 1974, Takeoka was named chmn.-chief exec., Bloomberg pres.-chief operating officer. There were continuous reports of policy conflicts between them, ending only when Takeoka was reassigned to Japan in 1976, Bloomberg adding chief exec. slot. That management change, it's understood, was result of personal intervention by Chmn. (then Pres.) Masaharu Matsushita.

MIC will run Quasar's color TV plant in Franklin Park, Ill., take over unused facility in Quincy, Ill.; 3rd plant acquired from Motorola, in Pontiac, Ill., has been sold. MIC also will get Panasonic's speaker plant in L.A., is likely to be given responsibility for Canadian production. Panasonic retains audio plant in Puerto Rico. MIC is expected to serve as springboard for expansion of Matsushita's U.S. manufacturing activities.

New Japan representative of Television Digest (editorial & business) is John H. Nakamura, secy.-chmn. of Japan Section, Audio Engineering Society, 1974 AES fellow, lecturer of National Translation Institute of Science & Technology, former chmn. of Japan Export Tape Recorder Assn. Nakamura has been chief of Sun Wave Industrial's Apollo Electric Div., served as R&D mfg. vp of Apollo Industries Ltd., pres. of Fuji Sound Industries and was pioneer of Japan's tape recording industry. Address: 13-3-1001 Roppongi 5-chome, Minato-ku, Tokyo 106. Phone: 03-583-7493.

FCC holds special open meeting Dec. 20 on 5 major UHF subjects: (1) Improved reception; (2) channel readout on receivers; (3) technical improvements to receivers and on transmission standards; (4) receiver noise figures; (5) receiver performance standards.

U.S. switch of diplomatic relations from Taiwan to mainland China is expected to have no effect on U.S. business interests in Taiwan. U.S. negotiations with both sides are understood to have included protection for American business interests in Taiwan.

MCA'S VIDEODISCS: The 202 titles in MCA Disco-vision's first catalog for optical disc system (see p. 8) generally are of considerably more than routine interest, obviously designed to represent sampling of what will be available on videodiscs to come. There are 108 movies (\$9.95 & \$15.95), 94 other shows (generally \$5.95).

Of movies, 10 were released to theatres in 1978, total of 39 in last 4 years. Released this year (MCA-owned) were "Animal House," "Blue Collar," "FM," "Gray Lady Down," "The Greek Tycoon," "Heroes," "House Calls," "Jaws 2," "Sgt. Pepper's Lonely Hearts Club Band," "Which Way is Up?" Among other recent films, 50 are MCA (Universal) releases, 8 Warners, 8 Paramount, 10 Disney, 8 MCA-TV made-for-TV movies, 4 American Film Theater. Twenty "Classic films" at \$9.95 include 3 Abbott & Costello features, Marx Brothers in "Animal Crackers," "Destry Rides Again," "Double Indemnity," "Dracula," "Frankenstein," "Going My Way," "If I Had a Million," "Incredible Shrinking Man," "Lost Weekend," "Ma & Pa Kettle," "To Kill a Mockingbird."

Non-features include Julia Child French Chef series and other cooking shows (total 12), needlecraft (2), 25 sports shows, Jacques Cousteau (8), Jane Goodall animal series (4), British TV's "World at War" (4), education, health & science (13), self-improvement (3), religion & moral values (7), and 11 arts features, including "Swan Lake" with Fonteyn & Nureyev, N.Y. City Ballet's "Nutcracker Suite" and "Mikado"—these 3 at \$20 each being most expensive discs. All other non-features are \$5.95 except Cousteau, Goodall and "World at War" series (\$9.95).

TV plant closings for holidays generally follow 10-day Dec. 23-Jan. 1 pattern. Exceptions include MGA, Sony, Wells-Gardner & Toshiba, which will close only Dec. 25, 26 & Jan. 1. Here's schedule of others:

| Plant | Closes | Re-opens |
|-------------------|---------|----------|
| GE..... | Dec. 22 | Jan. 2 |
| Magnavox..... | Dec. 22 | Jan. 2 |
| Curtis Mathes.... | Dec. 22 | Jan. 2 |
| Quasar..... | Dec. 21 | Jan. 2 |
| RCA..... | Dec. 22 | Jan. 2 |
| Sanyo..... | Dec. 20 | Jan. 8 |
| Sylvania..... | Dec. 15 | Jan. 2 |
| Zenith..... | Dec. 22 | Jan. 2 |

Korean consumer electronics producers ranked 2nd & 3rd on nation's list of top exporters for year ended Oct. 31. Shipments by Daewoo in period were valued at \$648.7 million, while Samsung's exports were worth \$481.3 million. Ranked first, at \$736.7 million, was Hyundai Heavy Industries.

Gladding expects to be out of bankruptcy in Jan. Company said court & creditors approved \$15.4-million plan to pay up to 65% of claims in cash over next 7 years. Creditors will also be given Gladding shares. Firm said financing arrangements have been completed.

NEW CES PRODUCTS: Unusually heavy lineup of new products is being announced as year's end nears in preparation for what promises to be most innovative Winter CES yet. As things shape up now, show highlights probably will be: (1) Hand-held storage & information-retrieval devices, such as Craig & Lexicon language translators and TI's cart-ridge-augmented Speak&Spell. (2) Atari's entry into home computer field, while some less financially solid computer entities show signs of shakiness and other major firms consider timing for debuts into field. (3) Demonstrations of metal-tape & digital audio recorders, which can't yet be sold because of lack of standards. (4) Stereo mini-components and MPU tape decks. (5) B&w TV mini-combos (see p. 9). Here are details on some products to be shown at CES:

Atari personal computer systems (Vol. 18:49 p11) already have floated upwards \$50 & \$100 to \$500 & \$1,000. Even these may not be final prices—they won't be available until Aug. 1, Atari officials said at N.Y. news conference last week. Atari says it's studying game-cable hookup with parent Warner Communications' Qube system in Columbus, similar to planned Mattel-Jerrold tie-up (Vol. 18:50 p12). Both computers await FCC type approval. Atari spokesman said they've been in works 18 months, were designed to pass FCC tests for use with home TV, whereas other personal computer companies obviously hadn't given problem much thought.

Atari's entrance into home computer field is more vigorous than most have expected. While low-end model is game expanded to be useful as computer, high-end is full-fledged sophisticated small-business & hobbyist instrument. Several new peripherals, including chord music module and drawing pen, are planned in addition to already designed printer & disc memory. Meanwhile, much-discussed TI home computer probably won't make its debut at Jan. CES. It's understood it failed to receive FCC type approval because of question of performance with peripherals.

Craig M-100 "language translator & information center" (Vol. 18:48 p10) was unveiled formally last week at N.Y. news conference. Production model holds 3 finger-sized programming "capsules." Pres. Peter Behrendt said company expects to sell 100,000 units (\$200 list) in first year after distribution begins around Feb. 1. "It's a razorblade business," he said. "Our studies show that the consumer will buy 6-8 modules" at \$25 each. Craig plans to add phonetic pronunciation capsules, with non-language capsules for calorie control and other consumer data-storage uses, eventually hopes to offer unit which is consumer-programmable.

Sharp will introduce its own version of Europe's latest TV fad—picture-in-picture. Its 17" "dual-vision" features 4-in. b&w picture which can be superimposed in upper or lower right portion of color picture. Both major & minor pictures may be tuned by remote control. Set will be available in March; price is unannounced, but Japanese version sells for about \$900. Among other new TVs to be shown at CES is 12" Sharp b&w at under

\$100; from Hitachi two 19" color sets at \$470 & open list; 5" AC-DC b&w, open list; AC 9" at \$125 and 12" at \$135.

In audio, manufacturers will test reaction to mini-components, which have become important products in Japan. Panasonic will show series of products, each measuring 12x8x2" (Vol. 18:41 p2)—40-watt amplifier \$360, preamp \$260, tuner \$260. Among 17 new Technics-brand components is metal tape cassette deck in \$1,300 range, planned for July delivery.

Sony will introduce new "Audio Lab" series of some 17 high-end limited-distribution components. Fujitsu plans to show auto stereo system with plug-in modules providing electronic gas mileage computer and calculator, CB transceiver.

VCR accessories will be more in evidence. Marshall Electronics, Culver City, Cal., will offer dubbing kit for recording from one VCR to another at \$16 and various installation accessories. In novelty dept., Webcor joins digital electronic scale market with remote LED readout at \$50, in addition to combination electronic organ, rhythm synthesizer, FM-AM radio & cassette recorder.

* * * *

Philco introduces new low-end color sets—its first 13" at \$300, 19" at \$370 (\$10 below previous low), 25" console at \$580 (\$60 below former console starting point). Philco added VHS video recorder with on-off timer at \$1,075 and color camera with optical viewfinder at \$850.

RCA VS. ZENITH PRICES: Identical \$10 across-board price increases by Zenith & RCA (Vol. 18:46 p7, 18:50 p8) leave Zenith starting prices somewhat higher than RCA's in almost every category—at least in terms of suggested list or equivalent. Here's comparison based on published information (including new hikes) using list prices where available, estimates where lists are open ("deluxe" means Color-Trak or System 3):

13"—RCA, \$310-\$340; Zenith (deluxe), \$340-\$380, remote \$440. 17"—RCA, \$390; Zenith, \$410-\$440, remote \$520. 19"—RCA, \$420-\$450; Zenith, \$430-\$480. 19" deluxe—RCA, \$490-\$510; Zenith, \$510-\$530. 19" remote—RCA, \$580; Zenith, \$600-\$620. 25" deluxe table—RCA, \$720; Zenith, \$730. 25" remote table—RCA, \$580; Zenith \$600-\$620. 23" console—Zenith \$600-\$710. 25" console—RCA, \$610-\$700; Zenith \$610-\$660, remote \$740. 25" deluxe console—RCA \$750-\$960; Zenith, \$790-\$840. Remote deluxe console—RCA, \$860-\$1,110; Zenith, \$890-\$1,040. Combo—Zenith, \$1,725.

Assn. notes: ITA has formed European Advisory Board with Ted Naef, EMI, as acting chmn., Silvia Nuzzo, 3M Europe, vice chmn. . . IHF is expanding standardization effort, has created new IHF Standards Committee, with Technical Dir. Leonard Feldman as chmn., activated 3 subcommittees. Named chairmen of new standards groups: Martin Fine, BIC, turntables; James Novack, Jensen, speakers; Edward Foster, Diversified Sound Labs, cassette decks.

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Christopher Kelly ... Assistant Editor**JAPAN REPRESENTATIVE**
(Editorial & Business)John H. Nakamura
13-3-1001 Roppongi 5-chome
Minato-ku, Tokyo 106, Japan
Phone: 03-583-7493

HITACHI-GEC TV VENTURE: U.K. will have 4 Japanese-run color TV operations next year. Newest to announce entry is Hitachi, which is acquiring 50% interest in consumer electronics business of Britain's GE Co. GEC is no relation to GE of U.S., which has all but canceled plan to form similar venture with Hitachi here. Justice objected to proposal on anti-trust grounds (Vol. 18:49 p8).

New company, being capitalized at about \$11 million, will be called GEC-Hitachi TV. GEC will contribute 3 TV & stereo plants; Hitachi will supply R&D, production technology. Output of 150,000 color sets is slated for next year, with expansion to 300,000 over next 5 years. Venture plans to export to PAL countries in Europe & Asia.

GEC-Hitachi is expected to buy most of its color tubes locally. In 1977, Hitachi was forced to drop proposal to build own color sets as result of union-industry opposition and govt. insistence that U.K.-made tubes be used. Hitachi had planned to import tubes from Finland, where it owns 20% of tube-making venture (Vol. 17:50 p10).

Sony & Matsushita currently have own color assembly plants in U.K., and last Aug. Toshiba agreed to become 30% partner in Rank Toshiba Ltd., being formed to run Rank's consumer electronics business. Rank Toshiba is slated to be in operation by end of 1979 (Vol. 18:35 p11).

Also in U.K., Pioneer acquired its distributor Shiro Ltd. as part of plan to control all its European sales. Earlier this year, Pioneer bought its Danish distributor, formed joint distribution venture in Germany. Pioneer says it's negotiating either to buy out or form ventures with its distributors in Belgium, France, Italy & Sweden.

Financial Reports of TV-Electronics Companies

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

| Company & Period | Revenues | Net Earnings | Per Share |
|------------------------|---------------|------------------------|-----------|
| Bowmar Instruments | | | |
| 1978-year to Sept. 30 | 16,577,000 | 728,000 | .09 |
| 1977-year to Sept. 30 | 13,107,000 | 827,000 ^a | .17 |
| Harvey Group | | | |
| 1978-39 wk. to Oct. 28 | 36,458,000 | 1,163,000 ^a | .53 |
| 1977-39 wk. to Oct. 29 | 29,882,000 | 527,000 ^a | .25 |
| Hitachi ^b | | | |
| 1978-6 mo. to Sept. 30 | 6,383,100,000 | 232,600,000 | -- |
| 1977-6 mo. to Sept. 30 | 5,990,400,000 | 181,600,000 | -- |

Notes: ^aIncludes special credit. ^bAt yen's current rate.**Consumer Electronics Personals**

Alfred Viebranz, ex-Sylvania Lighting Products Group senior vp, advanced to GTE corp. communications vp and head of new Corp. Communications Dept. formed to handle public affairs & corp. ads; Viebranz assumes responsibilities of George Griffin, continuing as public affairs vp until retirement April 30, and George Norton, who has served as consultant since retirement as corp. ad vp Oct. 31... Robert Beber promoted at RCA from Govt. & Commercial Communications System Divs. senior counsel to corp. staff vp and gen. attorney... Richard Laken, Herman H. Smith Inc. pres., named chief exec., succeeding Ira Landis, who retires as chmn. Jan. 1... Richard Missear advanced at DeSoto from exec. vp & chief operating officer to pres. & chief exec., succeeding George Nichols, who continues as chmn. until retirement next May.

Stan Seltzer, ex-Phoenix Audio and one-time Olympic & Morse, joins Yorx Electronics as operations vp; Stewart Katz advanced from national accounts mgr. to national sales mgr... Frank DeBiasio promoted at Clairon from product mgr. to west region sales mgr... David Baesler named operations vp, Tadaatsu Asanuma appointed technical services vp, U.S. Pioneer.

William Hawkins, ex-Creative Strategies, joins Apple Computer as mktg. planning mgr... Ted Haynes, VideoBrain product mktg. mgr., adds responsibility as mktg. services mgr., succeeding Mike Peak, now with Intel... Wallace Kirschner advanced at Alpex Computer from electronics dir. to engineering vp; Melvin Pollack, secy.-treas., named senior vp; Lawrence Haskel promoted from software systems mgr. to systems analysis dir.; Ronald Cains joins as mktg. dir.

VCRs, cameras & cassettes should account for \$1 billion at retail in 1979, up from \$700 million in 1978 and \$300 million in 1977, Magnavox's Kenneth Ingram said in official forecast on behalf of EIA Consumer Electronics Group, of which he is chairman. He also predicted "some firming of prices" in consumer electronics, continued high level of promotion & sales.

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with
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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CARNEGIE TO BACK SPECTRUM FEE: Carnegie Commission report expected to recommend public broadcasting funding through spectrum fee; \$1 billion yearly to be proposed. (P. 1)

NAB SOLICITS FUNDS FOR MINORITIES: Networks, groups asked to contribute & guarantee \$15 million for loans to minorities. Investment Fund formed. FCC decides to drop required listing of station employees by salaries. (P. 2)

NEW MARKET DATA on CATV by Y&R indicates 'cable doesn't hurt broadcasters,' says cable organizations now can rival magazines in audience. Nielsen announces new CATV research services. (P. 3)

FTC KID AD HEARINGS SET: FTC official refuses to delay Jan. San Francisco hearing, issues list of 88 witnesses. Consumers Union and cereal manufacturers expected to do battle. (P. 3)

PETRY TV REP FIRM is being bought by senior execs. (P. 3)

FCC WANTS MORE INFORMATION before acting on VHF drop-ins, orders terrain & directional antenna studies in Pa. AM clear channels to be duplicated, as expected. (P. 4)

CARNEGIE TO BACK SPECTRUM FEE: Carnegie Commission report to be released end of Jan. is expected to recommend that public broadcasting be funded through spectrum fee, concept proposed in rewrite bill, and will call for eventual funding totaling over \$1 billion per year, it has been learned.

Carnegie Commission, which has been in deliberation for some 18 months, completed its report and Dec. 15 sent it to Bantam Books to be published in paperback. Findings are expected to be announced Jan. 29, and 300-350-page book will go on sale at \$2.95.

Recommendation of Carnegie Commission backing spectrum fee could be expected to give additional momentum to Chmn. Van Deerlin (D-Cal.) of House Communications Subcommittee, whose rewrite bill provides for funding of public broadcasting through such fee. Rewrite first called for funding public broadcasting, rural telecommunications and minority ownership through spectrum use funds, but he now plans to fund only public broadcasting that way.

Van Deerlin also plans to await Carnegie recommendations before introducing new rewrite bill in next Congress, probably will incorporate some Carnegie conclusions. Bill will be placed in hopper just before Lincoln Birthday recess in mid-Feb.

From political standpoint, recommendation of spectrum fee concept by Carnegie Commis-

Consumer Electronics

TV SALES DIP of 9% to 9.3 million color, 5.5 million b&w forecast in annual manufacturer survey, which sees home VCR sales rising to 550,000 in 1979. Optimism on sales & profits. (P. 7)

U. S. RECOGNITION SWITCH from Taiwan to China could jeopardize TV export quota agreements if pact with Taiwan isn't finalized this week. Importers get 2nd 30-day dumping duty payment delay. Japan color, b&w, VCR exports to U.S. down in Nov. (P. 8)

ADMIRAL MEXICO SOLD by Rockwell to Grupo Alfa, conglomerate which already owns Mexican Philco. Alfa seeking color technology from Hitachi. (P. 9)

SWEEPING PROBES approved by FCC: UHF Comparability Task Force to look into all aspects of problem in 2-year period. Inquiry into possible receiver improvements. (P. 10)

ATLANTA AFTERMATH: 38 Magnavision videodisc players sold to industry & consumer customers, stores accept orders for deliveries into March. 15 albums sold per player order. (P. 10)

NEW VCRs IN CES product spotlight. Toshiba, Panasonic & Hitachi to feature battery-portables, program-mables at event opening in Las Vegas next week. (P. 11)

sion is seen as wise one, given that some have stated that Congress in upcoming session could ignore report. By backing spectrum fee concept, there's no doubt that Carnegie's proposal will be weighed in Congress.

Security over Commission's findings is tight—staffers late last week refused to discuss report at all—and some members and staffers were urged by old hands to be extra cautious, reminding them that Newsweek broke news embargo on original report, printing findings early, causing minor furor.

Carnegie officials say report was unanimous, although it was reported earlier that there was great disagreement over funding mechanisms—some favoring spectrum fee, others wanting straight govt. endowment.

Findings will be product of only 17 commissioners, not 20 originally named. Actor Bill Cosby dropped out early this year, lawyer Carla Hills resigned early in fall. Opera singer Beverly Sills quit month or so ago. All cited heavy schedules.

NAB SOLICITS FUNDS FOR MINORITIES: After gestation period of 14 months, NAB task force to help minorities acquire broadcast stations is ready to go into action. In 2 major steps last week, NAB: (1) Incorporated Minority Bcst. Investment Fund to handle money & loans. (2) Sent letters of solicitation—seeking to raise \$15 million—to TV networks and about 30 large group owners.

Of \$15 million, half will be donated in cash over 5 years, half will be in corporate guarantees. NAB is providing start-up costs, asking networks to contribute \$2.5 million each (or half of total), stations the remainder. Investment fund will have full-time exec. dir. & secy., will use outside contractors. Ex-NAB Chmn. John Dille is expected to chair fund; NAB Chmn. Donald Thurston and Alan Griffith, vp of Bank of N.Y., will be among trustees. Full details are scheduled to be announced at Washington news conference Feb. 13—following expected endorsement by NAB board next month in Jan.

NAB estimates \$15 million (in cash & loans) promised by broadcasters will beget another \$37 million from Small Business Investment Corp., providing for about \$309.7 million in station acquisitions over the years. Fund will be self-perpetuating as earlier loans are paid off. Interest will be much lower than charged by banks or SBA.

In other significant actions last week, FCC: (1) Made several changes in its minority employment report (Form 395) and at same time indicated it would rescind requirement that licensees publicly list job classifications by salary (Vol. 18:45 p3). Action adopted was submitted by Comr. White, and constituted compromise with Comr. Brown. Said White at meeting: Order of employee listing should be left up to stations to avoid involving FCC further in "management decisions, increasing reporting burdens on licensees, precipitating employee morale problems, encouraging hiring piracy or placing smaller stations at a disadvantage in recruiting and retaining qualified employees—all of which would result from the public disclosure of salaries."

Staff was instructed to prepare further inquiry (for FCC consideration next month) offering options of how employees should be listed. Licensees also will be asked to provide their own suggestions. Brown and others said this was necessary for legal reasons because of one-day "window" provided NAB to express its opposition to employee lists according to salary without giving other parties opportunity to respond (Vol. 18:48 p4). During that "window," NAB argued case before 5 commissioners; Brown & Ferris wouldn't see them.

In concurring statement, White & Washburn noted FCC "wisely has decided not to require a listing of employees by salary... The best proposal is to require each station to include in its public file each year, and to submit to the Commission with its renewal application, a list of employees by job title, race, sex and Form 395 category. The order of listing would be up to the discretion of the station."

(2) FCC's Consumer Assistance Office released list containing 37 minorities seeking to buy stations. Included are William Dilday, mgr. of WLBT Jackson, Miss., who wants affiliated VHF in top 100 market; Inner City Bcstg. Pres. Pierre Sutton, who wants FMs in major markets; Sheridan Bcstg. Pres. Thomas McKinney, seeking all types of stations; Charles Russell

of Indianapolis, who said he's willing to go up to \$10 million.

(3) Commission praised minority investment fund established by Storer Bcstg., said it didn't violate multiple ownership rules or tax laws. Added Fogarty: Storer "should be applauded for putting its money where [FCC's] mouth is. [It] serves as an excellent model for similar salutary endeavors by others in the industry."

NEW CATV MARKET DATA: New research indicates "cable not only does not hurt broadcasters, but frequently helps them," according to Young & Rubicam Senior Vp & Communications Services Dir. Joseph Ostrow, who urged that cable "be set free to grow & develop without protectionist restrictions." At least partly based on Y&R research, Nielsen Station Index announced plans for more CATV measurement.

As detailed by Y&R New Electronic Media Vp Bill Donnelly, research using NSI data supplemented by 2,270 diaries, 3 phone incidentals and 4 detailed local-market studies indicated cable can be used as medium in own right, rather than as supplement to broadcast TV. According to Donnelly, study of audience of Y&R's advertiser-supported Madison Sq. Garden (MSG) cable programming indicated: (1) CATV subscribers' viewing levels (HUT) are 4% above national average.

(2) Average 1/2-hour rating of MSG on cable is 1.7, comparable to independent station. (3) Average MSG viewer watches one event weekly. MSG programming now has potential of 2.5 million households on 120 systems and Donnelly expects at least a 2 rating this year or 50,000 homes per hour. In a 5-event weekly schedule, this is equal to 250,000 homes [cumulatively] and is beginning to approach some magazine audiences. It could reach 500,000 over a 4-week period." Cost per thousand, he said, is equal to 50% of that of live broadcast sports.

Other Y&R research indicates: (1) Imported stations reach about same percentage of audience regardless of number of stations imported, indicating it may be inefficient to import more than 2 or 3 "superstations." (2) "CATV has little if any negative impact on networks or local broadcasters"—audience growth "makes up for cannibalization"; while market share of stations may be down in CATV market, ratings generally are unaffected because of higher viewing levels. (3) UHF network affiliates actually gain by being carried on cable.

NSI Exec. Vp Roy Anderson announced these CATV research plans: (1) New report on pay cable in 1979 "which will help our clients analyze [its] impact...on viewing patterns." (2) NSI will report cable-originated programming "wherever it meets our minimum reporting standards." (3) NSI will produce viewing data for individual cable systems on special-order basis. (4) NSI will provide, on special-analysis basis, viewing to all stations having measurable audience in DMA to help in evaluation of cable's local-market impact.

(5) Beginning next fall, there will be no limit on number of NSI reports in which a station can be reported, more effectively measuring impact of superstation's cable carriage. (6) County-by-county viewing study will include special cable-

viewing breakout. (7) DMA CATV Audience Distribution Report will be produced annually. (8) Growth of cable by DMA will be reported annually to help spot fast-growing cable areas. (9) Research to determine if current diary needs modification to properly measure channels available by cable.

FTC KID AD HEARINGS SET: Attempt last week to get FTC children's TV advertising hearings delayed failed, and Presiding Officer Morton Needleman issued list of 88 witnesses to testify Jan. 15-26 in San Francisco, beginning one of most extensive hearings on TV advertising ever.

Needleman refused requests by industry lawyers to delay hearings for several months. Industry representatives argued record is so extensive—one industry lawyer recently moved 2nd 8-ft. bookcase into office just to hold filings—that it's almost impossible simply to read everything by Jan. hearing.

List of witnesses outlines what looks like a battle in San Francisco between Consumers Union—which has dozen witnesses testifying and filed most voluminous brief of restriction advocates—and cereal manufacturers, who will have 5 representatives. First day of hearing could be hottest, with Kellogg Co. sending its big gun, explosive San Francisco lawyer Frederick Furth. Consumers Union that day will have 3 representatives.

Only broadcasters testifying in San Francisco are Frank Philpot, KBHK-TV San Francisco, and Herman Land, INTV. NAB and others are expected to testify in Washington, beginning Jan. 29.

Petry TV rep firm is being purchased by senior executives from Pres. Martin Connelly and Exec. Vp Bob Muth (who remain as chmn. & vice chmn., respectively). In exchange, Connelly & Muth acquire independent WPTY-TV (Ch. 24 Memphis), plus \$1.6 million and Petry agreement to write-off \$226,470 in debts. Major stockholder of new group Art Scott becomes Petry pres., Dave Allen exec. vp, Ed Karlik senior vp, George Blinn vp in charge of sales (succeeding Scott) and Bill Schellenger senior vp-finance & administration.

"Somebody warned me that this would be a hostile audience," Nina Cornell, chief of FCC Office of Plans & Policy, told FCBA luncheon last week after the economist faced series of tough questions on advice she gives commissioners. She said everything OPP does or recommends eventually "sees the light of day... My office is not a secret wild card floating around... My concerns are no more different in public than in private... I'm as bound by the ex parte rules as everybody else is."

FCC WANTS MORE ON DROP-INS: "Your item, Wally [FCC Best. Bureau Chief Johnson], leaves a lot to be desired before a decision can be made"—Chmn. Ferris at last week's meeting just before Commission decision to conduct "terrain" studies before acting on 4 VHF drop-ins (Vol. 18:51 p1).

Best. Bureau argued strongly that all 4 be denied on grounds drop-ins would hurt UHF and cause considerable interference in all proposed markets except Salt Lake City. Just as strongly, Ferris, Washburn, Fogarty & Brown argued staff research didn't convince them there'd be any adverse impact. Noting mountainous terrain between Johnstown (where Ch. 8 is proposed) and Lancaster (which has Ch. 8 WGAL-TV), Washburn said: "You didn't go out there and measure on those mountains [for interference]. You haven't checked it. You relied on some computers in Boulder."

As consequence, Bureau—with input from gen. counsel, chief engineer & OPP—was ordered to come back in mid-Jan. with proposal to make such field measurements in Ch. 8 fringe areas and to consider impact of home directional antennas in reducing interference. Gen. Counsel Robert Bruce expressed concern over possible court review in denying drop-ins since field measurements hadn't been made. OPP Chief Nina Cornell saw "serious problems" with Best. Bureau's claims of excessive interference to existing viewers.

During meeting, it became clear that Lee & Quello were against all drop-ins; Fogarty kept saying put them in "and let the marketplace decide." Other 4 commissioners didn't disclose how they would have voted last week. Lee asked: "Why do people want these bob-tailed V's? . . . They'll get stations, lose money, then come back to the FCC for help." Quello said resorting to drop-ins would cause "drastic change" in FCC allocations table, result in U.S. ending up with 90 good VHF stations, 180 inferior ones.

When staff comes back with new proposal, Brown told it not to focus only on 4 markets, but to work with OPP on proposed study of impact on UHF overall. Also, OPP is expected to have proposed outside research contract to study Pa. terrain shielding and directional antennas ready for consideration.

Black group, led by construction exec. Burrell Hasebrig, is seeking Johnstown drop-in. He was present at meeting last week, told us later: "We're not quitting. We'll keep trying until we get a complete and total turndown" by Supreme Court.

* * * *

In AM clear channel case, FCC approved new rulemaking—as predicted (Vol. 18:51 p1)—to breakdown remaining 12 Class 1-A clears at night and to add additional nighttime service on other 12 clear channels which were duplicated in 1961, but by only one other station. Staff estimated proposal will add 120-125 new nighttime stations. At same time, FCC denied request of existing clear channel stations to increase power above 50 kw.

Under new criteria, applicants for new stations on clear channels would have to meet 3 tests: (1)

First primary service for 25% of area; (2) if 2nd service, no FM allocation available; (3) at least 20% of service area receives no more than one local service and no FM available.

Commission stressed that a major reason for breakdown is to provide boost in minority ownership, said it would "give attentive consideration to . . . waiver requests by minority applicants." Comments are due April 9; replies May 9.

While stressing that it wasn't establishing precedent or general policy, FCC last week approved reimbursement of about \$150,000 to Citizens' Communications Center for expenses incurred in 6 FCC cases. In past, Commission had refused to approve or disapprove agreements, and money had been held in escrow since Citizens' reimbursement was conditioned on approval by agency. FCC said it will continue to consider such agreements on ad hoc basis. Comr. Quello "reluctantly concurred," said question of reimbursements should be considered in "comprehensive rulemaking." He also questioned "the propriety and legality of reimbursing legal expenses for longtime adversary activist groups who . . . use legal processes to promulgate their own private, self-serving version of public interest."

FCC Chmn. Ferris has instructed staff to present—by Jan. 12—comprehensive radio deregulation proposals that FCC can accomplish without awaiting congressional legislation. He said many regulations currently on books could be abolished immediately, others could be modified through rulemaking. He also told staff to provide supporting and economic analysis for proposals, told us Comr. Brown made "significant contribution" in recent Cal. speech on deregulation (Vol. 18:50 p5)—although he didn't specifically endorse any of Brown's proposals.

New satellite service for stations in Hawaii is provided by Satellink, whose Pres. Robert Wold estimates it will save stations some \$700,000 a year compared with present Hawaiian Telephone satellite service. He said each station has guaranteed using 333 hours a year. KGMB-TV, KHON-TV & KITV will use system for daily network news feeds, football, etc.

WBOC-TV Salisbury, Md. will get opportunity to dispute findings of FCC Cable Bureau that carriage of Philadelphia station signals by Del. cable systems would have negligible impact on station. A Del. citizens group had asked for reconsideration of earlier decision waiving distant-signal rules to some degree—for news, public affairs, etc. Group also had filed court appeal.

FCC is off this week, has only 4 meetings scheduled in Jan.—regular sessions 17th & 31st, special landmobile meeting 23rd, on common carriers 25th. No Jan. special sessions currently are scheduled on broadcasting or cable. Several commissioners will attend Jan. 9 NARUC meeting in P.R.

Following states have taken over pole-attachment regulation, FCC reports: Alaska, Cal., Conn., Fla., Ill., Ind., La., Mass., N.J., N.Y., O., Pa., P.R., Vt., Wis.

ALL-UHF NOW—McMANN: "Perhaps now is the time to move all TV to UHF," speculates Renville McMann. "Many things which were tried in the 1960s and were not successful could be done today. Now we could do what was done in England—just have a deadline by which all stations would have to switch." This was probably most startling point made in recent interview with McMann, who as pres. of Thomson-CSF Labs and its predecessor CBS Labs, recently accepted 3rd engineering Emmy, for digital noise reducer. Previous ones were for Microcam and automatic color corrector.

As to move to all-UHF, with obvious advantages of more plentiful spectrum space, McMann sees process made far easier by increasing use of frequency synthesizers in TV receivers for tuning precision. Added advantage of move to UHF could be ghost-elimination through use of circularly polarized receiving antennas; such antennas would be too big to be practical on VHF Ch. 2-6.

Move to UHF with its greater available spectrum space would make possible doubling horizontal & vertical TV resolution and going to widescreen TV. However, McMann puts this only in realm of "technical possibility." He adds: "We've had 37 years of standards for the current system, and they're now too well entrenched. Investment in current equipment & programs is phenomenal. In the next 20 years, I predict no change in TV standards. I don't know of anybody left with the kind of courage to do that—there are very few Sarnoffs left in the world."

He conceded that high-resolution or widescreen TV could be adopted "as an oddball thing" on cable. In general, said McMann, "looking into the future is becoming more difficult. Most of the things we have today we could see 10 years ago. Five years ago, I was sure we'd have CCD color cameras in 1978; now I'm not sure it will be before 1983. I think we'll mainly see refinements of things we now have. More things will go digital, but probably not consumer products." McMann doesn't see overwhelming near-term success for digital VTRs. "Their major advantage is in editing. For stations, they pose an economic problem. Getting broadcasters to retire their new 1" recorders for a very small improvement in performance will be a problem. It's going to be difficult to convince accounting departments."

One of big strides in next 10 years, according to McMann, probably will be "alternate means of signal distribution—satellite & cable." He forecasts continuing reductions in cost of earth terminals and elimination of network land lines. Direct satellite-to-home broadcasting "is a hot political issue and probably won't happen for that reason."

In receiver design, he sees more improvement through various methods of signal processing. Sets of near future may have built-in digital noise reducers and electronic ghost eliminators (these being alternatives to circular polarization). Stereo sound for TV? "I'd just have to say 'why not,'" although many shows wouldn't gain anything from stereo. As to teletext and viewdata—"the possibilities are endless and the networks are expressing interest."

As to near-term future of ENG, he doesn't see

cameras getting appreciably smaller ("some people claim the Microcam is already too light"). Next step probably will be lighter recorders, including switch from U-Matic types to Beta and VHS 1/2" recorders, along with new generation of very small microwave equipment (such as TCSF's Micro-Link) which will eliminate wires and make news coverage easier. Although networks in past have led way in ENG, he says they're now treading carefully on issue of one-man crew, which can be made possible by reduction in equipment size. Some smaller stations already are operating with one-man crews, and they may now take over lead in ENG operations.

Focus of Microcam is now also moving from networks to stations. TCSF is producing 10-25 monthly in U.S.; Sony is making one-piece version in Japan. McMann said TCSF will continue to make 2-piece unit, may add single-piece version, either building it here or offering Sony's. Because of yen-dollar relationships, "it now costs less to make here than in Japan."

TCSF's major current project now is developing future generations of digital noise reducer, including combinations with special-effects generators, he said. Another TCSF project, "STRAP," jointly developed with CBS, which makes possible transmission of 2 TV programs in space of one by interlacing alternative fields and using storage, is helping make possible freedom of TV program choice in Alaska, McMann said. Alaska is fed TV from single satellite transponder; RCA recently got patent on system doubling capacity of satellite transponder by shifting frequencies of parts of signal to prevent interference, has now quadrupled it by using STRAP, supplying 3 commercial networks and PBS to Alaskans, who formerly were fed only single simultaneous TV signal.

In what FCC called "a major deregulatory move"—and one ardently sought by radio stations—Commission last week eliminated 3rd-class operator license examinations, effective Feb. 9. In future, anyone holding any class of commercial radio operator license will be permitted to perform "routine technical operations" at all FM's and all but highly directionalized AM's.

Temporary license, 90 days, has been granted Digital Communications and subsidiary ASN Inc. to feed to cable systems signals of WGN-TV Chicago, KTTV L.A., WOR-TV N.Y. and a movie pay channel. In addition, company is "planning for C-SPAN, religious programs and a full FM-AM package." Pres. is Michael Paolini, mktg. dir. is Frank Merklein.

John Blair & Co. is acquiring educational KOKH-TV Oklahoma City from school board for \$3.5 million. Station operates on commercial Ch. 25, had been purchased from bankrupt commercial operator. Broker Dan Haysleet & Assoc.

Cable economic inquiry and related issues, such as syndicated exclusivity, are under intense study at FCC, and current expectation is that subject will be ripe for Commission consideration in Feb.

HBO added 40 new cable affiliates in Nov. They serve 135,000 subscribers, pass 318,000 homes.

Personals

Roger Colloff, asst. to secy. of Dept. of Energy, returns to CBS Jan. 29 as vp-asst. to News Exec. Vp William Leonard; Colloff formerly worked for Leonard when latter was head of CBS Washington corp. office... Vera Mayer promoted to vp-information & archives, NBC; Arthur White to dir.-advertising operations... Christine Warshaw advanced to dir.-business affairs, ABC-TV West Coast.

Multimedia Pres. Wilson Wearn also named chief exec. officer, succeeding J. Kelly Sisk, who continues as chmn... Spencer Koch appointed national sales mgr., WAGA-TV Atlanta; Gene Adams promoted to chief engineer... Cliff Curley, ex-KDKA-TV Pittsburgh, named program dir., WRC-TV Washington... George Brandt advanced to business mgr., KBHK-TV San Francisco.

Ralph Baruch advances to chmn. & chief exec. officer of Viacom, succeeded as pres. by Terrence Elkes; Peter Dunne, ex-NBC, ABC & Lorimar, named vp, programming, network... Richard Marsh promoted to dir.-TV operations, Robert Wold Co... Gordon Hastings, vp-new business development, elected a dir. Katz Agency.

Marya McLaughlin, CBS News, Susan Mathis, Cox Bestg., and Robert Berkowitz, AP Radio, elected to board of Congressional Radio-TV Correspondents Assn.; Phil Jones, CBS News, named chmn... Joe Canty, ex-Top Market TV, appointed national sales mgr., WFSB-TV Hartford... Lawrence Herbster, ex-Time-Life Cable Communications, appointed business affairs dir., WDVM-TV Washington... Carol Katz promoted to asst. gen. attorney, NBC, specializing in regulatory law.

Willard Rowland, U. of Ill. prof., returns to PBS as chief of task force on long-range planning; Gail Crotts, member of FCC children's inquiry staff, joins PBS task force... Richard Wycoff moves from NAB legal dept. to govt. relations, will concentrate on FCC, where he formerly worked... Pamela Richard, ex-National Council of Churches, appointed news editor, FTC Public Information Office; William Baer, ex-legal asst. to FTC Chmn. Michael Pertschuk, named acting asst. gen. counsel for legislation.

Kenneth Wyman appointed dir. general of telecommunications, CRTC, succeeding Jean Baby, now vp-administration, Telesat Canada; Michael Aspin promoted to dir. general-broadcast programs, replacing Peter McDonald, now CRTC regional dir.-western provinces; Jean-Pierre Fournier appointed CRTC PR dir.

Wynn Nathan promoted to vp-TV operations, Time-Life TV... John Kelley advanced to vp-eastern div., Worldvision... Katz Radio Pres. Sal Agovino named to RAB board.

New TIO members: WDVM-TV Washington, WBTV Denver, WCIV Charleston, S.C., WSET-TV Lynchburg, Va., KGBT-TV Harlingen, Tex., KTVI Sioux City, Ch. 9 Perth, Australia, WINK-TV Ft. Meyer, Fla., KWTW Oklahoma City, WPRI-TV Providence, WJRT-TV Flint, WTEN Albany, KING-TV Seattle, KREM-TV Spokane, KGW-TV Portland, Ore., WGAN-TV Portland, Me., KLAS-TV Las Vegas, KTVV Austin, WCCO-TV Minneapolis.

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

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JAPAN REPRESENTATIVE (Editorial & Business)

John H. Nakamura

13-3-1001 Roppongi 5-chome
Minato-ku, Tokyo 106, Japan
Phone: 03-583-7493

AT&T's proposed new TV networking rates were again rejected as FCC denied reconsideration. Basically, AT&T proposed to increase rates for part-time users, leave full-time users (major networks) unchanged. Commission ordered phone company to file new rates. Comr. Fogarty dissented, would have ordered hearing rather than giving AT&T "second bite of the apple."

Scientific-Atlanta receives \$10.5 million contract to build 1,800-mile cable system for ATC in Memphis. It will pass 275,000 homes, take 3 years to build. Jerrold reports \$5.1 million contract to build first 1,000 miles of system for Atlantic Cable TV Service Corp. in Nassau, Suffolk & Westchester counties, N.Y., and Bergen County, N.J.

TV Critics Assn. received \$20,000 grant from Markle Foundation for Jan. & June meetings. Both will be conducted at time of network press sessions on West Coast. About half of critics accept free transportation, lodging and other expenses from networks. First session will be devoted entirely to public broadcasting.

Oklahoma courts will experiment for a year with allowing use of movie & still cameras and tape recorders in courtrooms, though with various restrictions, according to Ralph Hodges, chief justice of state Supreme Court. N.J. Supreme Court recently authorized one-day experiment with cameras & microphones in its chambers.

KYFC (Ch. 50) Kansas City, licensed to Kansas City Youth for Christ, was authorized by FCC to start Dec. 15—bringing total stations on air to 998 (724 commercial). Permittees not yet on air total 55 (41 commercial), while applications pending total 225 (191 commercial).

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 8 (49th week of 1978):

| | Dec. 2-8 | 1977 week | % change | Nov. 25- Dec. 1 | 1978 to date | 1977 to date | % change |
|-----------------------|-------------|--------------|-------------|--------------------|-----------------|-----------------|-------------|
| Total TV. | 367,918 | 351,356 | +4.7 | 429,036 | 15,262,173 | 13,796,124 | +10.6 |
| color | 230,851* | 225,198 | +2.5 | 241,074 | 9,607,895** | 8,496,042 | +13.1 |
| monochrome . . . | 137,067 | 126,158 | +8.6 | 187,962 | 5,654,278 | 5,300,082 | +6.7 |
| Home VCR | 11,876 | — | — | 10,268 | 371,258 | — | — |
| Total radio | 722,283 | 1,023,132 | -29.4 | 983,551 | 43,348,504 | 51,974,971 | -16.6 |
| home, portable . | 440,897 | 736,424 | -40.1 | 685,191 | 31,277,781 | 39,934,212 | -21.7 |
| AM-only | 171,034 | 237,123 | -27.9 | 169,997 | 7,450,687 | 10,203,291 | -27.0 |
| FM & FM-AM . | 269,863 | 499,301 | -46.0 | 515,194 | 23,827,094 | 29,730,921 | -19.9 |
| auto | 281,386 | 286,708 | -1.9 | 298,360 | 12,070,723 | 12,040,759 | +0.2 |

Color TV 5-week moving average: 1978—236,599*; 1977—220,468 (up 7.3%).

*Record for week. **Record year.

TV MAKERS FORECAST 9% DIP IN '79 SALES: Second best year in history for color TV with sales of 9.3 million units, home VCR sales of 550,000, little change in import picture and continuation of most of 1978's problems are forecast for 1979 by domestic & foreign TV manufacturers in our annual year-end forecast-survey. The 14 TV manufacturers participating in survey yield these numerical forecasts of new year's prospects, as compared with estimated 1978 results:

| | 1979 (forecast) | 1978 (est.) | 1979 vs. 1978 | 1977 | 1978 vs. 1977 |
|----------------------|--------------------|----------------|------------------|------------|------------------|
| Total TV. | 14,800,000 | 16,250,000 | -8.9% | 14,771,017 | +10.0% |
| color | 9,300,000 | 10,250,000 | -9.3% | 9,108,826 | +12.6% |
| monochrome | 5,500,000 | 6,000,000 | -8.3% | 5,664,191 | +5.9% |
| Home VCR | 550,000 | 400,000 | +37.5% | 150,000(e) | +66.7% |

TV predictions call for mild decline—around 9% for both color & total. Color forecasts range 8.5-10 million, all predictions being below 1978 results. B&w ran 4.8-6.3 million. Manufacturers were unanimous in predicting further price increases in 1979—but on same inch-by-inch pattern as 1978, median forecast indicating annual increase of 3%.

Manufacturers cumulatively forecast some drop in color TV (complete-set) imports, from 26% of total market this year (2.7 million sets) to 24% (2.2 million), but it was hardly unanimous—nearly 40% saw imports staying same or increasing as percentage of total.

In VCR—once burned, twice shy. Comparatively modest increase from this year's estimated 400,000 sales is predicted—550,000. Last year, manufacturers forecast median 487,500 sales for this year. In 1979 survey, more than 20% of respondents surprisingly predicted decline from 1978 in unit VCR deck sales. Forecasts of sales ranged to 700,000, below last year's forecast ceiling of 750,000.

Nearly 70% of respondents saw VCR price increases for 1979. Forecasts of total home VCR industry factory sales—decks, blank & recorded cassettes, cameras & accessories—came to median of 700,000, indicating it could well be bigger than monochrome TV or home radio business next year. As to videodisc, more than 80% thought it would have no adverse impact

on VCR sales—although some qualified their answers by adding "this year."

There's still widespread confusion about size of projection TV market, unit sales forecasts running 40,000-150,000 (with median of 95,000). What percentage of these will be priced over \$2,000? Anywhere from 30% to 90% (median 70%).

There's no strong consensus on industry economics for 1979, but optimists outweigh pessimists. About 42% see total consumer electronics sales increasing over 1978, some 33% think they'll stay same, 25% predicting drop. Increase in profits is seen by 45%, no change by 18%, dip by 31%.

Problems facing industry next year? Lots of them. These were cited specifically when we asked for "challenge of 1979": Making a profit (cited by 53%); inflation (47%); quotas, exchange rates, other import problems (33%); technical advances & innovation (27%), possibility of recession (20%), govt. controls (13%), confusion at retail over new products (13%).

How did industry do last year in its forecast? It predicted decline in both color & monochrome sales—to 8.8 & 5.3 million respectively—only 2 respondents predicting increase in color, one in monochrome, in what turned out to be color's record year, b&w's best of last 5 years.

TV QUOTA TALKS FACE JAN. 1 DEADLINE: U.S.-China policy flip-flop, officially making Taiwan a non-country Jan. 1 (Vol. 18:51 p10), puts new urgency into final U.S.-Taiwan TV quota talks which resume in Washington Dec. 27. Agreement could fall apart if not signed off by year's end. Same date was on minds of Japanese TV importers, who were scheduled to make initial dumping duty payments—but Treasury once again issued 11th-hour reprieve in form of 30-day extension.

Deluge of reassuring statements came from U.S. & Taiwan govt. & business leaders last week, designed to calm fears that diplomatic recognition switch might jeopardize U.S. investment & trade ties with Taiwan. Anti-American resentment on Taiwan has already eased off, though some U.S. executives there still are traveling with beefed-up staffs of bodyguards. Indications are that U.S.-Taiwan relations were settling into mold adopted by Taiwan & Japan when Japan chose to recognize mainland China. They have unofficial missions staffed by on-loan govt. personnel serving diplomatic-trade representatives in everything but title & legal status.

Quota problem stems from fact U.S. can't negotiate with country it doesn't recognize. Taiwan has agreed informally to limit complete color exports to U.S. to 350-370,000 annually starting Feb. 1, and talks this week are to set quota for incomplete sets. Taiwan supplied about 800,000 incompletes this year, and quota proposals are in 250-500,000 range. If Orderly Marketing Agreement (official name for voluntary export quota) isn't signed before Jan. 1, talks will have to break off. Resumption would have to be through new private corporation Congress is being asked to set up to handle U.S.-Taiwan relations. But considering flak that recognition of China is drawing from Hill, it's likely to be months before organization is functioning.

Korea can't be expected to go along with quota if Taiwan isn't locked in. Korean agreement to limit annual complete color exports to U.S. to 350,000 yearly is dependent on sealing quotas for both complete & incomplete color from Taiwan. There's no doubt both Taiwan & Korea would behave themselves with respect to size of export shipments, if delay in signing becomes necessary. But any significant change in color TV import trade patterns, snags at world trade talks in Geneva, or rising protectionist sentiment in Congress could force agreements to be renegotiated.

Postponement of dumping-duty payment deadline is 2nd issued by Treasury. Original payment date was Nov. 27 (Vol. 18:48 p7). Treasury is risking ire of congressmen who have been pushing for quick administrative wrap-up of TV dumping case. New payment date comes after new Congress convenes, and Treasury may well be called to explain delay before Rep. Vanick's (D-O.) Trade Subcommittee.

Reason for postponement may be to bring payment date into line with time Customs will rule on importers' assessment protests. Importers have until Jan. 15 to supply Customs with data supporting protests of individual dumping levies. Levies have cumulative value of about

\$46 million, covering Japanese sets brought in before July 1973. Importers can't bring cases to Customs Court unless they have paid duties and have had protests rejected. Company which is forced to pay, but is prevented from going to Customs Court for relief, might be able to get federal district court to accept jurisdiction in case on hardship grounds. Court then would probably issue injunction to keep Customs from collecting any more of estimated \$600 million in dumping duties owed until case is resolved. Assessments for imports from July 1973 through Dec. 1974 are currently being mailed by Customs.

* * * *

Japanese exported 202,200 TVs to U.S. in Nov. down 24.3% from Nov. 1977, Finance Ministry reports. Color shipments were down 38.9% to 85,100, b&w off 8.3% to 117,100. VCR exports at 58,700 were 2nd highest of year, 3rd highest ever, but were down 2.8% from same month last year. CB exports were off 72.2% to 54,500. Totals for first 11 months: Total TV 3.62 million, up 2.7%; color 2.05 million, up 1.6%; b&w 1.58 million, up 4.6%; VCR 498,000, up 76.6%; CB 2.02 million, down 66.2%.

ADMIRAL MEXICO SOLD: Continuing phaseout of consumer electronics operations, Rockwell sold Admiral de Mexico to local business group there for undisclosed sum. Move follows by 3 weeks sale of Admiral's Taiwan TV plant to group of Hong Kong-based investors (Vol. 18:49 p7), and hints that Rockwell's last connection with TV business, Canadian Admiral, may be on way out as well.

Sold to Grupo Industrial Alfa was Admiral's 100,500-sq.-ft. Mexico City color, b&w, TV parts & stereo manufacturing facility along with consumer electronics brand rights for Mexico and certain Caribbean & Central American countries. Rockwell retains Admiral name for appliances. Purchase gives Alfa control of Mexico's 2 biggest domestically made consumer electronics brands. Other is Philco. Alfa acquired Philco manufacturing & marketing operations from Ford in 1976 (Vol. 16:26 p10). Admiral sales in Mexico ran about \$17 million annually, including appliances imported from U.S. Philco's sales were at \$50-million level when it was acquired. Best-selling color TV in Mexico, however, is Sony—all smuggled in.

In related move, Hitachi said it's negotiating sale of color TV technology to Alfa. Alfa was seeking aid for Philco, now could use help with Admiral operation as well. Hitachi has color licensing agreement with Philco of Brazil, still a subsidiary of Ford. Alfa-Hitachi deal is subject to Mexican govt. approval, considered reasonably certain to come despite fact Hitachi owns 30% of Television del Distrito Federal, a competing color producer.

Alfa is Mexico's biggest non-govt. conglomerate, has assets of more than \$1 billion, 24,000 employees. It earned about \$620 million last year, had budgeted \$160 million for expansion in Mexico in 1978. It's understood Alfa has begun eyeing export opportunities, and official Mexican sources told us shipment of b&w TV to U.S. is among possibilities.

Latest named as defendants in video game patent infringement suits brought by Magnavox are Bally, Fairchild and retailers Montgomery Ward & Sears. Magnavox has similar suits pending against 11 other companies, including Midway Mfg., a Bally subsidiary.

Infighting between ISCET & rival newcomer Electronics Technicians Assn. (Vol. 18:49 p11) is growing bitter. Organization calling itself ISCET Inc. Board of Directors met earlier this month, issued press release announcing affiliation with ETA and urging technicians to support ETA. But ISCET, still affiliated with NESDA, issued counter-release denouncing misuse of its letterhead. Forest Belt, appointed ISCET acting chmn. by NESDA, brought up possibility of legal action. Meanwhile, Jesse Leach, elected ISCET chmn. but fired by NESDA and now temporary chmn. of ETA, claims ETA has picked up 500 members in its first month.

Home appliance programmer will be offered by Consumer Electronics Products Corp., Canoga Park, Cal. Cepco plans to introduce remote-control system "within 3 months," according to Pres. Paul Belcher. He says unit differs from recently introduced BSR MPU remote system (Vol. 18:39 p13) by allowing for both normal & remote use of appliance hooked up to system. Each transmitter unit can control up to 3 receivers through AC power lines. Set of transmitter & 3 receivers will retail in \$90 range.

Matsushita will build color TV parts plant in Malaysia next year to manufacture coils, transformers & other TV components, as well as tape heads, output slated to start in Sept. . . Sony's first overseas VTR plant is set for Brazil. New firm, Sony Videobras, will be operated as joint venture with Motoradio as local partner. SV will be capitalized at \$7 million, have capacity for 1,000 commercial VTRs annually when it opens in spring 1980. Output will be sold throughout Latin America.

Name changes: American Radio Corp. is new name for Teaberry Electronics. ARC's new Stalker Communications Div. will handle marketing of Stalker brand CBs & radar detectors, while Teaberry Electronics Div. will be responsible for service, engineering & R&D. . . NEWCOM, formerly May Parts Show, becomes Electronic Distribution Show when 1979 event opens May 1 in Las Vegas.

Sony names McCann-Erickson to replace Doyle Dane Bernbach on \$12-million Consumer Products Co. account.

SWEEPING UHF PROBES: FCC last week announced wide-ranging inquiries into UHF in particular and receiver design in general as we forecast in Oct. (Vol. 18:40 p7). Most actions were routine in short meeting which tied up loose ends of UHF matters.

Most far-reaching action is establishment of UHF Comparability Task Force and start of "inquiry to analyze the many possibilities for improved UHF TV service." Task force will issue periodic reports and invite comments, is charged with making recommendations within 2 years. Commission said action was based on assumption that viewers consider UHF technically inferior to VHF.

Among first questions to be posed by FCC: How much would consumers be willing to pay for UHF-VHF technical equality? Can consumers adjust their sets properly? Is understandable installation & adjustment information available? Do tuning formats (2-dial, pushbuttons, random-access) affect viewer choice of UHF or VHF? Effects of CATV. Would mandated quality labels on sets, antennas & lead-in help consumers? Future UHF uses expected.

Second aspect will deal with methods of improving reception, such as increased transmitter power & height, circular polarization, better receiving antennas, lower-cost lead-in. Commission also said it was "particularly interested" in knowing: (1) Whether upgraded UHF facilities would result in more ad revenues for stations. (2) If changes in transmitting locations could improve reception. (3) Difference in gain for UHF & VHF antennas packed with TV sets. (4) Receiver gain & other guidelines to provide "adequate UHF reception for various environments."

In addition, FCC will conduct consumer survey to determine what public sees as UHF reception problems, along with technical study to evaluate UHF vs. VHF performance. Comments are due April 2.

Second inquiry looks toward improvement of TV receivers as well as transmission standards, asks: (1) Evaluation of design, benefits & cost efficiency of Texas Instruments' "ideal TV receiver." (2) Other potential improvements in TV set design. (3) Possible changes in transmitter standards and "coverage protection criteria." Comments are due July 1, replies Oct. 1.

At same meeting, FCC turned down EIA Consumer Electronics Group's request to delay scheduled reduction of maximum UHF noise figure from present 18 dB to 14 dB in most new sets Oct. 1, 1979 and to 12 dB beginning Oct. 1, 1982 (Vol. 18:37 p10). CEG's argument that standard measurement technique should be developed first was overruled by Commission, which said existing acceptable methods and additional method provided in recent FCC bulletin were adequate. As to argument that 12-dB limit was impossible to meet, FCC said 1982 deadline gave sufficient lead time to develop technology.

Commission also terminated 1977 inquiry into whether UHF channel-number markings are clear enough (Vol. 17:13, p12) because this week's inquiries cover same ground.

ATLANTA AFTERMATH: Videodisc demonstrations & order-taking continued last week in 3 Atlanta stores following immediate sellout of Magnavision optical players and most discs on Dec. 15 marketing premiere (Vol. 18:51 p8). All 3 dealers professed extreme satisfaction and were hopeful of receiving more players before year's end, followed by increasing shipments in Jan. & Feb. And dealers were taking advance orders against anticipated first-quarter supplies.

There are indications that Magnavox expects to increase delivery quantities substantially in first quarter and possibly fan out to other markets as early as March. Some 38 players actually changed hands Dec. 15-24 sold by Rich's dept. store, 10 by Allen & Bean, 4 by McDonald's. MCA last week was still trying to tally how many discs were sold, but estimated that 15 albums were bought for every player either bought or ordered. New discs will be shipped to Atlanta as produced. Officials of the 3 stores couldn't estimate how many players were sold to industry members and how many to actual consumers, but many out-of-towners were identified in Atlanta and were still there placing orders last week.

New folk hero of consumer electronics is Andy Cork, 18-year-old Atlanta grocery clerk who camped out all night Dec. 14 in front of Rich's, became first consumer to own optical videodisc player. Dealers' salesmen reported unusual offers from prospective customers—presumably from industry. One said he was offered \$100 for list of names of customers who had bought players. Another was offered \$2,500 for player itself.

Rich's Joseph Marcus says he's looking for next batch of players "any time," that success of initial efforts "surprised everybody." He predicted videodisc would "revitalize the record business." Allen & Bean's Jack Rigby said his store had sold out its Jan. allocation of approximately 75, was almost sold out of some 150 promised in Feb. He added that "60-70% of the players were sold to people who already own VCRs." McDonald's Charles Parker said "We're taking orders for [player] deliveries until March 15—at least 100 have been paid for." He said disc display which holds 100 was emptied 3 times—large number of programs, considering only 4 players changed hands in store. Ads in Atlanta papers noted that players were sold out, but invited readers to "come in for a demonstration." They did.

There were very strong indications that Philips, Magnavox & MCA would have preferred to inaugurate marketing some time next spring when there could be meaningful supply of players. Magnavox obviously was determined not to postpone debut into another year after previous postponements already had strained its credibility. One close to situation commented: "It was just a quirk of the calendar. If the introduction had been planned for April, nobody would have blinked an eye at a one-month postponement. But any delay from Dec. would have pushed everything into 1979!"

Electronics parts orders' dollar value is up 17.1% over 1977 through Nov. 17, EIA reports.

NEW VCRs AT CES: Latest VCRs & accessories could steal show at Winter CES in Las Vegas Jan. 6-9. Toshiba will introduce programmable VCR, battery portable with optional tuner-timer, new low-priced color camera. Hitachi will demonstrate 3 new VCRs including portable, and Panasonic will introduce its portable officially. Here's update of growing list of VCRs & other products making initial appearance at Las Vegas:

Toshiba programmable (Beta) VCR can be set to record up to 3 different programs per week. Unit features tape sensor which indicates amount of tape remaining, using 4-stage color bar appearing on TV screen, LCD time display, auto program locator, has \$1,300 price tag. Portable VCR weighs 17-1/2 lbs., can be operated while user is in motion, is \$1,300; optional unpriced tuner-timer module, is expected to be under \$500. Color camera, \$900, has audio playback feature. Current Toshiba home Beta VCR is up \$100 to \$1,100.

Hitachi will have one new VCR on show floor, featuring 3 motors, electronic timer, freeze-frame, slow motion, fast forward. Hitachi is looking for dealer feedback on prototype VCRs to be shown in suite. One is similar to floor model but with remote, other is 16-lb. battery portable. Price of model at show will be about \$1,200.

Panasonic battery portable VCR is consumer version of institutional model introduced earlier this year (Vol. 18:40 p10). Parent Matsushita is holding special "Press Conference of the Future" to demonstrate products previously shown at 60th anniversary display in Japan (Vol. 18:41 p12), including combination TV-printer which can deliver texts of broadcasts; high-definition TV with depth illusion; TV which user can draw on with electronic light pen.

JVC will introduce video varactor tuner-timer accessory for portable VCR, \$400. Other new JVC products include 2" b&w mini-combo "Twinch" scheduled for Jan. delivery at \$400, & radio-cassette minicorder, 8-1/2"x4"x1-1/2", \$230.

Sanyo metal-tape decks debut at CES, along with company's new car stereo line (Vol. 18:49 p10). Cassette decks have 3 heads, use sendust head material, are \$400 & \$500. Car stereo line features 4 FM-AM radio-cassette players capable of handling metal tape, \$220-\$390; two 8-track players, 4 amplifiers, 2 equalizers, 4 speakers. New Sanyo digital clock-calculator-radio is \$120.

TEAC will introduce first sound-on-sound recording-mixing cassette deck. "Syncaset" system can record on one channel while other is being played back, conforms to Philips specs, is scheduled for April delivery at \$450. TEAC doesn't have metal tape deck, but is working to introduce product later in 1979.

Micro audio component company Randix is adding cassette deck to its unique vertical micro-component system. Made for Randix by TEAC, \$200 deck is only 5-1/2"x10"x5". Randix also will show 3 micro receivers, \$150-\$300, including clock, digital readout. Randix plans to add 50-watt power

amp to micro-component line by June. Grundig is showing 35-watt \$178 car stereo amp and \$204 pre-amp at CES. New products from National Semiconductor include credit-card sized calculator with stopwatch & alarm and QuizKid spelling game with 99-word vocabulary. BASF will show new line of Betamax & VHS chrome videocassettes, claims superior performance over ferric oxide.

Interstate Industries, best known as OEM compact & console stereo producer, is expanding own-brand activities. Firm will have 3 CES exhibits for Concert Hall audio equipment, Tiger electronic games & Sound Stack component furniture.

* * * *

Sylvania adds 5 TVs to line—25" color console, (down \$20 from previous leader); 2 stepups at \$600; 19" color portable, \$400; 19" b&w \$145. New Sylvania VCR has on-off timer at \$1,075. Color camera is \$850. In audio, 2 new 4-channel compacts with turntables, 8-track players and speakers are \$270 & \$350.

Sharp will be showing computerized microwave oven using cards with magnetic stripe to control cooking times for various foods. Unit comes with pre-programmed cards as well as blanks which consumers can program. In Japan, Sharp showed complete electric range-MW oven combination with same programming feature, said production for export to U.S. would start in July.

ITC TO PROBE ICs: International Trade Commission last week voted to launch 9-month fact-finding probe into state of IC manufacturing industry worldwide. Purpose is to assess competitive position of domestic producers in world markets.

Emphasis will be on impact non-tariff barriers and govt. policies are having on industry development. U.S. import-export regulations will be studied, as well as probable effects of govt.-sponsored IC development efforts in France, Japan & U.K.

Investigation, slated for completion Sept. 30, was requested by Sens. Ribicoff (D-Conn.) & Stevenson (D-Ill.), who chair subcommittees on International Trade and Science, Technology & Space, respectively. Their interest is result of intense lobbying over past year by U.S. IC producers, who've complained about being shut out of Japanese market. ITC staff, meanwhile, has wrapped up year-long study of telephone equipment market, and report is expected to be delivered to House Trade Subcommittee Chmn. Vanik (D-O.) in mid-Jan. Probe mainly covered switching & interconnect gear, didn't include dialers, answerers and similar gadgets. No decision has been made on making study public.

Westinghouse plans to sell flat-screen TV display development operation to Program Mgr. T. Peter Brody. Thin-film electroluminescent & liquid crystal displays have been in works for several years (Vol. 14:49 p12). Brody reportedly is in process of obtaining outside venture capital to set up new firm, Panelvision, to produce & market displays under Westinghouse license.

Consumer Electronics Personals

Joseph Lagore, Sony corp. vp, advanced at Sony Consumer Products from exec. vp to pres., succeeding Kenji Tamiya, who continues as corporate exec. vp. . . Toshihiko Yamashita, Matsushita Electric Industrial pres., has assumed post of Matsushita Electric of America pres., succeeding Akira Harada, who continues as MEI senior managing dir. responsible for overseas operations. Move reflects increased emphasis on expansion of U.S. manufacturing. . . J. J. McGovern, Montgomery Ward Hard Lines & Appliances Div. mdsg. mgr., and Robert Thompson, Sears Home Appliances Group head, named vps. . . Lin Oliver joins MCA Discovision as videodisc program dir.

Werner Wachowiak appointed Admiral private-label sales gen. asst. mgr., responsible for major account appliance sales as well as completion of commitment to private brand customers. . . Robert Pierce, one-time Zenith & Admiral, resigns as Garrard worldwide mktg. dir. to join Interstate Industries as mktg. vp. . . Ken Emmer, ex-Sharp audio products national mktg. mgr., joins Morse as national accounts mgr. . . Jerry Dellacqua, ex-Revere Copper, onetime Admiral, joins Electra (Bearcat scanners) as national accounts sales mgr. . . Mark Deneen, ex-Paragon Audio, appointed Audio Dynamics engineering mgr. . . Louis Nassy appointed engineering mgr., Sony Digital Audio Products Div.

James Davies advanced at RCA from licensing admin. dir. to licensing operations staff vp responsible for major technological projects. . . Clark Daugherty promoted at P. R. Mallory from pres. & chief operating officer to chmn.-chief exec., succeeding Charles Barnes, named exec. committee chmn.; Barnes replaces Joseph Riley, who continues as Radio Materials Div. chmn.

Edgar Gareau, Sylvania Canada Electronic Components & Systems gen. mgr., named vp. . . Essam Badavi advanced at National Semiconductor from European sales mgr. to managing dir. for Western Europe. . . Jean Ettor promoted by Texas Instruments France to Semiconductor Div. mktg. mgr. . . Kevin Finn promoted at TRW Semiconductors to gen. mgr., replacing Stanley Czerwinski, leaving to become pres. of L.A. rep firm Q. T. Wiles & Assoc. . . Mike Golanchinski, ex-Capitol Magnetics, appointed Maxell field mktg. coordinator; Steve Levine, ex-3rd Century Mktg., joins as midwest region mgr., succeeding Jack Pender, resigned. . . Joseph Dalfonso named Mallory Battery Group chmn.; Peter Viele advanced from Duracell Products Div. to group pres., succeeding Dalfonso; William Conlin, corporate financial vp, named pres. of Mallory Capacitor, replacing Wayne Etter, who held post on interim basis and continues as Components Group vp.

Microwave oven shipments by U.S. factories & importers rose 7% in Nov. to 279,800, raising 11-month total to 2.26 million, up 14.5%, AHAM reports. Full-period increase is 3rd highest in appliance industry this year, topped only by 40.1% rise for dehumidifiers and 23% gain for air conditioners, and is nearly double 7.6% gain showed for industry overall.

Financial Reports of TV-Electronics Companies

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

| Company & Period | Revenues | Net Earnings | Per Share |
|-----------------------------------|-------------------------|---------------|------------------|
| AEL Industries | | | |
| 1978-9 mo. to Nov. 24 | 43,473,000 | 1,447,000 | .80 |
| 1977-9 mo. to Nov. 25 | 33,673,000 | 878,000 | .50 ^a |
| 1978-qtr. to Nov. 24 | 15,632,000 | 454,000 | .25 |
| 1977-qtr. to Nov. 25 | 12,659,000 | 438,000 | .25 ^a |
| AT&T | | | |
| 1978-year to Nov. 30 ^b | 40,704,675,000 | 5,240,455,000 | 7.71 |
| 1977-year to Nov. 30 ^b | 36,049,503,000 | 4,405,107,000 | 6.78 |
| 1978-qtr. to Nov. 30 ^b | 10,562,041,000 | 1,355,579,000 | 1.97 |
| 1977-qtr. to Nov. 30 ^b | 9,411,561,000 | 1,148,181,000 | 1.74 |
| Electro Audio Dynamics | | | |
| 1978-qtr. to Oct. 28 | 17,680,000 ^c | 594,000 | .28 |
| 1977-qtr. to Oct. 29 | 16,980,000 ^c | 741,000 | .34 |
| General Instrument | | | |
| 1978-9 mo. to Nov. 26 | 397,182,100 | 25,045,137 | 3.11 |
| 1977-9 mo. to Nov. 27 | 378,190,392 | 18,911,562 | 2.36 |
| 1978-qtr. to Nov. 26 | 140,416,501 | 9,553,328 | 1.18 |
| 1977-qtr. to Nov. 27 | 130,946,572 | 7,150,040 | .90 |
| National Semiconductor | | | |
| 1978-28 wk. to Dec. 10 | 353,046,000 | 16,833,000 | 1.26 |
| 1977-28 wk. to Dec. 11 | 250,253,000 | 10,960,000 | .84 |
| 1978-12 wk. to Dec. 10 | 168,883,000 | 8,081,000 | .61 |
| 1977-12 wk. to Dec. 11 | 119,135,000 | 5,580,000 | .43 |
| Rust Craft Greeting Cards | | | |
| 1978-9 mo. to Nov. 26 | 81,137,000 | 3,328,000 | 1.44 |
| 1977-9 mo. to Nov. 27 | 70,188,000 | 2,292,000 | 1.00 |
| Sony^d | | | |
| 1978-year to Oct. 31 | 2,770,000,000 | 132,700,000 | .62 ^e |
| 1977-year to Oct. 31 | 2,620,000,000 | 179,200,000 | .83 ^e |
| 1978-qtr. to Oct. 31 | 746,100,000 | 20,000,000 | .09 ^e |
| 1977-qtr. to Oct. 31 | 710,400,000 | 31,700,000 | .15 ^e |

Notes: ^aAdjusted. ^bRestated. ^cFrom continuing operations. ^dAt yen's current rate. ^ePer ADR.

Inquiry notice for FCC's sweeping study of RF radiation problem and ways to resolve it (Vol. 18:47 p10) contains 63 specific questions covering 5 interest areas. Of questions, 16 each deal with equipment production & engineering issues, 14 cover consumer views, 9 deal with economics, 8 with govt. involvement. Included is copy of 1977 Canadian proposal to establish equipment interference rejection standards.

CB blues continue for Japanese manufacturers. Cybernet recently laid off large portion of remaining Japanese workforce, 2nd such cutback of year. Uniden says it's shifting much of design & engineering staff to Taiwan in cost-cutting move. Most of Uniden's CBs are actually produced in Taiwan & Korea.

Windert Watch is seeking \$4.2 million in damages in breach-of-contract suit against Litronix in L.A. Litronix is expected to countersue for \$122,000 it claims Windert owes on watch modules already delivered.

GE won't oppose Justice's turndown of planned joint U.S. TV manufacturing venture with Hitachi (Vol. 18:49 p8), officials indicated at meeting with N.Y. security analysts. GE indicated it was still considering technological tie-up with Hitachi.